

**The adoption of a SME dual market strategy  
and its influence on organisational culture:  
The case of employee motivation**

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## **Abstract**

Following a dual market strategy can lead to conflicts with regards to focus, process complexity or governance. Such conflicts are likely to be especially pronounced and difficult to solve in SMEs due to a limited workforce and employees having to work for both strategies. This may have an impact on their work motivation. Such influence of (a dual) market strategy on employee motivation is currently not well researched.

To advance our understanding of employee behaviour in a multi-strategy environment I performed an at-home ethnography (Alvesson, 2009) in a German SME that operates in the personal care industry with two competing market strategies – selective market/brand vs. mass-market/private label. As previous research indicated that organisational culture could be a potential bridging element between strategy and motivation I explored facets of that SME's organizational culture, which evolved as a consequence of adopting a dual market strategy. I further explored how this may influence work motivation of employees having to satisfy both strategies.

Data was formed through a qualitative approach using multiple methods including document and website analysis, observant participation, and in-depth interviews (in total 17) in the three departments of the organisation working concurrently for both strategies. That allowed in-depth understanding of work motivation against the backdrop of the two strategies and the thereto-related facets of organisational culture.

The findings of the research illustrate that the two competing market strategies have been translated into conflicting cultural values and that these impact on work motivation primarily via levels of value congruence leveraging the fulfilment of psychological needs. Impairment of the needs-related motivators due to the prevalence of one strategy and entailed imbalance of strategy associated values, cultural values, and employees' personal values, frustrates self-motivation to work and identification with the organisation – prestige-based pride being the root cause.

The research further suggests pleasure to work to associate market strategy with work motivation and organisational identification, depleting pleasure reducing both motivation and identification. The research moreover supports the view that culture is a dynamic element, which is hardly manageable and that employees show rather behavioural compliance to than genuine acceptance of changing cultural values (Ogbonna & Wilkinson, 2003).

Apart from detailing on these theoretical contributions the thesis concludes with managerial implications of the findings to create a frame for facilitating work motivation in a dual strategy environment.



## **Declaration of Original Content**

I declare that the content of this thesis is my own work except where indicated by specific reference in the text. Furthermore, I declare that this DBA thesis was carried out in accordance with the guidelines and regulations of the University of Gloucestershire. I affirm that this thesis has not been submitted as part of any other academic award or to any other educational institution in the United Kingdom or abroad.

All views and opinions expressed in this DBA thesis are without exception mine and not, in any way, those of the University of Gloucestershire.

Signed:

Date: 24. June 2018

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## List of Abbreviations

B2B	Business-to-Business
B2C	Business-to-Customer
CEO	Chief Executive Officer
CVF	Competing Values Framework
DACH	Germany (D) Austria (A) Switzerland (CH)
DBA	Doctorate of Business Administration
DM	Department Manager
GST	Goal Setting Theory
HR	Human Resources
HRM	Human Resource Management
JCM	Job Characteristics Model
JET	Job Enrichment Theory
MT	Marketing
MWS	Motivation at Work Scale
MWMS	Multidimensional Work Motivation Scale
OCP	Organizational Culture Profile
OCAI	Organizational Culture Assessment Instrument
P	Production
PLB	Private Label Brand
QC	Quality Control
QDA	Qualitative Data Analysis
R&D	Research & Development
RO	Research Objective
RQ	Research Question
SDT	Self Determination Theory
SKU	Stock Keeping Unit
SME	Small or Medium Sized Enterprise
VIE	Valance Instrumentality Expectancy Theory

# 1 Introduction

Following a dual market strategy, i.e. serving two separate trade channels, has been predicted to lead to conflicts with regards to inter alia focus, process complexity or governance (Alderson, 2009; Gomez-Arias & Bello-Acebron, 2008; Porter, 1996). Although larger organisations, in particular global players like Beiersdorf or Procter & Gamble, operate in different channels, they are generally able to address and attenuate the challenges through separate organisational structures, i.e. business units that develop and manufacture for and supply these trade channels. However, the conflicts might be more pronounced and more difficult to solve in SMEs, particularly in departments with a limited workforce, where conflicting foci, conflicting processes, or conflicting goals due conflicts of governance directly collide (Roitzsch, Hacker, Pietrzyk, & Debitz, 2012).

An interesting example of SME dual market strategy can be found in the German personal care industry, which is characterized by competing trade channels. A market segment comprising pharmacies and beauty professionals, like beauty salons, beauty spas, hotel spas that is called ‘professional’ or ‘selective’<sup>1</sup> cosmetics market segment, is set against a mass-market segment which again can be subdivided into a) the so called “Drogeriemarkt” which consists mainly of drugstores and drugstore chains comparable to Boots or Superdrug in the UK (without the dispensary section), b) perfumeries like Douglas, c) discounter/diskont stores/food retailers comparable to TESCO, Aldi, Lidl in the UK (IKW, 2017).

The selective cosmetics market segment is characterised by two common criteria. In the first place it covers cosmetic brand products that are sold selectively via authorized distributors. The brand owners authorize the distributors via so called distributor contracts on which the supply of goods and all other terms of cooperation are based. The second common criterion of the selective market segment is the offer of beauty treatments at the distributors’ points of sales, e.g.

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<sup>1</sup> terms according to [www.vke.de](http://www.vke.de); of the synonymous terms professional and selective the term selective will be used in the thesis

beauty salons, SPAs, day SPAs, and pharmacies with associated treatment rooms. While customers visit primarily for beauty treatments, the cosmetic products for their daily skin care routine are sold “out of the cabin” following a recommendation from the beautician. The principle “out of the cabin” is that during the cabin treatment the beautician has time to inform the customers about the products and the need of their skin and therewith to potentially convince them to buy the products they need for their daily skin care routine after the treatment is finished.

As it is the aim of those brands that supply the selective cosmetics market to offer the whole package, i.e. treatment products, a branded treatment, and end-consumer products, they generally offer their distributors additional goods and services apart from the cosmetic products sold to the end-consumer. Additional goods always comprise special packaging sizes of the products that are to be applied during a treatment. These may also comprise special utensils to be used during a beauty treatment, like bowls, towels, or hairbands. Services vary from education in skin care routines, in beauty treatments, or in massage techniques through detailed training on products, on ingredients, on product efficacy, or on product application to sales advice. Hence the selective cosmetics market segment is quite unique in the diversity of supply and thus very different from that of the mass-market retailers.

Apart from selling the products of the big brands, like Nivea or L’Oréal, the majority of the mass-market retailers also offer cosmetics under their own brand label as direct competing products to the mass-market brand products. These are the so-called house brands or private label brands (PLB), e.g. Balea at dm-drugstore, Rival de Loop and Isana at Rossmann, Terra Naturi and Cadea Vera at Müller, or Lacura and Biocura at Aldi<sup>2</sup>.

The mass-market retailers source the products with which they create their PLBs from several different cosmetics producers (PLB suppliers), the decision for a certain supplier being based mainly on price and service provided. The suppliers develop and produce following the retailers’ ideas, demands, and their standards

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<sup>2</sup> See homepages of the retailers: [www.dm.de](http://www.dm.de), [www.rossmann.de](http://www.rossmann.de), [www.mueller.de](http://www.mueller.de), [www.aldi.com](http://www.aldi.com)

with regards to ingredients, product types and packaging material and design. Thus, the retailers build their PLB brands combining a product mix from several producers under one brand name, in one overall design. The amount of different products supplied by one producer can differ from one to all products of a PLB.

Compared to the big national brands the PLBs differ mainly in price but not in consumer target group (Tynan & Drayton, 1987). Like the national brands they are perceived by the German consumer as brand products of high quality, hence their overall image is very good (Nielsen, 2011).

Whereas the PLBs that can be regarded to be mainly brand followers focus on time-to-market and price the selective cosmetics market focuses on innovation and uniqueness (KPMG, VKE, & IFH, 2014). Thus, the selective market is constituted of predominantly luxury brands, e.g. Biodroga, Maria Galland, Shiseido, addressing specific target groups determined e.g. by gender, age, life style, or attitude (Tynan & Drayton, 1987).

Since the year 2000 the mass-market segment is growing faster than the selective cosmetics market segment, 4.8% compared to 1.2% between 2000 and 2012. Further mass-market growth is expected while growth expectancies in the selective cosmetics segment are constantly not met since 2012 (KPMG et al., 2014; VKE, 2017). Therefore, not only the global players but also SMEs have attempted to move to a dual market strategy. This is supplying their own brand products as well as developing and supplying products for PLBs. These products are always customized to fit the demands of the PLB seller. Due to the price difference between luxury brand products and PLB products such products not only differ for example in packaging or sales support but also in composition e.g. choice and diversity of ingredients as well as amount of active ingredients.

Examples of SMEs that supply both markets, selective and mass-market, are primarily known to the industry insider as the manufacturing organisations cover up their business as mass-market suppliers to avoid disadvantages in their main target market i.e. beauty professionals. This is because the companies fear that customers who learn that 'their brand' also develops and produces PLB products might think

that the same products are sold under a PLB name for a fraction of the cost of the original brand products. One of the few examples from Germany that might be known to the public is Jean D'Arcel ([www.jda.com](http://www.jda.com)) that distributes the Jean D'Arcel brand products to the selective cosmetics market and produces PLB products for the cosmetic mass-market under the company name Carecos ([www.carecos.de](http://www.carecos.de)).

Although it might be anticipated that return on sales will grow due to the adoption of a dual market strategy, e.g. due to potentially better machine utilization, such approach bears challenges. This is mainly because following a dual market strategy requires an organisation to head towards contradictory aims simultaneously: being innovative while being productive and price-sensitive at the same time. Love (2001, p. 8) described such strategy as an attempt to unify two worlds that are “mutually exclusive”, and Roitzsch et al. (2012) predicted conflicts due to a competition for resources especially in SMEs where departments have a limited workforce with regards to headcount.

## **1.1 Evolution of the research topic**

As R&D director in an SME in the German personal care industry that adopted such a dual market-strategy in adding PLB manufacturing to the original brand strategy following an owner/manager decision about 20 years ago I had and have the opportunity to observe such predicted conflicts. Conflicts can be seen both with regards to allocation of resources (Gomez-Arias & Bello-Acebron, 2008; Love, 2001; Roitzsch et al., 2012) and with regards to a gradually growing influence of the PLB customers on the suppliers' internal processes (Alderson, 2009; Porter, 1996, 2008).

Against that background the current research topic originated from the managerial question of how to increase the performance of the R&D employees in respect of PLB product development. Performance in that case was the amount of laboratory batches prepared per day – a basic requirement for providing the mass-market retailers with the amount and variety of product samples within the stipulated timeframe. Despite all efforts to enhance that performance via adjustments in R&D laboratory organisation, e.g. changing the allocation of tasks, laboratory batches per



employee per day remained the same. – Changing the allocation of tasks can be explained as follows: The main tasks for producing a laboratory batch are weighing out of ingredients, mixing the ingredients, filling into different containers, and carrying out stability tests (putting into storage at different temperatures and evaluation after 3 months storage time). All tasks can be allocated to every person or grouped by task and person, e.g. one person does the mixing the other the weighing of ingredients.

At the same time another observation emerged. Work motivation in the R&D laboratory seemed to be negatively influenced with increasing importance of PLB product development. Over time all R&D employees gradually had to do more work for the company's PLB business compared to the company's original brand business for the selective cosmetics market segment. Hence apart from the influences of market strategy on a company's organisational processes that particular strategy of simultaneously serving two different market segments seemed to have an influence on employee motivation.

Despite my practical observations scoping of the literature dealing with market strategy as well as with theories on employee motivation did not lead to discover a direct link between the two concepts. Instead of identifying relevant concepts applicable for explaining the influence of a two-pronged market strategy on work motivation the search rather led to the identification of a knowledge gap. A theoretical topic worth exploring further had emerged from a managerial request.

Contemplation on my personal experience as a practitioner working in a dual strategy environment, where things are simply done in a different way for each of the strategic orientations, i.e. target markets, led to the assumption that something closer related to what McGregor (2006) called "the human side of enterprise" might be involved. Broadening the focus led to envisage the concept of organisational culture as a potential bridging element between market strategy and employee motivation. That idea is based on literature on organisational culture that consistently indicated organisational culture to be about how work is accomplished

in the organisation (Cameron & Quinn, 2006; Martin, 2002; Smircich & Stubbart, 1985). In addition Smircich (1983, pp. 346-347) referred to organisational culture:

For academics, culture provides [...] a bridge between organizational behaviour and strategic management interests. For practitioners, it provides a less rationalistic way of understanding their organizational worlds, one closer to their lived experience.

The latter pointed particularly towards the potential contribution of the current research to practice as well as to theory.

Theory on organisational strategy and organisational culture depicts that these concepts are closely related (Eaton & Kilby, 2015; Mullins, 2010; Schein, 2010). Accordingly, an organisation's market strategy decisions have to fit with its company culture to enable the organisation to succeed in the market (de Chernatony & Cottam, 2008; Owino & Kibera, 2015; Yarbrough, Morgan, & Vorhies, 2011). Thus, originating from operating with one market strategy, the adoption of a second strategy will likewise require aspects of an organisation's culture to adapt to that strategy (Eaton, 2015; Eaton & Kilby, 2015). Furthermore, there is agreement that organisational culture is about shared values or beliefs, interactions and procedures (Martin, 2002; Schein, 2010; Smircich, 1983) so that facets of organisational culture like involvement, recognition of demands, feedback or open dialog are said to influence employee motivation (McGregor, 2006; Owino & Kibera, 2015; R. M. Ryan & Deci, 2000).

Following up on that changes of aspects of organisational culture due to a change in a company's strategy will require the alignment of those cultural aspects with the beliefs and values of its employees to keep them equally motivated to work. A dual market strategy thus may require different organisational cultures fitting to possibly competing strategic goals (Yarbrough et al., 2011). This can be translated into potentially differing or competing organisational cultural values that might impact on employee motivation. In cases where the same employees have to work to satisfy both parts of a dual market strategy equally, e.g. in a single organisation or a single organisational subunit, this might be especially pronounced.

Based on these considerations I situated the current research in the triad of the three concepts: market strategy, organisational culture, and employee motivation – with organisational culture as potential bridging element between the two other concepts.

Therewith the research attempted to add to theory in exploring potential influences of market strategy, particularly a dual-strategy, on employee motivation as well as to practice in facilitating a better understanding of the behaviour of employees in a dual strategy environment.

## **1.2 Research aim**

Having placed the research topic in the triad of market strategy, organisational culture, and employee motivation the research intended to add to theoretical knowledge in illuminating the influence of a dual market strategy on employee motivation via facets of organisational culture as bridging elements. Typical for a DBA another intention was to add knowledge to the business community. For that the current research tried to facilitate understanding of employee behaviour to finally lay the base for better performance in a dual strategy environment.

Hence the overall aim of the research was the exploration and explanation of the influence of a multi strategy work environment on employee motivation in SME business units, with special focus on R&D, where the employees have to perform the balancing act of working to satisfy potentially competing strategies. Transferring that understanding into management practice then fosters the creation of a more motivating environment when following several market strategies.

## **1.3 Research questions and research objectives**

In order to achieve the research aim the following research questions where addressed:

1. What facets of organisational culture are related to either or both of the strategies in a dual strategy environment?
2. What are the motivating or demotivating factors in organisational units concerned with dual market strategies?
3. Why and how can the identified facets of organisational culture that are related to either or both strategic orientations affect employee motivation?
4. Is it possible for employees to be equally motivated to work for both of the two strategies?

The research questions were translated into the following research objectives:

1. To explore what facets of organisational culture are related to either or both of the strategies in a dual strategy environment.
2. To identify motivating and demotivating factors in organisational units concerned with the dual strategy.
3. To explain why aspects of organisational culture, related to both or either strategic orientations, might influence employee motivation in different directions.
4. To explore if a dual strategy can be followed with equal motivation by the same employees.

To reach that aim I approached the research from an emic perspective (Morris, Leung, Ames, & Lickel, 1999) focussing on an SME's business units that work simultaneously for all strategies and in particular on the R&D function. As I tried to understand employee behaviour in a given business environment I deliberately decided to approach the research from the shop floor perspective centring data formation for RQs 2, 3 and 4 on the staff purposefully omitting general management views.

How I approached the research questions and how I interpreted the gathered data to create knowledge will be detailed in the following chapters of the thesis. The structure of the thesis is summarised in the following section.

## **1.4 Structure of the thesis**

The thesis is subdivided into seven main chapters. Chapter one serves as background for introducing the research topic. It also informs about the research aim and the research objectives with their corresponding research questions.

That introductory chapter is followed by a traditional literature review covered in chapter two. The review primarily provides the theoretical base for the research. It summarises major concepts of the underlying knowledge areas for theoretical sensitising, and it illustrates the current state of knowledge in my 'areas of interest', i.e. the research topic. Whilst identifying knowledge gaps in those areas of interest chapter 2 also depicts options to form data, which is then to be interpreted to fill these gaps.

Chapter three deals with the research methodology, i.e. ontological and epistemological considerations, and the research strategy, including methods to form data and details of data analysis. That chapter also introduces the case company, and it comprises the research prospects and limitations with regards to my role as a researcher, as well as ethical considerations.

In chapter four I present the research results in form of theme passages that I developed from the data following the recommendation of Creswell (2016). For telling the story of the employees that have to work in a dual strategy environment I divided the thematic display of the data into themes related to organisational culture and strategy and into themes concerning strategy or culture and work motivation. That story of the employees then leads to chapter five where I relate the data to the literature. Drawing on my pre-understanding of the specific research context I interpret the data with regards to my research questions.

Chapter six comprises my conclusions referring to the research's general contribution as well as recommendations for future research. Chapter seven finalises the thesis with reflections on the research, on the research process, and on my personal development during the process of the DBA program.

## **2 Literature review**

The present literature review was primarily performed to identify relevant concepts applicable for understanding the influence of a two-pronged market strategy on employee motivation. My particular interest in that respect was to explore influences on motivation of employees in SMEs that have to perform the balancing act to work to satisfy both strategies simultaneously.

Preliminary scoping of the literature on market strategy and employee motivation did not lead to the identification of any direct links between the two concepts. Therewith I had found a gap in the literature. In the attempt to narrow that gap I further looked for concepts potentially building a bridge between market strategy and work motivation. That led me to include organisational culture as a third topic to inform my research.

As conduction of the current research was rooted in my experience as a practitioner in a German SME operating in a dual strategy environment I had no previous theoretical knowledge in any of the three topics market strategy, organisational culture, or work motivation that were to inform my research. Accordingly, the literature review served several purposes. First it aimed at learning about the theoretical background of the three topics. I attempted to find definitions, explanations, and potentially applicable or transferable frameworks and concepts. Second, as I had to explore issues of employee motivation and organisational culture related to two strategic orientations, the literature review aimed at identifying potential ways do so. The main question here was how I could best approach my research objectives and therewith reach my research aim.

Thus the literature review aimed mainly at theoretical sensitising to enable me to draw a picture of the intersection between market strategy (mass market/niche market), organisational culture, and employee motivation in an SME context. With that the research target was to provide comprehensive perspectives to narrow the

knowledge gap between market strategy and employee motivation therewith providing ideas for motivation-facilitating settings in a dual strategy environment.

Figure 1 shows the main research subjects that I covered in the literature review. It also shows possible intersections as well as my main areas of interest, the research topic, to be illustrated and explored with the current research. These areas of interest are in particular the overlaps between strategy and motivation as well as the triad of strategy, organisational culture, and employee motivation.

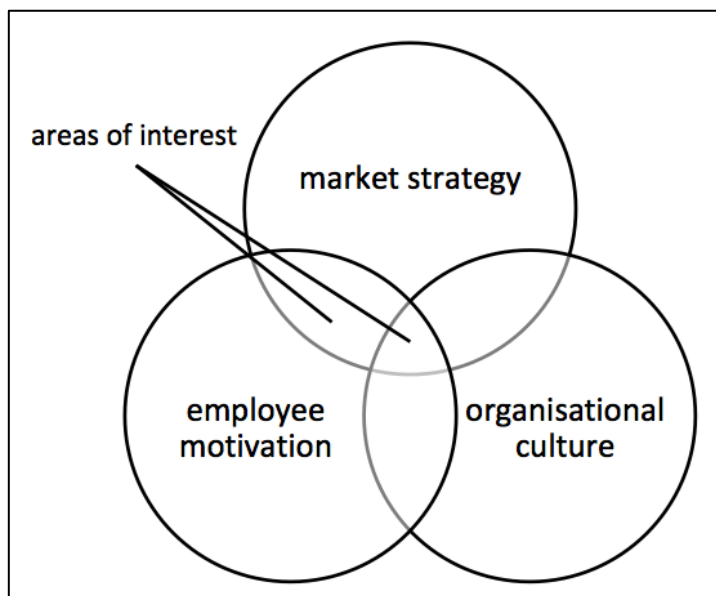


Figure 1 Illustration of the research topics with areas of interest (by the author)

## 2.1 Literature review approach

For scoping a broad field of subjects as illustrated in Figure 1 a traditional literature review approach seemed to be most suitable (Bryman, 2012). That allowed to get an overview on the issues concerned with my research and provided the flexibility to add new thoughts, themes and information sources throughout the review process (Jesson, Metheson, & Lacey, 2011).

Following the explanation of Jesson et al. (2011, p. 76) that “traditional reviews are exploring issues, developing ideas, identifying research gaps” this literature review method allowed to build the foundation for my research, i.e. to explore and understand the influence of a dual market strategy on employee motivation.

Moreover, as a narrative approach includes contextualizing and interpretation in context and as it furthermore, allows the researcher to use her creativity (Easterby-Smith, Thorpe, & Jackson, 2012), such approach was the most natural choice. This was mainly motivated by my constructivist approach towards the research intending to use interpretation to create knowledge. A strategy that Bryman (2012, p. 111) supported with the following words: “That means that narrative reviews may be more suitable for qualitative researchers whose research strategy is based on an interpretative epistemology.”

Critiques of narrative literature reviews argue that such approaches lack rigour and relevance because they do not apply any formal methodology, and that they thus are neither replicable nor transparent for the reader (Jesson et al., 2011; Tranfield, Denyer, & Smart, 2003). Whilst I acknowledge the arguments of transparency and replicability, I do not agree with regards to the issues of rigour and relevance. This is because every researcher needs to find relations between the results of her literature research and to draw conclusions from them. This cannot be done independent of a researcher’s previous knowledge, i.e. her own experience or her pre-understanding (Gummesson, 2000). Thus, “even the simplest rule-following involves an element of interpretation” (Bryman, 2012, p. 109). Second every researcher – even if she does not follow a rigid prescribed methodology – does follow certain procedures to look for literature and she does apply certain criteria for inclusion or exclusion of literature. This is necessary as otherwise she would be lost in a tremendous abundance of information. Thus, for a literature review to be relevant it is more important that it is done carefully and accurately than to meticulously follow rules. Like Jesson et al. (2011, p. 15) outlined a systematic review “sits [...] less so in a more open qualitative, interpretative paradigm”.

Despite the traditional approach the following section briefly illustrates the research path in order to illustrate how I generated the findings of the review.



### 2.1.1 Research path

The literature research evolved following in principle the process illustrated by Bryman (2012, p. 119). Figure 2 is an adaptation of the research process illustrated there.

I started with scoping the literature related to market strategy, organisational culture, and motivation, taking notes on the key issues covered as well as noting down literature found in the bibliographies of the articles found. Thereafter I conducted an online database search in the databases ABI/INFORM Global and Business Source Complete as these comprise a comprehensive selection of business related academic journals. I included peer-reviewed articles in English from academic journals with full-text in either pdf-format or html-format. I deliberately did not include German – which would have been a reasonable option as I am a native speaker of German – because the predominant strand of the academic literature in the issue areas of my research accessible via these databases is published in English. The very few articles in German that my search identified had also been published in English. Hence remaining in one language setting appeared to be the most suitable and straightforward choice.

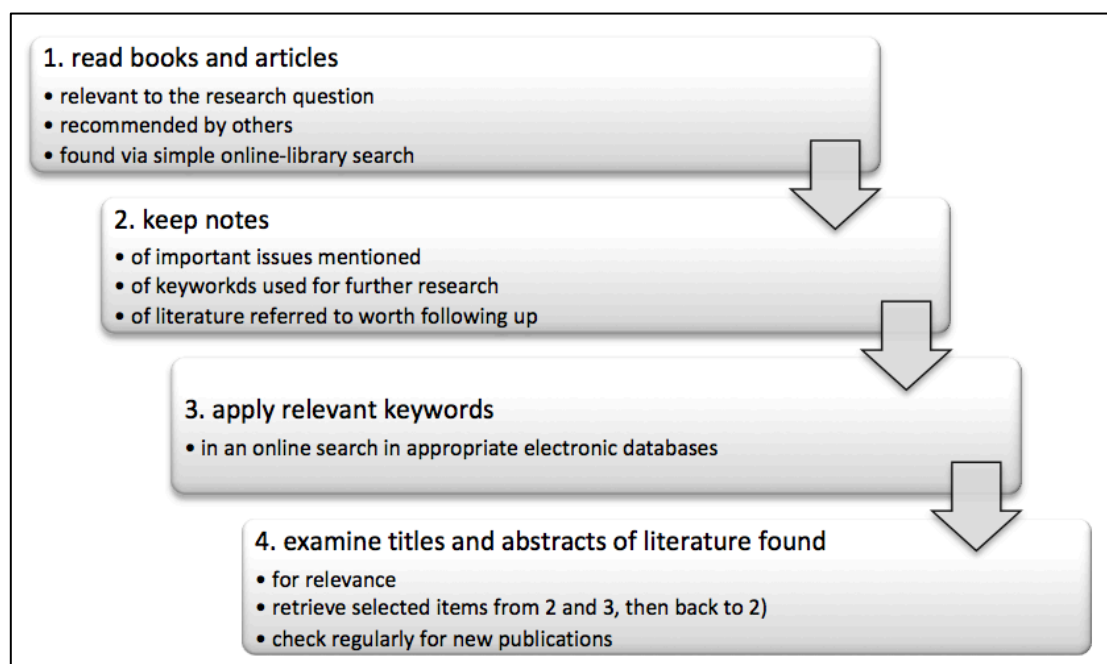


Figure 2 Illustration of the literature research process (by the author, adaptation of Bryman (2012, p. 119))

Keywords applied in the titles and abstracts fields of the databases were: 'company strategy', 'corporate strategy', 'market strategy', 'organis(z)ational culture', 'corporate culture', 'employee motivation', 'work motivation', either alone as well as in any possible combination. In order to receive a reasonably large number of relevant papers I neither limited the search with regards to types nor sizes of companies studied nor with regards to the industrial sector the companies operated in. – As a matter of fact limiting the search to SMEs, to SMEs operating in the personal care industry, to the personal care industry, or to a combination of a brand with a private label approach did not result in any article at all.

As the conducting of two preliminary interviews and personal communication in the R&D department of the company to be studied revealed aspects of self-determined work and identification to be important motivational factors in R&D I also included 'self-determination' and 'identification' as search terms in the database search. For purposes of specification and focus on motivational and organisational contexts I limited 'self-determination' to 'motivation' and 'identification' to 'work', 'task', 'group', 'company', 'organisation' or 'brand'. Furthermore, I looked for questions of fit, e.g. 'person-culture', 'person-organisation', 'person-job' respectively, as these concepts emerged from the culture and motivation related literature I had read before. I looked for these additional search terms and combinations thereof in the titles and abstracts of journal articles employing the same inclusion and exclusion criteria as described above.

For ensuring to monitor the literature further I set alerts on each of the search strings developed and followed up on these throughout the research process. This added only a very limited number of current articles, that being an indication that the topics informing my research have already been widely researched in the past. However, the balance of the identified literature towards more traditional knowledge did not seem to be a disadvantage as I was particularly interested in the underlying concepts and definitions of each of the three topics informing my research. Tracking the literature back to the topic's origins, like seminal articles, should particularly enable to get such information.

Subsequent to the database search I scoped the titles and abstracts of the search results online for relevance with regards to my research objectives. Therein my focus was on material about manufacturing industries to include articles of potentially higher relevance for the current research. Thus, I deliberately excluded literature in the context of health issues or education as well as articles dealing with subjects as sustainability, work ethics, or identification other than, in the broadest sense, related to work environment. After identification of the relevant literature and downloading the full texts I read and summarised them in table format including research subject, research purpose, research methods applied, industry sector, location, and main findings. (See Annex 1 for an example.) The purpose of that was to increase attainability of that literature and relevant information included therein for referencing.

Furthermore, I scoped the bibliographies of the previously identified relevant articles for further references of potential interest. These were either accessed via the above-mentioned electronic databases, via Google Scholar, or directly via the websites of the academic journals the articles were published in. I then read and summarised them as described above.

This process resulted in a considerable number of articles on the three main subjects illustrated in Figure 1, less so for the overlapping areas, and in a particularly limited amount in the previously defined 'areas of interest'. To be precise I did not find any research report in the intersection of market strategy and employee motivation and only one that, looking at a broad sense, could be allocated to the intersection of all three topics. Hence the current literature review confirmed the result of the preliminary scoping of the literature. It moreover suggested that I identified a research gap exactly in the issue-area of my research topic to be narrowed with the current research.

To be able to better summarise and analyse the literature for patterns in concepts I further coded the identified articles and my personal summaries of book contents with the NVivo for MAC 11 software. Apart from getting practise in the application of that software, which I needed later for analysis of my data, it allowed to better

aggregate literature with similar concepts. Moreover, it facilitated to find appropriate literature references in the process of data analysis and interpretation. (Refer to Annex 2 for a list of codes of the identified literature).

The following sections evaluate the identified relevant literature for providing theoretical background for my research, for approaching the research objectives and therewith for reaching the research aim. Accordingly, I limited the review on that literature that I found especially suitable for informing my research and deliberately excluded less expedient references. Starting with the three main subjects, market strategy, organisational culture, and employee motivation, the review then evaluates the literature concerned with more than one of these subjects, covering the areas of interest, as illustrated in Figure 1. Chapter 2 concludes with the findings evolved from the literature review and the consequences for the current research.

## **2.2 Concepts found in the literature**

### **2.2.1 Market strategy**

This section briefly introduces different definitions and concepts relating to market strategy. Although my research did not look into strategy formation I regarded a certain insight into these matters to be important. Such insight should enable me to identify and understand possible implications that following more than one market strategy might have on an organisation, e.g. with regards to an organisation's processes, its structure, its culture, and its employees. Therewith such insight was necessary for reaching my first research objective to identify facets of organisational culture that are related to a dual market strategy. It was moreover necessary for reaching my research aim to explore potential influences of a dual market strategy on employee motivation.

The most cited authors in literature on strategy Henry Mintzberg and Michael E. Porter are part of different schools of thought. Whereas Porter (1996) defines strategy as choice of a position that differentiates companies from each other and

which therefore is planned in advance (planning school) Mintzberg (1973) regards strategy as a process which can be (partly) emerging. He therefore defined strategy as “a pattern in a stream of decisions” (Mintzberg, 1978, p. 934) that can either be planned and formulated in advance as well as emerge due to adaptation to the environment and thus only be recognizable in retrospect (emerging school). Accordingly, Mintzberg (1973) identified three ways of strategy formation: the ‘entrepreneurial mode’ where a leader decides what to do, the ‘planning mode’ that is a formal, ordered process that involves in-depth analysis and striving towards explicit goals, and the ‘adaptive mode’. The latter can be seen as emerging as it involves learning to gradually adapt to the environment. Mintzberg and Lampel (1999) regarded all three modes to be essential for a strategy to be successful and accordingly they summarised that “Strategy formation is judgemental designing, intuitive visioning, and emergent learning [...] and all this must be in response to a demanding environment.” (p. 27).

Although these authors criticised the analytical view of Porter (1996) as being too calculative and to neglect learning processes, the question of fit of a company’s activities to reach a unique market position, as Porter referred to it, can be regarded as adaptation to environmental influences. Thus, the different notions of strategy – process or position – are not exclusive. Strategy comprises both. It is therefore a process, as defined above, leading to a unique, competitive market position. This implies that the path to follow, i.e. the ‘pattern of decisions’, has to fit the direction to go. This is exactly what Slater (2006) found in his study on the strategy formation capability in both the manufacturing and service industries. A successful strategy, i.e. higher performance, requires the strategy formation process to be a learning curve fitting to the strategic orientation of the company. It is that strategic orientation that defines a company’s focus, its goals, or its position, e.g. either to defend its position and its product portfolio in its market segment or to exploit new market segments and/or new product portfolios.

Following up on that aspect leads to the question of market segmentation. That question was summarised by Tynan and Drayton (1987) as being based on different distinguishing factors. These can be a) geographic access, e.g. countries, regions,

stores, or b) consumer clusters, i.e. target groups, according to demographics like gender, age or income, or c) psychological aspects like attitudes, likes, dislikes, or d) personality or behavioural motives e.g. brand loyalty. Alderson (2009) judged targeting a specific market segment to be a strategic decision. A decision that allows a closer contact between company and customer and that enables the company to learn about the customers' demands and needs. Thus, Alderson's definition can be regarded as a combination of the views of Mintzberg and Lampel (1999) and Porter (1996). It is in fact an example for a learning process leading to a unique position: a company's strategic orientation.

There is consensus that the strategic orientation of a company, no matter if it is called strategy (Alderson, 2009; Porter, 1996; Tynan & Drayton, 1987) or value discipline (Treacy & Wiersema, 1993), should be consistent and understandable because that is indispensable for a company's success. As they are similar concepts the value disciplines identified by Treacy and Wiersema (1993) can be correlated to the strategic orientations of a company described by Porter (1996) as illustrated in Table 1.

<b>Value discipline</b>	<b>Strategic orientation</b>
<i>Operational excellence:</i> to deliver reliable products at competitive prices	<i>Cost based positioning:</i> to serve broad needs of many customers by delivering the best total cost
<i>Customer intimacy:</i> to offer exactly the demand of the customer	<i>Needs based positioning:</i> to meet exactly the needs for a defined segment of customers
<i>Product leadership:</i> to deliver the best products for the target group	<i>Variety based positioning:</i> to provide a product variant for a wide array of customer

**Table 1** Correlation of value disciplines and strategic orientations (by the author)

In order for a company to maintain a competitive position and to succeed in the market the decision for a value discipline or market strategy has to be in-line with the company's choice of sales channel(s) or market segments as well as its product and product portfolio (Alderson, 2009). It has to be aligned with the company's development capabilities, its resources and its skills (Beverland, Napoli, & Farrelly, 2010; Porter, 1996). Moreover, a company's strategy has to correspond to the

company's management system, and its employees' values and behaviour (Porter, 1996; Urde, Baumgarth, & Merrilees, 2013).

The combination of these arguments consequently translates into the necessity of fit between market strategy, e.g. the decision for what market segment to target and how to do that, with aspects of the company's organisational culture (Eaton, 2015; Eaton & Kilby, 2015; Urde et al., 2013) for enabling employee motivation. The aspect of fit, which is further illuminated in sections 2.2.4 (strategy and culture) and 2.2.5 (culture and motivation), implies certain challenges if more than one strategy is followed, which mirrors what can be observed in practise.

#### **2.2.1.1 Challenges of a dual strategy**

Independent of definition, whether a process or a position, whether planned or emerging, there is certain consensus that for being successful a company should focus on one main strategy in order to avoid being stuck in the middle of two (Alderson, 2009; Mintzberg, 1973; Porter, 1996; Treacy & Wiersema, 1993). To avoid such interference of strategies but rather follow one strategy in a sustainable way Porter (1996) stressed the importance of trade-offs, i.e. to decide what not to do. He stated trade-offs to be necessary due to three reasons: to guarantee credibility for the customer, to ensure productivity, and to clearly prioritize and to avoid confusion for the employees. For a company to try "to be all things to all customers" (Porter, 1996, p. 69) or "to be all things to all people" (Treacy & Wiersema, 1993, p. 93) accordingly bears risks with regards to governance, image, resources and culture, which potentially causes lower performance.

Those risks of serving different strategic orientations, trade channels or value disciplines that represent different environments lay in the necessity to adapt simultaneously to each of the different environments. Treacy and Wiersema (1993, p. 85) judged the distinctions between two value disciplines to be as incompatible "like they were on a different planet" and Alderson (2009, p. 332) illustrated the difficulties to be expected as "problems of maintaining harmony between these diverse channels". A possible explanation is that such strategy requires a company to have profound skills and knowledge in different areas, e.g. research, product

development, and production. Hence it is unlikely for one company, especially a company with a limited workforce, e.g. a SME, to be able to draw on profound capabilities in each of these areas.

Therefore it can be expected that following a dual market strategy will be especially difficult for SMEs and even more so in case that there should be more than one entrepreneur. That prediction is based on the findings by Mintzberg (1973), Kroon, Van De Voorde, and Timmers (2013), and de Vries (1986) who in summary identified the entrepreneurial mode as the prevailing way of strategy formation in SMEs. In that mode the leader, owner-manager, or CEO bases her strategic decision-making on her own experience and attitude or personality. Thus, if two or more leaders, and with that different personalities, follow different strategies this will be particularly challenging. In line with that opinion Mintzberg (1973, p. 51) stated that: „No centralized organization is big enough for two entrepreneurs. Sooner or later one must make a bold, unexpected move that interferes with the other.”

### **Examples for dual strategies**

Despite all predicted difficulties there are companies or organisations that actually follow a dual strategy, i.e. the combination of operational excellence and product leadership. These are two strategic orientations that rarely go together as they basically sell different values to the customers (Treacy & Wiersema, 1993). Operational excellence has the focus to always offer products at competitive prices selling the value of high affordability. This is done via slimming organisational processes and reducing overall costs. Operational excellence is contrasted by product leadership, which means to always deliver outstanding products and services. It sells the value of unrivalled performance and therewith makes competitor products redundant.

One striking example for such combination of operational excellence and product leadership is Singapore airlines. Although being a hub-airline Singapore airlines manages to offer premium service at a very competitive cost level that is comparable to budget airlines (Heracleous & Wirtz, 2009). According to that case



study, Singapore airlines base their strategy on continuous and planned improvements of services as well as on a company culture focussing on holistic staff development and profit-awareness. This is reached e.g. via rigorous staff selection to ensure that only fitting staff is recruited, continuous training including functional and soft skills, teambuilding, or via a profit-based reward system. Heracleous and Wirtz (2009, p. 278) concluded that the dual strategy of Singapore airlines is successful because: "It is relatively easy to copy individual elements of the system, but incredibly difficult to duplicate the whole system, which has evolved historically and is held together not only by formal processes but also by intangible elements such as organization culture."

A similar approach is taken by Toyota (Hirota, Osono, & Norihiko, 2008). The organisation bases its strategy of product leadership and operational excellence on a principle called "The Toyota Way". That principle bases primarily on seeing problems first hand to be able to find solutions that are agreed on by various groups of people. Thus, it uses efficient teamwork but also emphasizes the importance of the individual focusing on values like trust and respect for people. The aim is to finally be able to continuously improve. In that, like Singapore airlines, Toyota attempts to combine formal processes with cultural values. The success is not based on a single practise but "it's about creating a culture" (Hirota et al., 2008, p. 104). Via on-the-job training, a mentoring system as well as constant communication to empower employees Toyota implements a corporate culture that fits and enables the pursuit of its strategy.

Challenging the opinions of e.g. Porter (1996) or Treacy and Wiersema (1993) the above examples show that pursuing a dual strategy is possible under certain circumstances. Based on those two studies it appears that those circumstances are historical roots. Roots that might originate in the culture of the country of origin of the organisation, as both examples are from Japan, and roots that allowed for the holistic development of strategy and culture. In the words of Hirota et al. (2008, p. 104): "It takes time. [and] It requires resources." Both might be very different in different cultural environments, e.g. more western cultures or when strategy has been decided for without considering cultural implications, as in the case company.

Other, especially larger, organisations follow the dual strategy to target different markets and to serve different demands of different customer groups via the application of a multi-brand approach.

One example is the German Lufthansa Group that serves the hub-airline market with its Lufthansa brand. In that market it intends to add value for the customers via e.g. improvement of its route-network or personalised offers. For targeting the budget-airline market of point-to-point traffic the Lufthansa group uses its Germanwings/Eurowings brand. Both brands, Lufthansa and Germanwings/Eurowings, are kept independent of another (Deutsche\_Lufthansa\_AG, 2016). Germanwings/Eurowings that originally was a regional low-cost airline was incorporated into the Lufthansa Group with the only purpose to enable the group to pursue its dual strategy. The key to success in that dual strategy is separation (Lovelady, 2013). Accordingly, the operational systems of both brands are as separate as the target groups and the brands' main focus. Both operate separate management systems and teams. They use separate locations or home bases as well as separate resources and staff, with employees working under different contracts and working conditions for either Lufthansa, based at Frankfurt airport or Eurowings, based at Cologne airport.

Such approach can similarly be found in the automobile industry where different brands targeting at different markets are united under one roof. Currently the Germany-based Volkswagen Group covers the passenger car brands VW, Audi, Seat, Skoda, Bentley, Lamborghini and Porsche – all targeting at different groups of customers. Management systems and teams for each brand are independent. Likewise, are their recruiting and HR development programmes. Nevertheless, synergies are used in research, technology as well as via the implementation of a modular matrix strategy. Although that modular matrix strategy allows to cut costs and to reduce production times for the different car models as different models of one brand can be produced in the same plant, the brands use separated production sites. Hence a Skoda car is built by Skoda staff at Skoda facilities, and a Bentley car by Bentley staff at Bentley facilities ([www.volkswagenag.com](http://www.volkswagenag.com), 04/2017). Like in the

Lufthansa example separation, limiting contact points to an absolute minimum is the key to success.

A comparable multi-brand approach is also applied in the personal care products industry. Corporations like L'Oréal own numerous brands clustered by products and retail-channels to serve all different market segments from mass-market to beauty and hair professionals and niche-markets advertising naturalness, i.e. 'Kiehl's'. The group uses a network of research centres and application laboratories all over the world to meet global innovation requirements. It produces in 44 factories worldwide clustered according to product type (gel/emulsion etc.) and production size. Each brand has its own heritage with its own story told, and its own brand managers and brand teams in all the countries of distribution ([www.loreal.com](http://www.loreal.com), 04/2017). Such strategy unites each single brand while separating the single brands from each other. The aim of the L'Oréal Group is to create a culture that supports innovation acknowledging (cultural) differences and commitment of each employee to the team and the organisation: "We set ourselves ridiculous goals. We achieve amazing results. We stumble. We get back up again. But we never do any of it alone. [...] It's really the basis of making you feel that you belong here." ([careers.loreal.com](http://careers.loreal.com), 04/2017).

Based on the above examples – websites were accessed in April 2017 – it appears that pursuing a multiple market strategy can be possible, at least for larger organisations. Some of which succeed in combining different value disciplines in one brand potentially due to their highly service-oriented country culture as in the examples of Toyota and Singapore airlines. Others follow a multiple strategy by aiming at different strategic positions via strict separation. That is with separate brands, like Lufthansa, Volkswagen or L'Oréal. The connective element of these examples is that the adoption of a dual strategy always resulted from a (long-term) process of adaptation to the environment, i.e. using the 'adaptive mode' as well as the 'planning mode' (Mintzberg, 1973). In all cases that can be regarded as an inside-out approach with the core values of the organisation or the brand(s) (Urde, 2009) building the centre of the 'pattern of decisions' (Mintzberg, 1973).

As there has to be a 'pattern of decisions', e.g. which brand to buy or sell, or what people to recruit, and as strategy and corresponding culture have to be based on historic roots, the existence of the above examples does not contradict but rather support the scholars who proposed challenges when trying to pursue more than one strategy (Alderson, 2009; Mintzberg, 1973; Porter, 1996; Treacy & Wiersema, 1993).

### **Open questions**

Despite the existence of examples for organisations pursuing a dual strategy several questions are left open to answer. These questions concern the size of the organisation as well as a hybridisation between a brand and a contract manufacturing strategy, in particular if these two strategies require different value disciplines. An example might be an SME that historically followed a brand strategy and later adopts a second market strategy via adding a contract manufacturing approach for supplying PLB products in order to fill spare production capacity. Such example implies limited resources, so that separate locations, separate resources and separate staff might be challenging if not impossible. It can moreover be expected that the strategy formation process is entrepreneurial and not primarily based on adaptive learning (Kroon et al., 2013; Mintzberg, 1973). The original brand strategy, either attempting product leadership or customer intimacy, is brand-centred hence an inside-out approach (Urde, 2009). It is contrasted by the PLB approach that is primarily cost based and aims at operational excellence. Moreover, that second strategy can be regarded as an outside-in approach where the PLB owner (the retail customer) determines the producer's 'pattern of decisions'. Such contrast in governance implies conflicting goals together with conflicting cultural values as it can be assumed that both approaches might demand different mind-sets.

Although the literature review did not identify studies on such cases there are nevertheless indications in the literature suggesting that such approach might lead to conflicts with regards to the allocation of resources (see data section 2.2.1.2), to matters of governance (see data section 2.2.1.3), as well as to issues of cultural values (see data section 2.2.1.4).

My experience in such environment, i.e. in a SME pursuing the dual strategy of combining its own brand business with a PLB approach, confirms these conflicts identified in the literature. Investigating these predicted conflicts, which are detailed below, my research aims to answer my research questions and with that add to theory as well as to practise.

#### **2.2.1.2 Conflicts regarding resources**

Cohen, Eliashberg, and Ho (2000) developed a model to assess the relation of time-to-market, product performance and development cost, the latter comprising cost of goods and cost of personnel resources. That model depicts that a short-time-to-market approach – which is a pre-requisite for targeting the mass-market segment with PLB products – requires high amounts of resources. Should a company's strategic orientation and its strategic decisions not be adapted to the required and available resources this will lead to competition of the company's projects etc. for the resources available (Gomez-Arias & Bello-Acebron, 2008; Yarbrough et al., 2011). Consequently, to avoid competition for resources of all kinds, the company will have to choose which projects to take on and which to decline. What Porter (1996) appreciated as handling of 'trade-offs' can be expected to be more important the smaller the company and the more limited its resources with regards to e.g. human capital, machines, or material required (Alderson, 2009).

Not surprisingly there is evidence in the literature that the decision for targeting a distinct market segment is taken in relation to a company's capabilities/resources in R&D, marketing and manufacturing or process development (Hsiao, 2013; Rubera, Ordanini, & Calantone, 2012). Hsiao (2013) for the Taiwanese context, and Rubera et al. (2012) for the US context, found that the better the company's manufacturing capabilities or the higher its process orientation the more likely it is to choose a contract manufacturing approach. Conversely, the better and the more integrated its R&D and marketing capabilities or the more priority it administers to its products, i.e. the positioning of its own brand, the more likely the company will choose a branding approach.

In line with that literature practise shows that attempting both in a SME, high process orientation of one strategy together with a branding approach of the second strategy, does lead to a competition for resources in all areas: machines, equipment, material, and staff.

### **2.2.1.3 Conflicts regarding governance**

More potential for conflict if trying to follow two strategic orientations can be expected to arise from the question of who controls the company's operations. Whether it is the company's management that determines the company's activities and controls its business and operational decisions or whether primarily large buyers govern these. Several authors emphasized the risk that with growing buyer influence these buyers might govern most if not all of the supplier's operations (Alderson, 2009; Porter, 2008). From that it can be assumed that the influence of large buyers is likely to be more important the smaller the company that offers its services to develop and produce PLB products for those buyers. Hence the following evaluation of literature on PLBs should help to understand the significance that the buyers' influence can have on the suppliers of the PLB products. This is meant with regards to the suppliers' business operations as well as with regards to quality or success of their own brand products.

Looking into PLB related literature revealed that over the years several authors (Boyle, 2003; Hyman, Kopf, & Lee, 2010; Quelch & Harding, 1996) illustrated the growing consumer acceptance of PLB products with regards to quality, price and branding that led to competition of PLBs with high-quality national brands. These authors moreover indicated that PLB retailers advanced on marketing and managing their PLBs themselves. They saw the reasons mainly in the retailers' intention to increase their overall profit. The more the PLB retailers take over the overall responsibility for their products the higher their predominance with regards to determining which products, e.g. type, composition or configuration to market, when to market them, and at what price level. Thus, profit maximisation via control over the product, i.e. a growing impact of the PLB retailers on PLB management, inevitably leads to an increasing influence of the PLB retailers on their suppliers.

Thus, as predicted by Alderson (2009), the necessity of adaptation of the PLB manufacturers' (suppliers') operations to the buyers' (retailers') needs becomes dominant. Such adaptation might e.g. be to produce low cost but high-quality goods in a short time as for instance in the German PLB market segment. Accordingly, it is reasonable to think that a company that develops, produces, and markets its own brand products, thus being used to govern all its business activities due to its history and roots (inside-out), might be challenged when adopting a PLB strategy additionally. Such additional strategy when becoming dominant over the company's original brand strategy might lead to a loss of the company's innovative power as well as to a decline of the quality of its own brand products, as can be seen in the current research.

Unsurprisingly several authors (Gomez-Arias & Bello-Acebron, 2008; Hyman et al., 2010; Porter, 1996) suggested the danger that a company's own brand might decrease in favour for operational excellence required for its PLB activities. The main explanation can be seen in the resulting shift of the company's focus, which will be especially important if the company has a limited workforce. Applying more and more resources to the PLB business operations will inevitably lead to a lower attention on the operations necessary for maintaining the company's own brand. Those activities will lose importance and become subordinate. Therewith the PLB buyers will increasingly determine the PLB manufacturer's internal procedures (outside-in). Like Porter (1996, p. 69) concluded: "Different positions require different product configurations, different equipment, different employee behaviour, different skills, and different management systems."

Summarising the previous literature and following up on the aspect of 'different employee behaviour' leads to the questions to be answered with my research whether different product market strategies can be successfully achieved with the same resources. If 'the same resources' refers to the employees the question is if that way of operating might have an impact on e.g. employee motivation.

That train of thought also leads to draw attention on the relation between organisational culture and employee motivation. If a brand strategy is combined

with a PLB strategy, like in the current research setting, both might require different cultural values to be successfully pursued. The existence of different, or even conflicting cultural values, might lead to a lack of value congruence, which therewith might impact employee motivation. That aspect points directly towards my research aim.

The aspect of potentially conflicting cultural values due to different strategies is the third source of conflict predicted in the literature.

#### **2.2.1.4 Conflicts regarding cultural values**

When strategy can be regarded as a fit between a company and its environment (Mintzberg & Lampel, 1999; Smircich & Stubbart, 1985), the adoption of a second market strategy might create challenges with regards to aspects of the company's organisational culture, questions of internalization of cultural values and organisational norms by the employees, and finally the employees' identification with the organisation itself. This can not only be observed in practise but it also follows from the literature that illustrates an interrelation of a company's organisational culture and its strategy (Eaton, 2015; Eaton & Kilby, 2015; Mullins, 2010; Schein, 2010). These authors consistently indicated that a change in a company's strategic focus should go in-line with the adaptation of its cultural values to the new environment to finally ensure the company's performance.

The reason for this can be deduced via bringing together the work of Cornelissen, Haslam, and Balmer (2007) on issues of identification and the case study of Urde (2009) on core values of a brand and their development. Cornelissen et al. (2007) emphasized that organisational values can only then inform the beliefs, attitudes and goals of the employees, if the employees agree and identify with these organisational values. Then these "values are rooted. [They] are mind-sets and part of the corporate culture" Urde (2009, p. 631). That being the case the cultural values might be transferred into performance and ultimately into a strategy's success. Hence it can be advantageous to involve the employees in the company's strategic goals.



When the employees understand and share these goals they are more likely to commit to the goals and to focus on their achievement (Alderson, 2009; McGregor, 2006; Srivastava, 2013). Consequently, Schein (2010) and Eaton and Kilby (2015) designated people to be the reason for success or failure of strategies. The latter state that “if people are not aligned with the right values, beliefs, and behaviors that support the new strategy, they will be working against themselves and the company” (Eaton & Kilby, 2015, p. 4). Even though there is more to work motivation than alignment of the employees with the company’s values, like rewards, task variety, skills, traits, etc. (Latham, 2012) it is an aspect worth considering particularly with regard to answering my second and third research questions. Beyond that section 2.2.3 explores literature concerning employee motivation (or work motivation) and examines that issue-area further.

As has been outlined in section 2.2.1 the adoption of more than one – and additionally potentially conflicting – market strategy, e.g. targeting competitive market segments, can have an impact on the employees having to work for both strategies. Thus, theory confirms my observations in practise, which led to the current research. Impacting factors involve among other things aspects of organisational culture, predominantly on the values and beliefs level. If these values dissent from the employee’s values this might frustrate their motivation to work. Hence organisational culture and its exploration will be looked into in more detail in section 2.2.2.

## **2.2.2 Organisational culture**

In order to be able to identify differing or possibly even competing aspects of organisational culture that might be derived from a dual market strategy it appeared to be important to understand the basic concepts of organisational culture and to familiarize myself with the different approaches for its exploration. The following sections provide the basis for that in discussing concepts of organisational culture (2.2.2.1) and in evaluating ways to explore or to measure it (2.2.2.2).

### 2.2.2.1 Concepts of organisational culture

This section provides a brief overview on the definitions and perspectives of organisational culture. It summarises different concepts of culture by evaluating common ideas as well as by illustrating differences.

Although there are numerous definitions of organisational culture the discourse confirms shared basic elements (Martin, 2002; Schein, 2010; Smircich, 1983):

- behaviours = something that is easily be visible or detectable,
- values = shared meanings that determine and explain behaviour,
- beliefs = unconscious or taken for granted assumptions.

These correspond widely to the three level model of organisational culture by Schein (2010) and with the aspects of organisational culture depicted by Martin (2002) as illustrated in Table 2.

Schein	Martin
visible artefacts	physical arrangements, formalities, rituals, humour, jargon
values	espoused values (content themes)
beliefs	tacit assumptions (content themes)

Table 2 Elements of organisational culture (by the author)

As such culture is rooted in an organisation's history and evolves over time (Gummeson, 2000; Schein, 2010). There is a certain agreement on the importance of a company's leaders (CEOs or management) or founders for the creation of an organisation's culture. For example Ogbonna and Harris (2000) concluded from their survey based multi-industry study in the UK that organisational culture mediates the influence of leadership style on organisational performance and de Vries (1986) pictured a congruence of the personality of a company's leader(s) with both the company's culture and its structure. Similarly Schein (1984, p. 8) stated that "most cultural solutions in new groups and organizations originate from the founders and early leaders of those organizations" and Hofstede, Neuijen, Daval Ohayv, and Sanders (1990) argued:

We conclude that the values of founders and key leaders undoubtedly shape organizational cultures but that the way these cultures affect ordinary members is through shared practices. Founders' and leaders' values become members' practices. (Hofstede et al., 1990, p. 311)

The latter citation points towards a certain dynamic of organisational culture and in that it corresponds to the definition of organisational culture given by Schein (1984):

Organizational culture is the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. (Schein, 1984, p. 3)

The development of an organisation's culture involves learning and adaptation to internal and external influences. Examples for internal influence factors are leaders' personalities (de Vries, 1986), occupational communities in an organisation (Schein, 1996), or internal communication patterns (Keyton, 2011). External influences may be derived from the macro-cultural context (Hofstede et al., 1990; Schein, 2010), the industry in which the company operates (Gordon, 1991; Pioch & Gerhard, 2014), or the customer (Cameron & Quinn, 2006).

Based on these concepts culture is defined as something derived from the interpretation and enactment of cultural manifestations by cultural members (Martin, 2004), from the interaction and interpretation of communication patterns in the organisational context (Keyton, 2011), or from the shared perceptions of employees about management's beliefs (Hallowell, Bowen, & Knoop, 2002; Hofstede et al., 1990). Organisational culture can thus be regarded as "what a group learns over time" (Schein, 1990, p. 111). It builds the basis for a way of identification of the employees as well as for organisational performance (Cameron & Quinn, 2006; O'Reilly, Chatman, & Caldwell, 1991).

From that it can be concluded that the values level of organisational culture is the key for the concept as such. If culture is about shared values it determines the cultural members' behaviours, their communication, their interaction, their internal and external activities, hence manifesting in visible artefacts. Moreover, sharing values means internalization of values by the cultural members. It leads to identification explaining the formation of basic assumptions.

Accordingly the core of culture is:

[...] a set of basic tacit assumptions about how the world is and ought to be that a group of people share and that determines their perceptions, thoughts, feelings, and, to some degree, their overt behaviour (Schein, 1996, p. 11).

That explains why several authors define organisational culture to determine how things are done in an organisation and to be the glue that holds the organisation together and makes it capable to operate (Martin, 2002; Smircich, 1983).

However, if culture depends on situational context and individual interpretation, e.g. of certain groups of people, it comprises multiple perspectives and must not necessarily be unified across the whole organisation. Instead there might be several subcultures in one single organisation. Accordingly, Martin (2002) developed her concept of three cultural perspectives, being concurrently present in a single organisation:

- integration: looks at what is shared all over the organisation,
- differentiation: looks at what is shared in certain subgroups but differs from subgroup to subgroup,
- fragmentation: looks at aspects that are constantly changing depending on e.g. newly formed coalitions

Martin (2002, p. 344) emphasized that: "Any culture is understood more fully if it is studied from all three theoretical perspectives." She acknowledged this to be difficult because everyone can be expected to have a preference for one

perspective: “A home perspective is the most accessible in the mind of the researcher or cultural member; the other perspectives are usually suppressed or repressed beneath the surface of awareness” (Martin, 2002 p. 121).

In applying all cultural perspectives in their case study of three UK retailers Harris and Ogbonna (1998a) found a correlation of cultural perspective with hierarchical position. This finding underlined what Martin (2004, p. 1) critiqued: “It is much too simple to define culture in unifying, harmonious terms, for example, in terms of values that are espoused by management and supposedly shared by most employees.”

Such critique implies that management of culture, as in practise often attempted by an organisation’s management, might be impossible or at least be difficult to achieve. That is backed by one of the interpretations of organisational culture introduced by Smircich (1983). She suggested that one way to look at organisational culture is to understand the organisation as ‘being’ a culture, making the organisation and its culture inseparable. She described that as: “Culture as a root metaphor promotes a view of organizations as expressive forms, manifestations of human consciousness.” (Smircich, 1983, p. 347). Thus, if an organisation’s culture is taken as a metaphor for the organisation itself culture is always context-specific and depends on the interpretation by each organisational member or by the individual beholder. Following that train of thought it can be concluded that a purposeful change of an organisation’s culture, as in practise is often attempted by an organisation’s management, is impossible and that attempts to measure culture are meaningless.

To resume the former there are several ways to look at and to define organisational culture. Despite variations the definitions consistently include something that is easily visible and a bigger part that is more subconscious. How to approach the issue of organisational culture, if one looks for one integrated culture, for different sub-cultures, for varying perspectives of culture, or diverse interpretations of culture, will depend on the personal viewpoint as well as on the philosophical

stance of the cultural researcher. Both of these determine an observer's interpretation of the concept of culture (Martin, 2002; Smircich, 1983).

In the next section I detail literature on how organisational culture is approached according to basic philosophical attitudes: either exploring or measuring.

#### **2.2.2.2 Exploration of organisational culture**

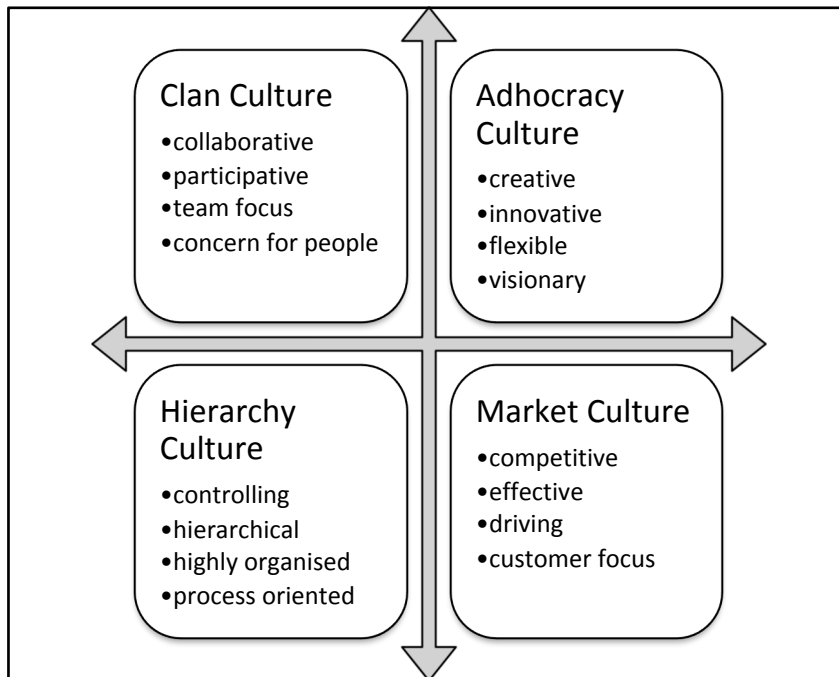
Depending on the philosophical stance of the cultural researcher some try to assess culture in a more qualitative, interpretative way whereas others use a more quantitative analytical approach to culture, predominantly being correlation studies.

This section briefly illustrates the different ways to explore and approach organisational culture for identifying the most suitable approach to follow in my research. The evaluation of what approach to follow with regards to my philosophical preference towards my research as well as with regards to my research questions follows in chapter 3 of this thesis.

Correlation studies identified in the literature search either used pre-defined culture assessment instruments, or the authors developed their own questionnaires to find correlations between organisational culture and other issues. These issues were either motivation related, e.g. employees' perceptions of organisation cultural values (Hoffman, Bynum, Piccolo, & Sutton, 2011; Inabinett & Ballaro, 2014) and therewith their identification with the organisation (Bartels, Pruyn, de Jong, & Joustra, 2007; Millward & Haslam, 2013), job satisfaction (Bellou, 2009), or strategy related, e.g. organisational performance (Owino & Kibera, 2015; Yarbrough et al., 2011). Details of the studies, referred to here, that relate aspects of organisational culture to strategy are illuminated in part 2.2.4. Studies that relate organisational culture with employee motivation, i.e. behaviour, identification, or perception of values, are examined in part 2.2.5.

Pre-defined culture assessment instruments applied where either the organizational culture profile (OCP) (O'Reilly et al., 1991) or the organizational culture assessment instrument (OCAI) based on the competing values framework (CVF), both by

Cameron and Quinn (2006). The organizational culture profile (OCP) (O'Reilly et al., 1991) intends to measure the fit between an employee and the organisation, using 54 value statements, in order to predict job satisfaction and intention to leave. The OCAI categorizes an organisation's culture into four different typologies (see Figure 3), and it is mainly used to relate strategy and culture to predict company performance.



**Figure 3 Major culture types (simplified version of Cameron and Quinn (2006), by the author)**

Whilst such analytical tools might be easy to apply, practicable for categorizing culture, or a convenient way for relating or contrasting certain typologies they appear to be problematic for finding explanations for more complex questions. This is because pre-defined questionnaires might oversimplify the complex nature of organisational culture, disregard the complexity of the to be related issues, and moreover the intended correlations might be based on assumptions about the research context and its outcome. For getting to the core of organisational culture and for achieving a deeper understanding of complex influences, such tools can be questioned, as was done e.g. by Schein (2010) or Alvesson (2013).

Therefore, researchers following an interpretivist perspective believe that, to get to a deeper understanding of an organisation's culture, one needs to get to the core of

it, i.e. its values and underlying assumptions as interpreted by the organisation's members. This notion of understanding culture can be explained in the words of Alvesson (2013, p. 15):

Culture, as I see it, is best understood as referring to deep-level, partly non-conscious sets of meanings, ideas and symbolism that may be contradictory and run across different social groupings. Culture thus calls for interpretation and deciphering.

Hence those researchers following an interpretivist epistemology agree that cultural analysis should be done via observation, focus groups or interviews, because this means to get into personal contact with the informants. What Schein (2010, p. 192) called a "clinical inquiry", i.e. to build a relationship of trust to be able "to learn what is really going on" (Schein, 2010, p. 192), was vividly illustrated by Smircich (1983, p. 355):

Culture focuses attention on the expressive, non-rational qualities of the experience of organization. It legitimates attention to the subjective, interpretive aspects of organizational life. A cultural analysis moves us in the direction of questioning taken-for-granted assumptions, raising issues of context and meaning, and bringing to the surface underlying values.

It is then the researcher's responsibility to decide which questions to pose in interviews and focus groups and what to observe. That decision depends on her research interest as well as on the research purpose. That is reflected in the studies identified that followed an interpretivist approach. The working groups around Ogbonna and Harris employed qualitative, interpretative approaches covering different hierarchical levels in the UK retail environment. They applied either one or combinations of the following data gathering methods: interviews, observations, and secondary company data. Their aim was either to learn more about potential differences in employees' perceptions of their organisations' culture (Harris & Ogbonna, 1998a) or to evaluate the success of cultural change programmes in different contexts (Harris & Metallinos, 2002; Harris & Ogbonna, 1998b; Ogbonna &



Harris, 1998; Ogbonna & Wilkinson, 2003). The latter work virtually approached the question if organisational culture is manageable, as was done similarly by Harris and Metallinos (2002) in the Greek retail context.

For advocates of culture management the results of all these studies are primarily disappointing. In all cases, independent of research context, behavioural changes were more or less depending on the strength of the subculture the employees belonged to, on their personal willingness to accept change, or on questions of surveillance and to be expected sanctions. None of the studies really proved a management of deeper organisational culture levels (values or assumptions) to be feasible. In that the results are consistent with the findings of Pioch (2007) and Pioch and Gerhard (2014). They employed their research in a multi-national retail environment focussing on the question of existence of one corporate, company specific, culture and its transferability across borders, e.g. after a merger or other forms of internationalisation. Both studies were carried out as qualitative case studies using data from interviews and/or web-sites and press information. Both studies consistently pointed towards the primary importance of an industry specific culture – independent of national background. As the success of cultural management was superseded by industry specific culture, cultural management was downgraded to a secondary role after a merger or acquisition in the same industry sector. Hence the feasibility of actual management or purposeful change of culture remains contestable.

The former section elucidated the existence of basically two different ways to approach organisational culture: a quantitative way and a qualitative way. The quantitative way uses questionnaire-based assessment instruments. These aim mainly at allotting a kind of nametag to an organisation's culture in order to give it a comparable profile, to relate it to issues of company success or performance, or to correlate it with employees' preferences.

That approach is contrasted by the qualitative way. Such studies attempt to decipher meaning and to understand organisational culture from the organisational

members' point of view to explain e.g. differences in employee behaviour (Alvesson, 2013; Smircich, 1983).

As I attempt to do right that, understanding culture and explaining different behaviour (motivation) from the perspective of the organisational members a qualitative approach appeared to be the most appropriate and most logical choice. Hence my research will be governed by a qualitative approach, but it will nevertheless use the nametags of the OCAI for easier reference to cultural directions identified.

### **2.2.3 Employee motivation**

To understand what can motivate or help to motivate people to work I found it fruitful to take a deeper look into the theories of work motivation.

Although the multiplicity of work-motivational theories differ in focus there are connecting aspects e.g. feasibility of tasks, autonomy, responsibility, or feedback. Apart from theories focussing on motivators, i.e. content theories, for instance by Herzberg (1968) or Hackman and Oldham (1976), there is also wide agreement that motivation is to be looked at as a process. Motivation is thus a concept to predict human behaviour with regards to direction, effort and persistence, depending on the fulfilment of, or expectance of fulfilment of, psychological needs (Deci, Connell, & Ryan, 1989; Latham & Pinder, 2005; Locke & Latham, 2004).

The following section assesses theories on (work) motivation by carving out shared characteristics, which I present under separate headlines trying to adhere to a timeline with regards to the theories' first characterisation. The aim is to understand which of these shared characteristics might be mediators of work motivation in the context of a dual strategy environment, and to eventually identify such mediators in the data analysis process.

### 2.2.3.1 Merging theories of work motivation

#### Responsibility and challenge

In his Job Enrichment Theory (JET) Herzberg (1968, p. 53) phrased “The only way to motivate the employee is to give him challenging work in which he can assume responsibility.” This simple statement contains two important aspects that have been further elaborated in later theories concerning motivation to work: challenge and responsibility, which can be further detailed as follows:

- Challenge comprises that:
  - the task to be performed has to be significant to the person,
  - the person needs to have the necessary skills to perform the task, and
  - the task must not be boring but interesting for the person.
- Responsibility can be translated to:
  - the person needs autonomy, and
  - the person needs to experience a certain outcome or success.

All of these aspects were integrated in the Job Characteristics Model (JCM) by Hackman and Oldham (1976). This model looks at three variables to predict motivation and performance:

- job characteristics (task variety, skills, autonomy, and feedback),
- mediating psychological states (experienced responsibility, experienced meaningfulness of work), and
- individual growth need strength.

Apart from their more detailed view on challenge and responsibility Hackman and Oldham (1976) extended their theory on motivation beyond JET with the introduction of a third variable. They named that third variable ‘individual growth need strength’, therewith acknowledging the existence of interpersonal differences. That is the most important difference between JET and JCM laying the base for later concepts of work motivation all considering personality traits (see page 54 of this thesis).

That development appears to be important as the first theories focussed mainly on the contents of a job assuming that people in a similar context can be motivated in the same way hence disregarding the complexity of human nature and environmental influences.

### **Individuality and rewards**

Only by incorporating interpersonal differences in theories of motivation variations in work motivation of different persons in a similar context became explicable.

Schwab and Cummings (1976) based their model linking task scope, i.e. feasibility, with performance and motivation on the Valance Instrumentality Expectancy Theory (VIE) (Vroom, 1995). They postulated that individual differences lead to different expectations of persons to successfully perform a task as well as to different expectations to get the desired reward. The remarkable aspect in that theory is that it stresses the 'desired reward'. That means that a person has to comply with the reward for that reward to be motivating. That fact was confirmed by Srivastava (2013) who described the importance of fitting the reward to the likes (or needs) of the people to increase their work engagement as well as by Schmelter, Mauer, Börsch, and Brettel (2010). They demonstrated that employee engagement and organisational performance could be levered via improvement of employee satisfaction. Srivastava (2013) as well as Schmelter et al. (2010) concluded that increasing employee satisfaction, via an adapted award system, provides an opportunity for the management of a company to increase the company's competitive advantage.

Compliance with specific rewards was already identified to be important for employee motivation by O'Reilly and Chatman (1986). They suggested reward compliance together with identification with the job or the company, and internalization, which is the congruence of the individual's with the organisation's values, to build the foundation for motivation to work in a certain environmental context.

As concluded from part 2.2.2 and deduced from the literature on market strategy in section 2.2.1 the question of identification and internalization indicates that the

value level of organisational culture might have an influence on employee motivation. That matter is directly addressed with my third research question.

### **Internalization and goal commitment**

The aspect of internalization also plays an important role in the Self Determination Theory (SDT) of motivation (R. M. Ryan & Deci, 2000). These authors proposed that the internalization of extrinsic motives leads to higher self-motivation, which was also acknowledged by Locke and Latham (2002). In the latter work the authors outlined that one will show higher internalized motivation and a higher goal commitment when the goals are self-set, people possess a high self-efficacy, and when they get positive feedback. That work is an extension of their own Goal Setting Theory (GST) (Latham & Locke, 1979) in so far as they incorporated aspects of the Social Cognitive Theory (Bandura & Cervone, 1983) acknowledging peoples' cognition to influence their motivation.

GST predicts a correlation between motivation and performance via set goals. A pre-requisite for set goals to work as motivators is that these goals have to be clear, challenging but feasible, both task-wise and time-wise, and agreed on. Furthermore, the employees have to get regular feedback regarding their performance. The question of agreement on goals can definitely be regarded as being the crucial point for the success of the application of goal setting as a management tool (Latham & Locke, 1979).

Therewith GST can be regarded to be the foundation for target agreements that are frequently applied as management tool in the German business context. In that context target agreements are combined with monetary rewards as one of the most important means to increase employee motivation. Problematic to such arrangements is that they are based on the assumption that all people can be motivated by monetary rewards. Thus, like the more job content related theories, such instruments neglect differences in personal preferences, i.e. differences in what is regarded as a reward. In other words, they disregard what is needed by the employees.

The relevance of not only to consider peoples' goals but also peoples' needs to enhance motivation and performance was already thematised in Theory Y by McGregor (2006):

The concept of integration and self-control carries the implication that the organization will be more effective in achieving its economic objectives if adjustments are made, in significant ways, to the needs and goals of its members (McGregor, 2006, p. 69).

That points to the importance of acknowledging differences in personal needs in order to foster motivation of individuals.

### **Personality traits and psychological needs**

The acceptance of cognitive variables to influence and explain "employee's choice, effort and persistence" (Latham, 2012, p. 101) led to embrace the idea that meeting employees' psychological needs can influence their motivation to work. According to R. M. Ryan and Deci (2000) psychological needs differ from person to person. Hence being mindful of employees' psychological needs should be a suitable attempt to enable autonomous motivation as well as self-efficacy.

In this sense Gist and Mitchell (1992) predicted that the trait of self-efficacy, i.e. the belief that one can perform, leads to better motivation if it is regulated by feedback in case that the feedback is appropriate for the individual as well as for the task to be performed. A person will compare the feedback with her own perception of her self-efficacy, which then might lead to increased motivation. Likewise, people's desires, their personal goals and their behaviour can be used to predict their self-motivation and their performance on the job (Lang, Zettler, Ewen, & Hulsheger, 2012; Steidle, Gockel, & Werth, 2013). Consequently, Latham (2012, p. 143) asserted: "Therefore, all things being equal, people behave consistently with predictions from their personality traits."

Personality traits are a special focus of the Self Determination Theory (SDT) of motivation developed by R. M. Ryan and Deci (2000), which specifies three psychological needs – competence, autonomy, and relatedness – to serve self-

motivation and well-being. The authors exhibited that satisfaction of one or more of these needs leads to higher motivation and confidence to perform better (self-efficacy). Supporting factors among others can be positive feedback, autonomy of work, i.e. a self-determined way of working, and meaningful goal setting in-line with the individual's values as well as in-line with the individual's other goals. Reversing these factors, e.g. negative feedback, pressure, consequently is predicted to reduce intrinsic motivation. The higher a person's acceptance of extrinsic (or controlled) motivation, i.e. the more the person identifies with these regulators and integrates them with her own goals and values, the more they become autonomous regulators.

Because SDT combines many facets or influence factors potentially supporting or frustrating motivation whilst particularly considering personality traits that theory appears to be suitable to understand and explain individual motivation. Nevertheless, SDT was critiqued to be not geared towards prediction of work motivation (Latham, 2012). That was mainly because SDT is based primarily on the concept of intrinsic motivation, i.e. having a free choice. Critics like Latham (2012) argued that SDT's definition of intrinsic motivation is not relevant in a work situation because there people are paid for their effort, their performance is assessed in appraisals, and deadlines have to be met.

These arguments are contestable because having a free choice does not necessarily mean to decide for or against work as such. When regarding free choice in a work situation in a broader sense, it can also include being able to determine the way or the sequence in which one fulfils tasks. When one is able to set her own time-frame, or to determine her own focus that provides choice within certain limits or boundaries (Deci, 1996), and it therewith supports satisfaction and well-being in the workplace (Gagné & Deci, 2005).

All of these aspects require a basis of trust between the employee and her superior, which asserts satisfaction and well-being in the workplace. Hence it contributes to motivation to work and to the strength of a psychological bond between employee and employer, which is illustrated further in the next section.

### **Involvement and identification**

Involvement of the employees adds to the bonds of the so-called psychological contract, i.e. the reciprocal expectations that exist between employees and employers (Rousseau, 1996). When job content, job security, job enrichment as well as the rewards system applied meet the employees' expectations and correlate with their skills these bonds are supposed to be tight – the contract to be in existence. Lack of such correlation or violation of the psychological contract loosens the bonds and increases the probability of distrust, lower job satisfaction, or higher employee turnover (Anderson, 1998). Tight bonds might help the employee to identify with her job, her work-group or her employer. Hence there is agreement in the literature that identification can be an important lever for employee motivation to work.

This was recognized by Cooper and Thatcher (2010) who postulated that different types of identification (organisation, workgroup, co-worker, or career) are antecedents of motivation to work. The latter was verified in a questionnaire-based study in the UK health-care sector (Millward & Haslam, 2013) and it was supported by the studies of van Dick, Stellmacher, Wagner, Lemmer, and Tissington (2009) and Basford and Offermann (2012). These authors found that identification with the team or the group, e.g. due to good co-worker relationship, added to employee motivation and resulted in better performance. These findings were independent of hierarchical level of the study participants.

Further to identification with the team or the group LePla (2013) looked at the question of identification with the company as a whole. He predicted the aspect of prestige to contribute in large part to an employee's identification with the company. Consequently, he pleaded for internal branding, i.e. selling the organisation's advantages to the employees, as a suitable major motivator. Following that train of thought it can be assumed that the company's image or the company's brand(s)'s image, both adding to external prestige, can trigger employee motivation (Bartels et al., 2007). In agreement with these authors Sparrow (2014, p. 43) concluded: "If the brand has strong positive values, employees will feel a deeper connection with the organisation."



This leaves room for the question of what happens with regards to employees' identification with the organisation in case of a dual strategy comprising on the one hand the employer's brand and as second strategy supplying private labels – brands owned by others. That is a question, which might be of particular interest in the current research.

Figure 4 charts the previously identified mediators of work motivation for a more comprehensive overview. Issues influencing work motivation are rewards, responsibility or autonomy, challenge – being a result of tasks to be fulfilled, personal skills and goals, involvement or identification and the fulfilment of psychological needs. Rewards are extrinsic motivators. The fulfilment of psychological needs leads to intrinsic motivation. Personality traits influence what kind of rewards as well as what types of psychological needs function as motivators.

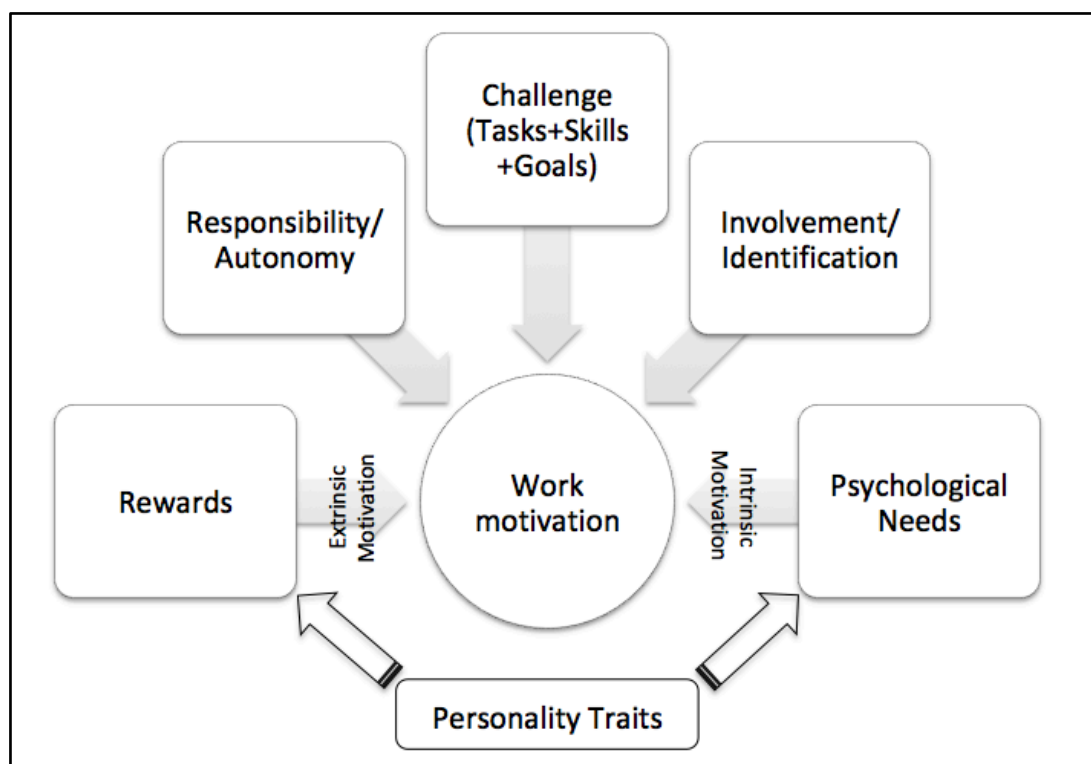


Figure 4 Mediators of work motivation identified in the literature search (by the author)

In summary literature on motivation depicted several mediators of work motivation that link the different theories on work motivation to a bigger picture. These mediators are concerned with the tasks to perform, with the skills one employs, with the goals one can commit to, with matters of identification with something

that is work environment related, with the internalization of values, and with aspects of personality traits, like psychological needs or self-efficacy.

All of these mediators, although potentially of different importance, appeared to be worth considering in my research. As they all are comprised in the concept of SDT (R. M. Ryan & Deci, 2000) and as SDT also covers the process of motivation I regarded it useful to draw on that theory of motivation during data analysis and data interpretation, for identifying and classifying issues that influence work motivation in a dual strategy environment, i.e. for meeting my second research objective.

Moreover, drawing on SDT appeared fruitful for understanding why these factors moderate employee motivation, which addresses my third research question. Following up on that leads towards the fourth research objective to evaluate if in a work environment moulded by two strategic orientations comparable levels of work motivation for both strategic orientations are possible at all.

How gathering information on individual work motivation is approached in relevant studies identified with the literature search is summarised in section 2.2.3.2. In chapter 3 these approaches are further evaluated with regards to suitability to meet my research objectives and to finally reach my research aim.

### **2.2.3.2 Evaluation of work motivation**

The following section provides an overview on the application of theories of work motivation in research on motivation in the workplace that I identified with the literature search. The primary aim is to find methods for evaluating or ways for approaching work motivation. Therefore, like in part 2.2.2.2, there is no intention to look closely into all the results.

#### **Application of surveys**

As the concept of work motivation implies aspects of comparison, relations, or of causality, e.g. 'is A more motivated than B', or 'is A more motivated after B has happened or when A's needs are met', it is not surprising that the majority of

studies on employee motivation identified follows a quantitative approach via applying different types of surveys.

Kroon et al. (2013) confirmed that efforts to increase employee identification with the company are suitable for increasing employee motivation to work. They demonstrated that Dutch SMEs that applied different HR methods to increase employee identification could lever their employees' motivation to work. HR methods applied in that context all paid attention to several matters of identification that can be translated into the mediators of motivation illustrated in Figure 4. These matters of identification were self-managed teams, translating to responsibility and autonomy; continuing education, relating to skills; employee involvement in organisational strategy, augmenting involvement and identification; and team-performance-based pay, being one type of a reward.

Other quantitative studies looked into the effects or the importance of different kinds of rewards in asking the survey participants about their preferred rewards. Drawing on the Valence Instrumentality Expectancy (VIE) theory (Vroom, 1995) and the Goal Setting Theory (GST) (Latham & Locke, 1979), Uzonna (2013) evaluated the motivating potential of monetary or non-monetary rewards and found recognition, a non-monetary reward, to be a major motivator in his research context, the banking sector in Cyprus. In contrast Achim, Dragolea, and Balan (2013) identified financial rewards to be the major motivator and working conditions or communication to be more or less hygiene factors in the Romanian context. Although that study might not suffice the positivist view on generalisability as it has been conducted in only one company with just 150 respondents it can be interpreted as an illustration of the context specificity of impacts of rewards on motivation. It is reasonable to assume that the economic situation of the employee might lever the importance of monetary versus non-monetary rewards hence depicting that a reward must fit the employees needs to be a suitable motivator. This is supported by a 2016 online-survey on work motivation with 1000 employees in Germany (Rathgeber, 2016). In that survey non-monetary mediators of motivation like identification with colleagues and task variety were found to be of higher importance to work motivation compared to payment.

Appertaining to the predominance of quantitative studies on work motivation there appears to be a more recent interest in the impact of psychological needs on work motivation. Most of the studies identified in that respect draw on different aspects of the Self Determination Theory (SDT).

The working groups around Gagné applied previously developed SDT related frameworks for assessing work motivation in different national contexts. These were either the Motivation at Work Scale (MWS) (Gagné et al., 2010) or the Multidimensional Work Motivation Scale (MWMS) (Gagné et al., 2014). With these studies they correlated work-related needs satisfaction with motivation to work. As both the MWS and the MWMS distinguish between different types of motivation both studies documented such correlation especially for autonomous types of motivation. That means in general that work motivation is higher when a job is meaningful or enjoyable which then leads to higher job satisfaction and well-being. These findings were confirmed in the studies of van den Broeck, Lens, de Witte, and van Coillie (2013) and of Trépanier, Fernet, and Austin (2013). The first study included participants randomly selected in street interviews in Belgium as well as participants from service sector companies in Belgium and the Netherlands. The latter, for the research context of Canadian school board members, also demonstrated that high autonomous motivation is linked to better resistance to job-demand related stress.

All of the above-described studies can be regarded as correlational studies where matters of motivation are correlated to certain naturally occurring variables and where their relationship is then investigated using statistical methods. Thus, their advantages as well as their drawbacks are similar to those discussed for correlational studies in the field of organisational culture: easy to apply, practicable for categorisation and correlation, oversimplification of the complex nature of motivation, disregarding the complexity of the to be related issues, and basing on assumptions about potential outcomes, so potentially provoking biased results.

### **Conducting observation**

Apart from applying surveys another method conducted in the reviewed literature to identify and monitor stimuli influencing motivation is observation. To be able to observe motivational levels or influences of certain motivators, that being feedback, identification, task significance, or required skills, such observation always included a certain kind of intervention with observation taking place prior to the intervention as well as afterwards. Due to potentially involved costs as well as required time such an observation in a real working environment appears to be difficult to conduct. Hence it is understandable that the observation-based studies found with the literature search are all experimental, either performed in a laboratory situation or as quasi-experiments (Bandura & Cervone, 1983; Cherian & Jacob, 2013; Klehe & Anderson, 2007; van Dick et al., 2009).

Although the reasons for looking at motivation in experimental situations are understandable, i.e. lower costs, less time required, a purposeful influence on the research setting or the environment is inherent in experimental studies. Thus, significance and value of such studies for evaluation of motivation in the real working environment is questionable. Moreover, such studies disregard the complexity of human nature and its interplay with work context and environment by focussing on limited and defined influence factors.

Consequently neither surveys nor observation appeared to be suitable for understanding the interplay of market strategy, work motivation, and organisational culture that I attempted with my research. Which supported my decision to follow the qualitative route with my research.

After having illustrated the three main subjects that informed my research, market strategy, organisational culture, and employee motivation, the sections 2.2.4, 2.2.5, 2.2.6 and 0 illustrate the literature identified in the intersections between those subjects.

#### **2.2.4 Market strategy and organisational culture**

The following part deals with literature that comprises aspects of both market strategy and organisational culture.

As already outlined in section 2.2.1.4 relating market strategy to organisational culture involves questions of fit of an organisation's strategic decisions with its company culture and the alignment of the latter with the beliefs and values of the employees.

Whereas Eaton and Kilby (2015) focused on the importance of a cultural change whenever a strategy change is intended other authors investigated the impact of strategy and culture fit on business performance. Yarbrough et al. (2011), Bates and Amundson (1995) and Owino and Kibera (2015) applied the Organizational Culture Assessment Instrument (OCAI) (Cameron & Quinn, 2006) to define organisational culture and statistically correlated that to questionnaire derived data on strategy and business performance in different markets and locations.

All studies showed in agreement that for a strategy to be successful it needs a corresponding organisational culture, which implies that different market strategies need different organisational cultures. Whereas a manufacturing strategy fitted best to a group oriented or clan culture (Bates & Amundson, 1995), market oriented banks performed best with a market culture (Owino & Kibera, 2015), and an adhocracy culture, supportive of innovation and risk-taking, suited a service oriented strategy best (Yarbrough et al., 2011).

Such fit between strategy and culture appears to be particularly important when the focus of an organisation's strategy is a brand. Several mainly qualitative case studies looking into brand building and brand success, drawing on information from interviews or secondary data, in different business contexts – manufacturing and service – suggested such importance. Urde (2009) found that when an organisation follows a brand strategy, the brand determines the organisation's activities and serves as a strategic resource. Such strategy therefore demands a brand oriented culture "characterized by a dominance of the brand in corporate strategic thinking"

(Baumgarth & Schmidt, 2010, p. 1252). The brand then becomes part of the organisation and its culture (Urde, 2013), which has to be supported by management (LePla, 2013; Urde, 2013). That implies the need for congruent values of the organisation, its culture and the brand, each representing the other, i.e. becoming interchangeable (de Chernatony & Cottam, 2008).

It can thus be concluded that formation or changes of strategic orientations are not separable from the organisation's culture. It can moreover be assumed that following multiple market strategies in different business units will need sub-unit specific organisational cultures, in order to prevent competition of cultural values within one sub-unit and to enable the sub-unit to perform. Accordingly, Yarbrough et al. (2011, p. 570) emphasized the need for further research in that area by posing the question: "Is such variance in organizational culture enough to allow effective and efficient implementation of different business level product market strategies?"

That question implies looking at cases where different market strategies require differing cultures entailing competing values, which leads exactly to my research objectives: to explore what facets of organisational culture evolved with a dual market strategy, and to identify mediators of motivation among these that influence people working in organisational units concerned with both market strategies. The latter aspect adds additional aspects to the existing literature. First it assesses if the internalization of different, or at worst competing, organisational culture values is possible within one business unit. Second it considers if that is possible for one person.

### **2.2.5 Organisational culture and employee motivation**

The following sections evaluate literature that deals with aspects of organisational culture as well as with employee motivation to find overlaps worth following up on for the current research.

The recurring element of the studies identified is value congruence (Bartels et al., 2007; Bellou, 2009; Inabinett & Ballaro, 2014; Westover, Westover, & Westover,

2010). Value congruence, a congruence of organisational values and personal values of the employees, is predicted to increase job-satisfaction and can therewith be beneficial to the employees' motivation to work.

Value congruence moreover is regarded to be a pre-requisite of person-organisation-fit, a concept reviewed in detail by Kristof (1996). Kristof-Brown, Zimmerman, and Johnson (2005) later expanded that concept in a meta-analysis of different types of fit to a complex model of person-environment-fit. According to that publication all types of fit: person-job-fit, person-group-fit, person-supervisor-fit, and person-organisation-fit add to an overall motivation to work. Consequently, the authors suggested that: "It is not enough to [...] indoctrinate employees into a company's culture. Instead, a multifaceted approach that involves the demands and supplies of jobs, co-worker characteristics, and organizational elements is needed" (Kristof-Brown et al., 2005, p. 325).

The concept of fit and congruence of values implies something measurable and comparable. Hence it is not surprising that the studies found in the field of organisational culture and employee motivation are questionnaire-based. Depending on their main research focus the authors measured different issues of fit and applied different kinds of surveys. That literature, all concerning value congruence, is summarised in the following sections.

### **Person-organisation-fit**

Several authors applied the concept of person-organisation-fit with regards to cultural values to predict job-satisfaction and therewith motivation to work.

For the Dutch police Bartels et al. (2007) showed that job-satisfaction increased when values of the individuals correlated with the cultural values of their organisations. By addressing person-organisation-fit Inabinett and Ballaro (2014) found US employees to believe person-organisation-fit to be predictive of job-satisfaction and motivation to work. Measures of person-organisation-fit or value congruence were also applied to predict the attractiveness of an organisation for certain employees and the employees' loyalty towards the organisation. Thus, Bellou (2009) showed person-organisation-fit to predict employee loyalty in the



Greece finance sector. Consequently, Westover et al. (2010) concluded from their research that “it would be wise to seek employees that match up with key organization goals or values” (Westover et al., 2010, p. 384).

### **Person-supervisor-fit**

Hoffman et al. (2011) demonstrated that person-supervisor-fit could have an impact on work motivation. When managers share the values and goals of the organisation it will foster motivation and performance of the individual and of the work group. Should managers’ values and goals not correlate with those of the organisation they might be more likely to send mixed messages, which confuses employees leading to lower motivation. The authors commented on that by: “mixed messages [...] can leave organizational members confused about their roles or disillusioned with their organization” (Hoffman et al., 2011, p. 791). Likewise, Millward and Haslam (2013) pointed towards the significance of person-supervisor-fit for facilitating organisational identification and therewith motivation to work in that particular organisation.

Condensing the cores of both studies the results imply that the influence of an organisation’s culture on the motivation of its employees will be more effective, in the organisation’s sense, when the organisation’s managers have internalized the organisation’s goals and values and when they enact these goals and values. That can be translated into the importance of managers and superiors to share cultural values with the lower hierarchical levels and therewith to enable that these values reach those hierarchical levels.

The above findings unanimously demonstrate the importance of fit between personal values and beliefs of the employees, the cultural values of the employing company and those enacted by management, for employee motivation. Exploring if there is alignment or competition between enacted values, espoused values and personal values consequently appears to be crucial for answering my research questions.

## **2.2.6 Market strategy and employee motivation**

As previously assumed I did not find any direct link in the literature between market strategy and employee motivation in my research context.

Reasons for that lack of studies can be seen in the diverging foci of the research in the fields of strategy and work motivation. Theoretical strategy literature predominantly aims at strategy formation. Accordingly, it looks at the decision-making hierarchical level of an organisation. It is thus mostly management or leadership centred and does not incorporate the shop floor level. Whereas strategy literature, in the broadest sense, can be interpreted as being related to the fulfilment of an organisation's needs, work motivation refers to the fulfilment of the employees' needs. It is thus a psychological process and not an organisational process. Accordingly, scholars doing research in either of the research fields are having totally different backgrounds. One is business or management the other is psychology. Research fields are not interrelated, so that a link between the two concepts does not directly arise. As a consequence, the potential impact of a company's market strategy on work motivation of its employees has apparently never been an issue to monitor. That is a significant shortcoming because theoretical knowledge does not take into account that psychological processes are involved on shop floor level whenever there are attempts to build or modulate an organisation's (market) strategy.

As a consequence, the current research seeks to narrow the discovered knowledge gap in the intersection of market strategy and employee motivation and attempts to build a bridge between these two formerly not related research fields, in particular in an SME context.

### **2.2.7 Market strategy, organisational culture, and employee motivation**

As I intended to bridge the subjects of market strategy and employee motivation via organisational culture I also looked for literature in the intersection of these subjects.

Like in the intersection of market strategy and work motivation there appears to be a research gap. The only article found that in a broader sense touched all three subjects dealt with a survey-based quantitative study performed by Güntert (2015) in the Swiss insurance industry. Drawing on SDT (Gagné & Deci, 2005) he looked for factors that improve internal motivation and increase autonomous motivation. He found positive relations between employee motivation and a varied work design, autonomy-supportive leadership, and comprehension of an organisation's strategy, which is regarded to be important as it provides the rationale for performing a task. The latter two stimuli can both be regarded as facets of an organisational culture that support employee involvement.

Whilst that study did not explicitly look into matters of culture and although it does not comprise multiple strategies in one company the study's results nevertheless foster the belief that my research approach, the concurrent consideration of the employees' personal mediators of motivation and their perception of the company's strategy and the therewith-related issues of their company's culture, might be a practicable path towards reaching my research aim: to explore and to explain the influence of a multi strategy work environment on employee motivation in SME business units where the employees have to perform the balancing act of working to satisfy potentially competing strategies.

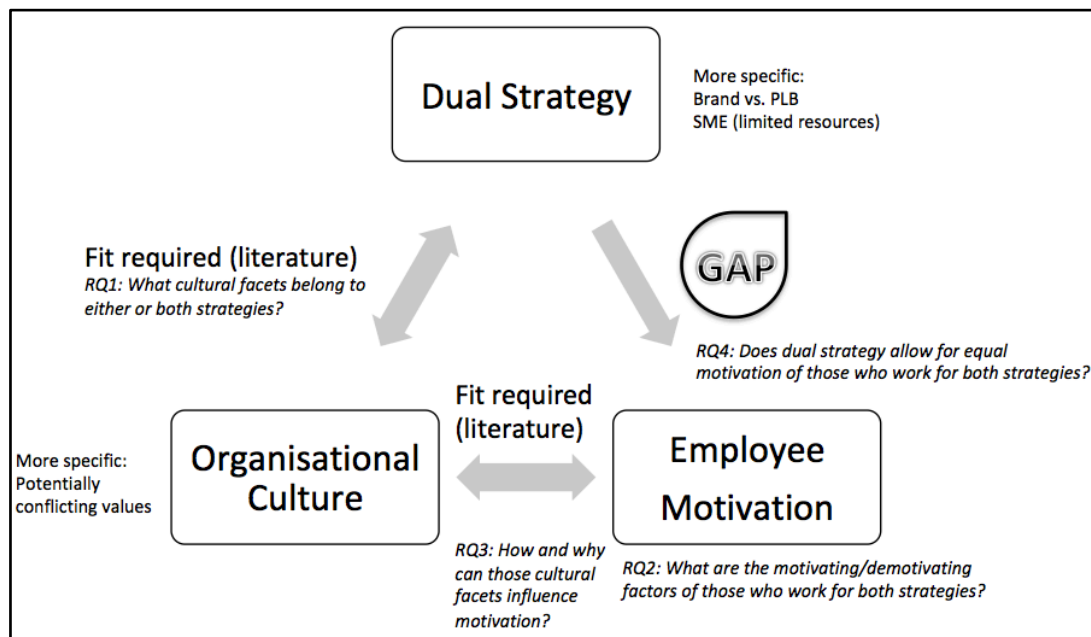
## 2.3 Conclusion

As was illustrated throughout the last chapter all three underlying topics that allude to my research: market strategy, organisational culture, and employee motivation, are widely explored. Likewise, are the intersecting issue-areas of market strategy and organisational culture as well as organisational culture and employee motivation whereas all issue-areas comprising market strategy together with employee motivation appear to be not or just marginally explored.

That result depicts two matters: First it shows that the current literature review identified a knowledge gap at the interface of market strategy and employee motivation. That confirmed my initial assumption that there is an actual lack of knowledge about potential influences of an organisation's market strategy – more particularly a two-pronged strategy, e.g. serving competing market segments – on work motivation. Second it indicated that the concept of organisational culture can be a potential bridge between market strategy and employee motivation.

That culture can bridge the gap also resonates in my long-term experience as a practitioner in a dual strategy environment. My observations and personal experience that things are done differently for each market strategy point towards organisational culture as a potential link between market strategy and employee motivation, because organisational culture concerns “how things are done” (Martin, 2002, p. 3).

Figure 5 illustrates the results of the literature review in showing the identified knowledge gap. It moreover figures the theoretical background laid out in relation to the research questions (RQ), and it shows how answering these questions with the data to be formed in the current research will help to narrow that knowledge gap. The bi-directional arrows point to the importance of fit between the concepts they connect. The unidirectional arrow implies the direction of impact, i.e. a dual strategy potentially directly influences employee motivation.



**Figure 5 Knowledge gap identified and relation of RQs to theory (by the author)**

Concerning the impact of a dual strategy on the organisation and its employees the literature review suggested to expect potential conflicts, especially if that dual strategy comprises two potentially conflicting strategies. The conflicts depicted in the literature concern the allocation of resources, matters of governance, and issues of cultural values, which all might influence employee motivation. Figure 4 indicates a first explanation: the allocation of resources might impact e.g. success or goals, the question of who determines the processes might influence, among others, autonomy or identification, and issues of cultural values refer to matters of value congruence.

As illustrated in section “Open questions” on page 36 of this thesis the significance of such conflicts varies depending on the specific characteristics of a dual strategy as well as on the size and structure of the organisation pursuing that dual strategy. More specific gaps in knowledge on the influence of a dual strategy on employee motivation can thus be defined:

- a) in case that such dual strategy comprises a hybridisation between a brand and a private label approach.

Apart from attempting to follow two value disciplines (Treacy & Wiersema, 1993) that means brand responsibility to be inside the organisation, whereas

PLB responsibility is in the hands of the PLB owner, i.e. outside the developing and producing organisation. Both demand different mind-sets inside the organisation (Urde, 2009).

b) in case that such strategy is followed by an organisation with a limited workforce and without a branch like structure so that both strategies and the therewith related processes cannot be separated in different branches – that being typical for an SME.

Then employees will have to work simultaneously for both strategic orientations. That will be difficult with regards to allocation of resources. Moreover, congruence of personal values of these employees with the potential conflicting cultural values that evolved together with the adoption of that dual strategy might be difficult to achieve.

According to my experience as a practitioner in such dual strategy environment, an SME pursuing a brand approach together with a PLB approach, all three predicted conflicts do exist. Therefore, it appeared reasonable and appropriate to follow up on that for exploring the potential impact of a dual strategy on employee motivation in an SME context.

### **Summary**

For illustration of what concepts to potentially look for during data analysis I include the following short summary of the literature review followed by the main points printed in *italics*.

Literature suggests a successful strategy to require strategy-specific structures, processes, resources (Porter, 1996), management preferences (Alderson, 2009), and patterns of decisions (Mintzberg, 1978), as well as fitting organisational philosophy, i.e. mind-sets or organisational culture (Eaton, 2015; Schein, 2010; Urde, 2009; Urde et al., 2013).

A fit of strategy and culture demands organisational, cultural and strategic values to be aligned, so that these values become part of strategic thinking, i.e. become core values of the organisation (Baumgarth & Schmidt, 2010; de Chernatony & Cottam,

2008; Urde, 2009; Urde et al., 2013). These core values then build the basis for employee identification (Baumgarth & Schmidt, 2010; Cameron & Quinn, 2006; O'Reilly et al., 1991) due to value congruence between the organisation and the employees, which then serves as motivator to work (Bartels et al., 2007; Bellou, 2009; LePla, 2013; Millward & Haslam, 2013; Westover et al., 2010). To facilitate employee identification with the organisation management must authentically enact organisational values and goals. That means that employee identification should be supported by congruent and consistent management decisions, actions, and behaviour (de Chernatony & Cottam, 2008; Hoffman et al., 2011; McGregor, 2006; Mintzberg, 1978; Urde, 2013).

When culture is to be taken synonym for the strategy or the organisation, i.e. something the organisation is (Smircich, 1983), cultural management on the values and beliefs levels can be questioned (Harris & Metallinos, 2002; Harris & Ogbonna, 1998b; Ogbonna & Harris, 1998; Ogbonna & Wilkinson, 2003; B. Ryan, 2005), and dictation of culture is impossible (de Chernatony & Cottam, 2008; Martin, 2002). One reason is that such attempt interferes with the employees' identification and their perception of identity (Smollan & Sayers, 2009).

Apart from identification, i.e. tight bonds between employer and employee or a valid psychological contract (Rousseau, 1996), multiple other factors influence employee motivation to work. Basically motivation is an internally and externally driven process that leads to action in order to fulfil personal needs (Deci, 1996; Latham, 2012). According to SDT (Self Determination Theory of motivation) (R. M. Ryan & Deci, 2000) these needs are autonomy, competence, and relatedness, and the importance of each need is determined by personal preferences. Motivation and the importance of the psychosocial needs moreover depend on the environment: e.g. rewards have to be desired (Schmelter et al., 2010; Schwab & Cummings, 1976; Srivastava, 2013), goals have to be self-set or agreed on (Locke & Latham, 2002), jobs have to be interesting and challenging and to fit to the employees' skills and preferences (Hackman & Oldham, 1976; Herzberg, 1968), and feedback should be positive (Deci et al., 1989). Because SDT combines multiple influence factors potentially leveraging motivation, i.e. supporting it or, if reversed or

lacking, frustrating it, SDT appears to be helpful for understanding and explaining individual motivation.

Accordingly, the main points to look for during data analysis are:

- *distribution of resources, governance of processes,*
- *values: attributed to the organisation, to strategy, to organisational culture; of the employees, enacted and espoused by management,*
- *identification: with the organisation, with strategy, with cultural values,*
- *work motivation: fulfilment of psychological needs, fit of skills and tasks, fit of personal and strategic goals, rewards, and personal preference for each.*

By drawing on these main points in data analysis, whilst staying open for additional aspects to be discovered, my research attempted to narrow the gap in theoretical knowledge in the intersection of market strategy and employee motivation, either directly or, by illuminating potentially competing aspects of organisational culture that emerged from the adoption of a dual market strategy by an SME. By illustrating how and why such dual strategy and the related aspects of culture might influence motivation of those employees that have to work to satisfy both strategies the research painted a fuller picture in the triad of the three topics: market strategy, organizational culture, and employee motivation. In that the research added knowledge to theory.

Paying attention to that picture the research also laid the ground for understanding the conditions being potentially supportive to work motivation when employees have to work in dual strategy environment. Based on such insights fields of action could be defined and measures be derived to facilitate such balancing acts to be performed in the special context of SMEs. That added knowledge to practise.



### **3 Research approach**

“Beneath any given research design and choice of methods lies a researcher’s (often implicit) understanding of the nature of the world and how it should be studied” (Moses & Knutsen, 2012, p. 1). It is that ‘understanding of the world’, the ontological position, and the believe how the world ‘should be studied’ – the epistemological approach – that determine the chosen research methodology or the “strategy or plan of action: why, what, from where, when and how data is collected and analysed” (Scotland, 2012, p. 9). How a researcher views the world and what she believes to be real as well as how she prefers to generate knowledge and how she explains the world all influence any research, its design, the methods applied as well as the research’s possible outcomes (Grix, 2002; Killam, 2013; Moses & Knutsen, 2012; Scotland, 2012). Consequently, a general understanding of these “philosophical underpinnings of research” (Scotland, 2012, p. 9) is important. Both with regards to making a choice as well as with regards to understanding a research’s strategy and the therewith created results (Grix, 2002; Scotland, 2012).

To set my research strategy, which is explained in section 3.2, in the light of the broad philosophical spectrum on which social science research can be based that illumination is preceded by a brief review of those two paradigms that are located at the extreme endings of a continuous scale of philosophical perspectives: realism (positivism) and constructionism (interpretivism) (Moses & Knutsen, 2012).

#### **3.1 Two polarized philosophical perspectives**

Derived from the objectivistic approach underlying the natural sciences realist researchers believe in the existence of a real world consisting of strict underlying patterns as well as in a detectable overall truth. Researchers adopting a realist perspective believe exclusively in sense experience. For them knowledge is based on measurable facts and it is always independent from the researcher making it reproducible (Moses & Knutsen, 2012; Scotland, 2012). By contrast constructivists hold the general believes that there is nothing like an overall truth because nothing

can be isolated from context. Everything needs to be interpreted in its historical, cultural and situational context. Consequently, constructivist researchers believe in the existence of several realities that differ from person to person, as everybody constructs her own reality (Scotland, 2012).

Such sets of beliefs determine different epistemologies. Realists regard the world with distant objectivity. Thus, they prefer quantitative data, i.e. facts and figures, to qualitative data. Their data comes preferably from controlled experiments following defined and precise research conditions and boundaries or from standardized surveys or questionnaires (Moses & Knutsen, 2012). Realists focus on finding correlations in their data and on detecting patterns in human behaviour with the aim to formulate generally valid laws. Realists are deeply concerned about bias and objectivity, thus they make use of control groups and large samples and they look into the repeatability of their experiments and the replicability of their data (Easterby-Smith et al., 2012).

Contrary to that constructivists believe that there are differences between the study of objects, like in the natural sciences, and the study of people (Bryman, 2012; Grix, 2002). For them “the natural and social worlds are different” (Moses & Knutsen, 2012, p. 200). Thus, they acknowledge a subjective nature of their data, which by nature has only limited transferability or generalisability. Constructivist researchers aim at a deeper understanding of phenomena (Easterby-Smith et al., 2012). Hence the process of research can be compared to the creation of a three-dimensional puzzle where individual elements, views and experiences of the researcher and the researched, i.e. multiple perspectives, are combined to an overall big picture. For that purpose constructivists can make use of any research method, from those deriving from a realist background to more subjective ones as interviews or “epistemological tools, including empathy, authority, myths [...]” (Moses & Knutsen, 2012, p. 10). Hence Black (2006, p. 320) concluded: “Interpretive research is extremely complex as it involves the interaction of the individuals with themselves, family, society and culture.”

I limited the brief summary of philosophical paradigms to these two due to their polarized perspectives. That polarisation already reflects the wide scale of philosophical perspectives potentially available for any researcher. At which point or region of the continuous scale between the two poles a researcher locates her own perspective depends mainly on her (situational) understanding of the most applicable way to create knowledge. Such conception depends on a researcher's basic attitude towards research as well as on the research context, e.g. for reaching a specified research aim, from an individual researcher's point of view. That is illustrated in the conclusion by Silverman (2011, p. 14) "what philosophical position the researcher takes on what knowledge is, and ways of discovering it, are subjective".

The following section briefly illustrates the philosophical perspective I adopted for the purpose of the current research.

### **3.2 Ontological, epistemological and methodological considerations**

As previously illustrated my research was based on the urge of understanding how and why the market strategy (or market strategies) of an organisation influences work motivation of its employees looking at it from the employees' (shop floor) perspective (see data section 1.1). The intention to get to a deeper understanding of people's perspectives towards a phenomenon suggests the adoption of a constructivist perspective.

The two concepts that primarily informed my research, work motivation and organisational culture as potential bridging element between strategy and motivation, are highly subjective and individual issues as can be seen in the following two quotes: "Culture lies in the eyes of the beholder" (Martin, 2002, p. 331) and "theories of motivation [...] take into account the wants, wishes, desires, and experiences of the individual" (Latham, 2012, p. 30). Learning about these issues therefore required interpretation of human motives and behaviour in context (Bryman, 2012; Gummesson, 2000; Killam, 2013; Smircich, 1983). Latham (2012, p.

165) illustrated that as follows: “Context [...] affects the extent to which an employee’s needs are met and values are fulfilled.”

For my research ‘context’ meant facets of organisational culture that developed from or together with different market strategies. Those facets of organisational culture again required interpretation to enable to understand how these facets might influence on work motivation. That culture requires interpretation was elucidated by Alvesson (2013, p. 15):

Culture, as I see it, is best understood as referring to deep-level, partly non-conscious sets of meanings, ideas and symbolism that may be contradictory and run across different social groupings. Culture thus calls for interpretation and deciphering.

Looking in an interpretative way at facets of culture that are related to competing market strategies and that thus influence employee motivation in different ways, allowed “to make sense of [...] how people create their worlds” (Alvesson, 2013, p. 32).

Consequently my research questions and the corresponding research objectives leading to my research aim as well as the research aim itself were all aligned with the constructivist’ end of the research philosophy scale. To recapitulate, the aim of my research was to explore the influence of a multi-strategy work environment on employee motivation in SME business units where the employees have to perform the balancing act of working to satisfy potentially competing strategies considering facets of organisational culture. My research thus attempted to understand a phenomenon in context. That suggested an inductive approach, i.e. the generation of theory from data (Saunders, Lewis, & Thornhill, 2009).

That choice for adopting a constructivist perspective was also backed by the results of the literature review that did not depict a prevailing perspective to take on for the current research topic. It rather showed the research approach to depend on the actual aim of each research project as well as on the researchers’ preferences. As that preference depends on a researcher’s background and her pre-

understanding, or her basic assumptions, the aim of any research, the therefore developed research questions, and the corresponding research objectives, cannot be separated from the researcher. All that directly influences the choice of methods to create data (Grix, 2002; Kelemen & Rumens, 2012; Scotland, 2012). Thus, the researcher's "(often implicit) understanding of the nature of the world and how it should be studied" (Moses & Knutsen, 2012, p. 1), or the researcher's 'home perspective' Martin (2002) determine which methods the researcher feels most comfortable with.

Going back to the actual methods applied in the studies identified with the literature review the Organisational Culture Assessment Instrument (OCAI) developed by Cameron and Quinn (2006) is one of the most frequently applied organisational culture assessment tools. Like the other analytical tools identified, the OCAI is based on a quantitative assessment of survey questions leading to a classification of culture. Basically the OCAI attempts to allot a kind of nametag to an organisation's culture in order to give it a comparable profile. This is done to relate the identified culture type to issues of company success or performance, or to correlate it e.g. with employee's preferences. Such surveys therefore are useful for comparing cultures of (larger numbers of) different organisations with regards to the co-analysed factors – success, performance, employee satisfaction etc., or to get directions in case a planned cultural change should be intended. – Provided this is regarded to be possible at all.

Despite my philosophical preference towards my research aim I considered using the OCAI, mainly because it is easy to apply hence promising to deliver results quickly. To check feasibility and appropriateness for my research I actually did the OCAI myself. That revealed certain difficulties when working in a dual strategy environment because of the differences of each assessed item with regards to either strategic orientation and due to potential changes over time. Trying to concentrate on only one strategy was not helpful because of the permanent presence of an amalgam of both in the daily working environment. Allotting points to the alternatives in each item therefore was inherently difficult. Moreover, the result did not help to decipher meaning with regards to my research question.

Thus, my self-experiment backed my assumption that neither a figure representing a degree of fit nor the knowledge about a prevailing or preferred culture type, even if from the employees' point of view, helps in any way to inform my research aim. This is because culture assessment surveys do not particularly help to find and understand the reasons why aspects of an organisation's culture influence motivation to work. Besides that, the literature review suggested following the qualitative path (see data section 2.2.2). Looking into both visible and more subjective levels of organisational culture, like cultural values or behavioural norms, from the employees' perspective should lead to a deeper understanding of employee behaviour (Alvesson, 2013; Smircich, 1983).

For trying to look at matters of employee motivation the literature review suggested either experiments or surveys (see data section 2.2.3.2). Both of which did not appear to be appropriate. First, observation in an experimental setting or a quasi-experiment was not applicable, as this would have involved interference in company processes. That appeared to be impossible when researching in a real-life environment where the primary goal of the employees is to fulfil their daily duties in order to reach their personal, the department's and the company's goals. Observation of effects of interventions on employee motivation that occur in a real-life setting, e.g. annual performance reviews, were also opted out because of the limited time frame of a doctoral research.

Second, the application of one of the existing surveys or an adaptation thereof, hence trying to measure employee motivation and to potentially relate it to certain stimuli or to compare it to existing figures appeared to be inappropriate for meeting my research objectives. Whilst such measurement might be interesting from a management point of view in assessing and comparing general performance of a company in relation to other companies it is not suitable for finding reasons for motivational stimuli in facets of organisational culture derived from differing market strategies.

Moreover I generally question the reliability of such surveys with regards to evidence for employee work motivation. That opinion originates primarily from my

own experience as a participant in employee attitude surveys. Responses to such surveys never displayed my general motivation to work. They were rather influenced by the situation, my general mood, and by my attitude towards work, towards my superiors, and/or towards the company at the very time of response. In a similar way Gummesson (2017, pp. 225-226) identified “weak spots”, i.e. disadvantages, of surveys that comprise among others validity, reliability, or interpretation of answers.

Whereas uncovering such mood-related influence factors in survey format seemed to be impossible interviews do provide that opportunity by checking on the answers and talking about the underlying reasons. As motivation is a rather subjective issue and as it – as one facet of people’s behaviour – is context dependent, i.e. the particular situation or environment influence peoples’ motivation (Latham, 2012), asking direct questions in face-to-face interviews appeared to be the most appropriate method for learning about these issues.

More generally I regard such approach to be advantageous in that it prevents misinterpretations or misunderstandings of questions, which might occur when employing surveys. Furthermore, that method is flexible allowing adaptation of questions according to the answers of the interviewees, and it allows generating information on any possible mediator of motivation, including those not previously expected. Additionally an interview can cover all at once: exploring motivational factors, learning about the informants’ interpretation of organisational culture in relation to their motivation to work, and to understand reasons for motivational or de-motivational effects (Gummesson, 2017).

Summing that up, the literature review as well as the research objectives to understand underlying reasons (e.g. facets of organisational culture) for certain behaviour (work motivation) of the employees brought me to give qualitative methods preference over quantitative surveys, i.e. figures and statistics (Bryman, 2012; Gummesson, 2000; Schein, 2010). Consequently, I based the current research on verbal or written information and the interpretation of that information in the context of the organisation’s and the markets’ development primarily from the

informants' perspectives (Bryman, 2012; Leavy, 2014). Smircich (1983, p. 355) justified such approach with regards to organisational culture:

The idea of culture [...] legitimates attention to the subjective, interpretive aspects of organizational life. A cultural analysis moves us in the direction of questioning taken-for-granted assumptions, raising issues of context and meaning, and bringing to the surface underlying values.

After having explained my choice for a qualitative research approach I will detail my research strategy together with the research setting in the following section.

### **3.3 Research strategy**

This research originated from my observations in my function as director of the R&D department of a German SME operating in the personal care industry that adopted a dual market strategy about 20 years ago.

As depicted in section 1.1 my observation was that certain but yet unidentified issues associated with developing cosmetic formulations for two competing target markets, i.e. brand (professional/luxury) versus PLB (mass-market), do influence R&D employees' motivation to work. Due to my personal involvement as a practitioner, i.e. R&D director, in the organisation and in that particular department it appeared obvious that I would undertake the research exactly where my observation took place. Hence I adopted the role of "practitioner-researcher" (Saunders et al., 2009, p. 150), being an active participant in the setting that is illustrated in the following.

I chose to illustrate the setting of the research in detail, i.e. the case company and its target markets, because I consider a certain understanding of the research context necessary to facilitate understanding of my choice of research strategy, the methods applied as well as the final data and its interpretation.



### **3.3.1 Research setting**

The current study was located in one of the few SMEs in the German personal care industry that adopted a dual market strategy. That company, called BrandCos (name changed for confidentiality reasons), follows a brand strategy targeting the selective cosmetic market while also supplying products for PLBs of the cosmetic mass-market.

#### **BrandCos: original market strategy**

BrandCos was founded in 1956. The primary focus and strategy of the company was the development and distribution of innovative cosmetic face and body care products under the company's (brand) name BrandCos, the development of beauty treatment routines, and the performance of training sessions for the selective cosmetics market segment i.e. beauty salons and day spas or hotel spas (business-to-business) and their employees respectively.

Starting on the German market BrandCos today claims to be the market leader in the German professional cosmetics market. Still headquartered in Germany it currently ships to 60 countries around the world. It has sales subsidiaries in the DACH-region (Germany, Austria, Switzerland), the Netherlands, Belgium, Sweden and the USA. In the other countries it supplies its skin care products exclusively via distributors. Focussing on selling to beauty professionals that approach resembles its original approach in targeting the German selective cosmetics market segment. With regards to current position on the market BrandCos is ranking within the top five of the professional skin care market in Germany.

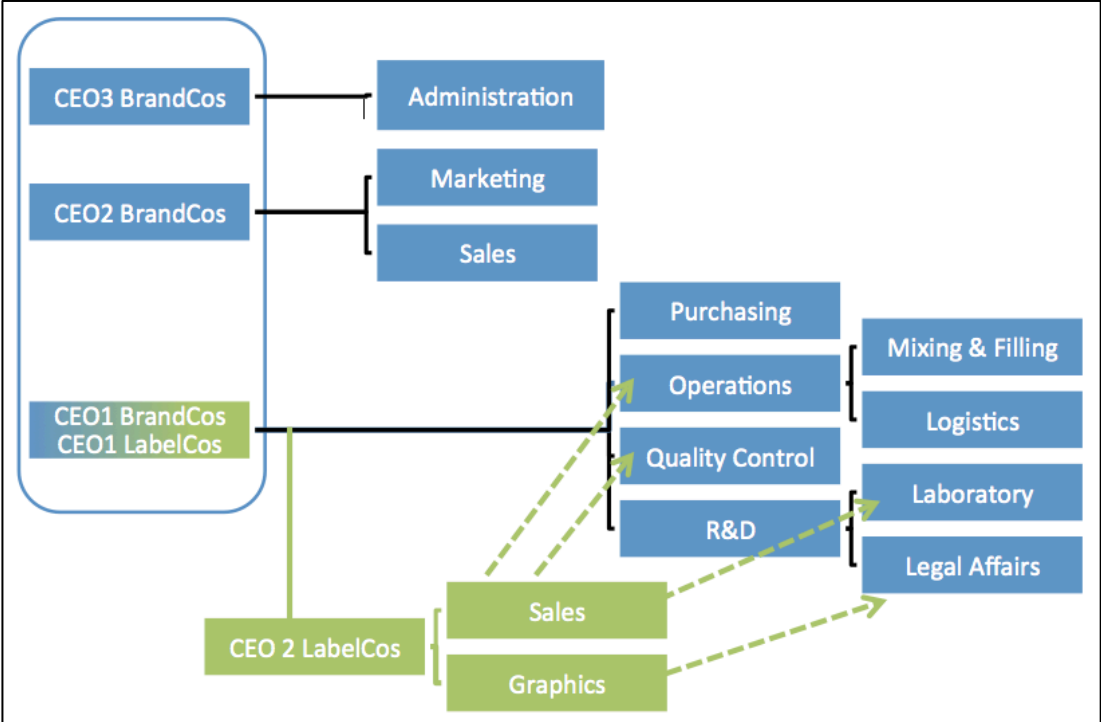
#### **LabelCos: second market strategy**

In 1996 BrandCos took over another cosmetics manufacturer called LabelCos (alias applied for confidentiality reasons) with which it adopted a second market strategy. Via LabelCos as sales company it currently also develops, produces and supplies PLB products for mass-market retailers, i.e. discounters, drugstores, supermarkets etc., predominantly in Germany.

Although a ranking within the group of PLB manufacturers/suppliers is difficult to apply, LabelCos can be expected to be of certain importance for the German cosmetic mass-market when it comes to the supply of smaller bulk volumes or smaller number of units, i.e. face care, eye care and packaging specialities (sachets, sheet masks, roller ball containers, etc.).

**Organisational relation of BrandCos and LabelCos**

The current organisational structure, which is illustrated in Figure 6, makes LabelCos, which itself is a pure sales company, a subsidiary of BrandCos with one CEO of BrandCos being concurrently CEO of LabelCos, i.e. CEO1.

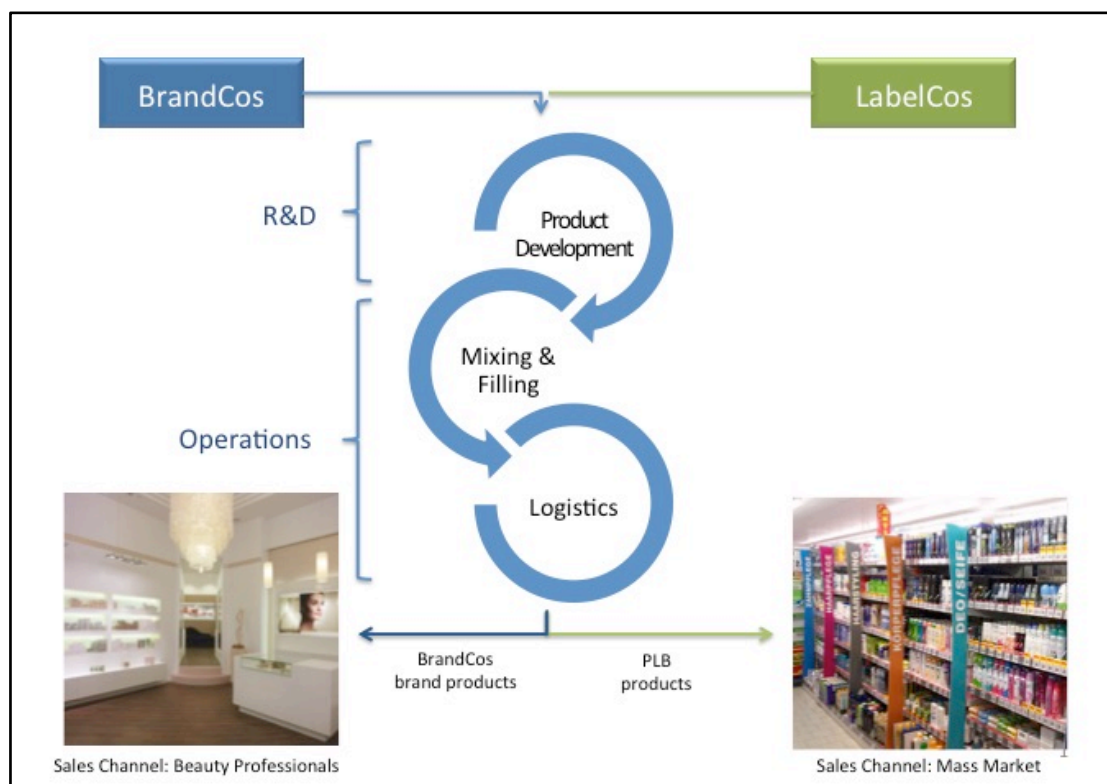


**Figure 6 Current structures of BrandCos and LabelCos (by the author)**  
**Blue = BrandCos = employees working on BrandCos contracts; Green = LabelCos = employees working on LabelCos contracts; Dotted arrows show where LabelCos' has direct access to BrandCos' personnel.**

LabelCos and BrandCos are bound by a contract in a kind of buyer-supplier relation. Inter alia the contract regulates LabelCos' product sourcing, inter-company clearing and allocation of BrandCos resources. Particularly LabelCos has to source the products that it offers to its mass-market customers solely at BrandCos and BrandCos has to provide its personnel resources: product development, legal affairs, quality control, and operations as well as machine capacity according to

LabelCos' requirements. Such access of LabelCos to BrandCos' resources is additionally fostered by the appointment of CEO1 who is responsible for BrandCos' R&D, operations, and quality control (QC) while being responsible for the LabelCos business in personal union.

As a consequence of that organisational construct BrandCos and LabelCos are highly interrelated with regards to product development and all operational processes necessary for manufacturing and supplying cosmetic products including quality control. Employees in these departments are employed under BrandCos contracts and all work on BrandCos' as well as LabelCos' products. The operational processes comprise mixing and filling, i.e. finished goods production and logistics, i.e. warehouse storage and shipping (see Figure 7).



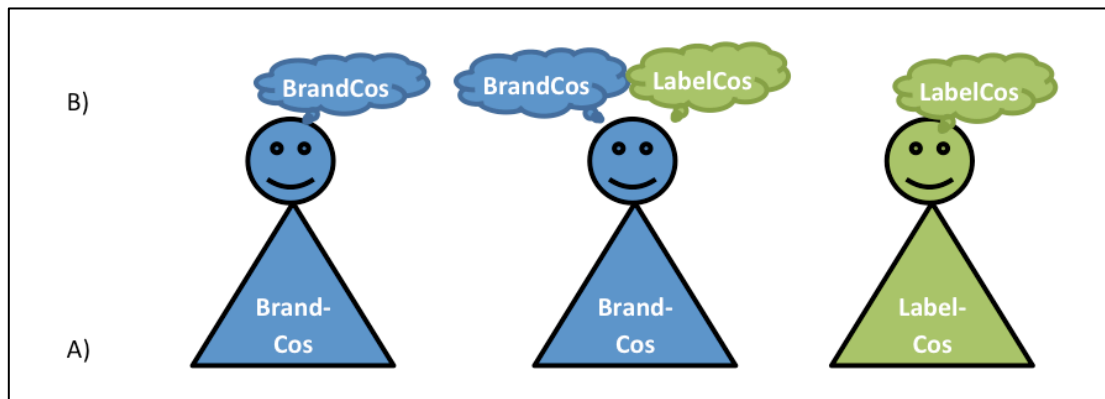
**Figure 7 Correlation of BrandCos and LabelCos via R&D and operations (Official company chart adapted by the author to cover company names.)**

All three functional units (departments) involved – R&D, that comprises R&D laboratory and R&D regulatory (legal) affairs, operations, and quality control – are BrandCos departments. Hence that interrelation can be compared to a service – or being more precise – a standing facility that BrandCos provides for LabelCos

wherein LabelCos commands all of the involved resources of BrandCos. That impact is significant. Since the adoption of a dual market strategy the amount of work for LabelCos in these BrandCos' departments has increased to 80% compared to 20% for BrandCos' own brand products. Currently that results in LabelCos being accountable for approximately one-third of the organisation's total turnover and profit.

Other than that interrelation might suggest BrandCos and LabelCos operate entirely independently on their target-markets so that e.g. BrandCos' marketing and sales and LabelCos' sales are totally independent with no overlaps at all. Moreover, the actual close interrelation of BrandCos and LabelCos is officially kept secret. BrandCos and LabelCos are independently registered companies, both have their own homepages that contain no reference to the other part of the business, and both have different postal addresses. Although LabelCos' offices are situated in one of BrandCos' buildings the entrances are separated. Moreover, BrandCos and LabelCos are represented by two different persons: CEO1 representing LabelCos and CEO2 representing BrandCos. Hence the close affiliation of BrandCos and LabelCos is publicly not apparent.

Such organisational structure and such operating principles determine that BrandCos' adoption of a dual market strategy (selective market vs. mass-market) bears challenges. First of all it resulted in three different types or groups of employees with regards to contract/employer and customer in the sense of the organisational entity for which they do their work, which is illustrated in Figure 8.



**Figure 8 Different “groups of employees” in the organisation due to contract and tasks (by the author)**

**A) or person: contract comes from that part of the organisation**

**B) or cloud: work/duties concerned with either or both parts of the organisation**

Second that BrandCos’ and LabelCos’ marketing and sales are totally independent leads to conflicting goals for the employees working in the areas where products are created (Filson & Lewis, 2000) because of the differences of the two target markets.

### **Main differences of the target markets**

The selective cosmetics market that BrandCos supplied traditionally is characterized by brands that focus on innovation, uniqueness and luxury. The brand companies, that own their brands, determine their own strategy and business, e.g. with regards to product characteristics, timings, price positioning, customer service, or shelf or shop layout, i.e. market approach. The brand company determines what to offer, whom to sell to and under which conditions.

In contrast thereto the PLB mass-market segment, which LabelCos supplies, is characterized most notably by following the leading national brands (Love, 2001) and by PLB owners, i.e. the retailers, determining the business, e.g. products, prices, delivery conditions, timings. Thus, competitiveness of PLB suppliers depends on fulfilment of their customers’ demands, which is determined by adhering to the PLB owners conditions, requiring mainly short lead times and complying with low prices.

Considering the organisational structure, size and its specific dual market strategy I regard the case of BrandCos/LabelCos as well suited for answering the research

questions, meeting the research objectives and finally reaching the research aim as specified in the following section.

### **3.3.2 Suitability of the research setting**

That previous description of the research setting was meant to elucidate that the chosen case example was appropriate for answering the research questions and for reaching the research aim. To recapitulate the research questions were:

1. What facets of organisational culture are related to either or both of the strategies in a dual strategy environment?
2. What are the motivating or demotivating factors in organisational units concerned with dual market strategies?
3. Why and how can the identified facets of organisational culture that are related to either or both strategic orientations affect employee motivation?
4. Is it possible for employees to be equally motivated to work for both of the two strategies?

The research aim was the exploration of potential influences of a dual strategy on work motivation of those employees having to work for both strategies, with focus on the R&D function. As potential bridging element facets or organisational culture should be considered.

As worked out in the literature review challenges of a multi-strategy environment for employee motivation – potentially due to conflicting facets of organisational culture – should be more profound in case of competing strategies and in companies with a limited workforce lacking a branch-like structure, i.e. SMEs.

The case example of BrandCos/LabelCos was therefore particularly suited to provide data for theory development:

- It follows a dual market strategy without having a branch structure so that employees of certain departments work simultaneously for both strategies.
- It is of medium size hence having limited personnel resources, and

- that particular dual strategy comprises a brand approach together with a PLB approach. That means that both strategies are different enough to require different facets of organisational culture.

Following that description of the research setting the next section aims at justifying the decision for at-home ethnography as my specific qualitative inquiry approach.

### **3.3.3 At-home ethnography**

Theoretical considerations depicted in the literature were indicative that an ethnographic approach would be appropriate for the current research. Many identified such approach to be suitable for the study of organisational phenomena and for creating understanding thereof (Alvesson, 2009; Gummesson, 2000; Schein, 1990; Smollan & Sayers, 2009). Saunders et al. (2009, p. 150) depicted ethnography to be especially useful “if you wish to gain insights about a particular context and better understand and interpret it from the perspective(s) of those involved”. That describes exactly the main intention of my research.

Based on that intention and the decision to research my own familiar setting, therewith not being a stranger but rather being an active-participant, the current research corresponded to what Alvesson (2009) introduced as ‘at-home ethnography’. The idea of at-home ethnography suggests a situation where the researcher is actually part of the setting and can use her pre-understanding and “natural access to empirical material for research purposes” (Alvesson, 2009, p. 159). Other than auto-ethnography at-home ethnography does not place the ethnographer in the centre of the research, and data analysis is not mainly subjective. Instead the researcher attempts to create a certain professional distance whilst nevertheless applying her experience and internal knowledge of the setting to create meaning and to understand the participants’ perspectives (Alvesson, 2009; Brannick & Coghlan, 2007).

As a professional in product development and regulatory affairs in the personal care industry with over 20 years of experience in both fields and more than 10 years’

experience in the managing board of BrandCos I had considerable insight into the structure and the demands of the selective and mass-market segments of the personal care market in Germany. I moreover had long-term experience in the research setting. That provided me with knowledge about organisational processes and practises, employee behaviour and ideas about potential motivators or demotivators in that setting, particularly in R&D.

Such pre-understanding due to my insider or emic position appeared to be helpful in understanding underlying issues of work-motivational differences for different company strategies from the employees' perspective. According to the definition of Morris et al. (1999), applied more recently by several other authors (Gover, Halinski, & Duxbury, 2016; Hoey, 2014), emic refers to the perspective of an insider to the studied situation which is contrasted by the etic perspective representing a more distant approach. My long-term involvement in the research setting also compensated for the limited time frame of the actual DBA research process as it added the longitudinal aspect inherent in ethnographic research (Alvesson, 2009; Hoey, 2014; Saunders et al., 2009; Schein, 1990).

Consequently I designed the research as an exploratory at-home ethnography (Alvesson, 2009). The ethnography was interested in the perspective of those employees having to work simultaneously for two competing strategies. Based on my observation in practise it focussed particularly on the employees in the R&D department.

Much inductive research is conducted with a Grounded Theory approach, which suggests developing theory from data via codes, concepts and categories that are elaborated in memos (Corbin & Strauss, 2015). Data collection and analysis is done in parallel using constant comparison between data, memos, concepts and categories. Theoretical sampling is applied to collect new data throughout the process until concepts and categories are sufficiently refined to develop a theory (Bryman, 2012; Silverman, 2011). However, I decided against that approach. First, I required theory to guide my research. Second I had an initial understanding of which and how many employees to include as respondents, calling for purposive



sampling (Bryman, 2012). Third I separated the process of coding – which I did in parallel to data formation – from the further analytical steps (see data section 3.6.3). I did that in order to avoid data formation to be influenced by my initial concepts, comparable to my attempt to reduce bias due to my pre-understanding (see data section 3.4.3). Thus, my at-home ethnographic approach of forming and interpreting data was guided by exploring the richness of the data for themes relevant for my research questions and for my research focus, which with regards to analytical framework fits to a thematic analysis (Bryman, 2012; Silverman, 2011).

As can be deduced from the illustration of the research strategy an at-home ethnographic approach provided opportunities but also bore challenges. The following part details on both with special attention towards my role as an insider-researcher.

### **3.4 Research potentials and challenges: Researcher's role**

Following the recommendation by Creswell (2013) that a researcher should position herself in qualitative research by acknowledging her experience and background, and following the words of Gummesson (2000) who depicted the content of the research to be inseparable from the researcher and the research context my double role of researcher and practitioner in the research field and in the researched organisation – being an insider-researcher - afforded special attention (Brannick & Coghlan, 2007). Whilst that double role is to some extent inherent in research for a DBA thesis it was nevertheless of particular importance in the current research. Here it posed several challenges while providing various opportunities. Therefore, issues related to my role as researcher are presented here in more detail.

As director of the R&D department of the studied organisation and as member of its executive management team I am involved in or at least acquainted with many of the management decisions and most internal procedures, especially in the focus department. Hence the study was to be regarded as insider research with all advantages, like easy access to data, access to informants, understanding of the language etc., as well as disadvantages, e.g. personal involvement, my own values

and biases to influence data collection, analysis, or interpretation, or me as researcher potentially influencing the informants. All of which is further illuminated in the following sections.

### **3.4.1 Advantages**

My professional role in the organisation studied not only facilitated but actually provided access to the research site, to potential informants and to secondary data once the research had been agreed on with the organisation's CEOs. Most probably access would have been denied if I had been an outside researcher. The main reason for that being to prevent sensitive information on the two market strategies as well as on the business processes to be disclosed to competitors or customers as that might lead to competitive disadvantages in both of the organisation's target markets.

Apart from the advantage of having open access my time of access to the research site was unlimited. Thus, there was the option of almost permanent contact with the informants. Like Alvesson (2009, p. 163) described I could add to my data "most of the time on an on-going basis". Scheduling of interviews was convenient as the interviews could take place right after the daily work had been finished. Permanent communication with the participants in the research proved to be helpful when analysing and interpreting the data, as I could permanently refer back to the informants in case of ambiguity for clarifying question.

Moreover all informants were familiar with me as a person. Fortunately I had managed to build a relationship of trust over the years (Martin, 2002). Getting truthful information was thus more likely, and I could use my long-term experience in dealing with the participants when asking questions to learn about their real concerns. That I could "think like a native" (Martin, 2002, p. 37) facilitated understanding the informants' data against the background of the organisation's strategy and its cultural practises (Martin, 2002).

Additionally, due to my 20 years of practical experience in the personal care business, 14 years of it in the R&D department of the organisation studied, I had the advantage of having a deep previous understanding of the business context. My emic position helped during the interviews as business and company specific vocabulary could easily be used without the necessity to learn it prior to performing the research. That emic perspective supported understanding culture related issues addressed by the informants as well as interpreting the information from an insider perspective (Alvesson, 2009; Moeran, 2009). Moreover, I could use my pre-understanding and knowledge to add explanations where appropriate for clarification of the informants' accounts.

Furthermore, my insider position facilitated observation as I always attended the scene as an active participant, not interrupting the scene, so that people did not feel observed and behaved in a normal way. My role was more that of an observing participant as participation was always my main role with observation being of secondary importance (Moeran, 2009). That avoided the so called "Hawthorn-Effect" of influencing peoples' behaviour by the mere presence of the researcher (Maier, 2016).

Most of the advantages illustrated above that I encountered during the research were summarised by Saunders et al. (2009, p. 292):

Insider researchers derive benefits from their experience and pre-understanding. [...] When they are inquiring, they can use the internal jargon, draw on their own experience in asking questions and interviewing, be able to follow up on replies, and so obtain richer data.

Apart from that I had unrestricted access to all secondary data to be used, comprising company reports and company strategy papers. Including such data to inform the case provided the opportunity to look for supporting or deviating data with regards to the data derived from the interviews and my observations as well as to add the management perspective on culture for gaining greater depth. It moreover provided the opportunity to get to a more detailed picture due to

potentially different perspectives of culture being represented by different groups of people (Harris & Ogbonna, 1998a).

Albeit my role of practitioner-researcher or insider-researcher provided many advantages there were several obstacles to overcome, which are illustrated in the following sections.

### **3.4.2 Aspects of hierarchy**

One obstacle to overcome lay in my role and position in the organisation studied. Being the director of the R&D department meant to be either the direct superior of the people to be interviewed or at least somewhat superior in hierarchy in the case of the interviewees working in operations or quality control, as I wanted to learn about the shop floor perspective. This bore the risk that the interviewees might not be totally honest in their answers due to several reasons all related to aspects of confidentiality (Easterby-Smith et al., 2012; Israel, 2015; Ransome, 2013). First of all they might fear to reveal details that might have a negative impact, like future restrictions, on their working situation in case those details were disclosed, even if accidental, to their direct superiors or the organisation's CEOs. For the informants working in R&D this particularly could mean that they might fear a negative impact on their future personal appraisals, as these were and will be done by me in my role as their direct superior. Thus, there was the necessity to ensure not to mix issues of performance at work with the research in applying permanent reflexivity (Corbin & Strauss, 2015; Creswell, 2013).

Not to mix both roles – researcher and practitioner – and to preserve the participants' trust was extremely important because the quality of the major part of the data depended highly on trust between me and the participants (Martin, 2002). This was approached by maintaining fortunately good personal relationships with all respondents and by treating all especially fair in day-to-day working situations further expanding on my participative leadership style. Furthermore, I paid close attention not to disclose any information provided by the informants to any other person inside or outside the organisation – if being involved with it – at any point of time.

Moreover, to provide a rationale for participation and for providing truthful information, all participants had been informed about the research aim, the research design and the research structure. They all were aware that their participation was voluntary and that their data stayed confidential, following the ethical principles of protection of participants from harm and of informed consent (Bryman, 2012; Easterby-Smith et al., 2012). The information procedure applied is detailed in section 3.5.1.2.

### **3.4.3 Researcher's bias**

Given my long experience in the research field, and particularly in the researched organisation, a certain pre-understanding of the structure of the research and a notion about the potential outcome must be admitted.

As an example I assumed observed motivational differences when working for either of the two strategies to be mainly based on different tasks required for either of the two strategies. Whilst that proved to be partly true in R&D I was surprised to learn about similar differences in motivation in the other two departments concerned with the dual strategy. As the tasks involved do not differ for the two strategies job content could not be the only explanation for motivational variations. To explore other issues – in all researched departments – I had to remain open minded during data formation and interpretation attempting to find unexpected aspects in the data and not to block my understanding (Brannick & Coghlan, 2007).

Apart from such assumptions with regards to motivators working at BrandCos while doing research in the same setting meant to experience the daily strain of the balancing act to be performed in working for both target markets myself. At the same time I had to create and analyse the data for the research in an open-minded way. As predicted by Alvesson (2009, p. 162) the major challenge thus was to somehow distance myself from the familiar setting and to look at it with the eyes of a researcher: “[...] at-home ethnography is more of a struggle to ‘break out’ from the taken-for-grantedness of a particular framework that is already quite familiar.” As a danger of embedded personal bias proved to be inherent in my double role of

researcher and practitioner during the whole research process such challenge needed permanent consideration (Bryman, 2012; Saunders et al., 2009).

One of my attempts to overcome that challenge was to approach the research without a pre-defined theoretical framework. Instead I deliberately decided for an inductive approach: starting from the data that I had formed together with the informants, then letting theory emerge from the data. Moreover, I chose to apply in-depth interviews, where only the subjects to be covered were pre-determined, and where I reduced my questions to a minimum, attempting to let the informants talk as freely as possible. I purposely included a description of the interviewees' roles in the organisation and their daily tasks in order to avoid missing any important information or assuming too much due to my personal pre-understanding, as I obviously had detailed knowledge about their roles and tasks to fulfil. I moreover returned the transcripts of the interviews to the interviewees for their approval, and I returned back to them when clustering the in-vivo codes in case more than one interpretation of the codes' meanings appeared to be possible. That should ensure credibility of the data (Corbin & Strauss, 2015; Creswell, 2013).

Furthermore, I reflected on the answers of the respondents as well as on my own feelings, thoughts and my immediate interpretation of the respondent's answers right after conduction of the interviews as well as after transcription of the audio records of the interviews. I did that with the aim to acknowledge subjectivity inherent in cultural research (Gummesson, 2003; Martin, 2002; Schein, 2010) as well as to reduce bias inherent in my double role as researcher and practitioner – self-reflexivity being a means to open up for different interpretational perspectives (Alvesson & Sköldbberg, 2009; Bryman, 2012; Scotland, 2012). For reflection I applied the technique of writing (short) memos as suggested by Creswell (2013) and Corbin and Strauss (2015) for reduction of researcher's bias in qualitative research. (For examples of memos see Annex 6.)

Although I particularly aimed at reducing personal bias I do agree with Gummesson (2003, p. 482) who claimed that: "All research is interpretative!". This acknowledges that personal bias can never totally be excluded from the research process. The

importance of the influence of the researcher on the research and the potential outcome grows with the level of personal involvement of the researcher because interpretation is always based on the researcher's experiences and knowledge (Flyvbjerg, 2006; Gummesson, 2003; Moses & Knutsen, 2012). Hence pre-understanding on the one hand facilitates interpretation, as that can be done based on a broad background of insider knowledge, and on the other hand it hinders interpretation in that it might reduce the multiplicity of perspectives adoptable. Accordingly, Easterby-Smith et al. (2012, p. 78) stated that: "Personal background affects what the researcher can see: experience acts both as a sensitizer and as a filter for the researcher".

Nevertheless being an insider is not a predefined disadvantage when conducting a research, because experience can be regarded as the starting point for knowledge creation, and knowledge can be regarded to be only than valuable if it is applicable and thus relevant (Flyvbjerg, 2006). Likewise, Gummesson (2000, p. xi) emphasized: "We do not find truth and meaning in social life by watching the world from a distance".

These arguments supported the suitability of adopting an insider's position for performing the current research.

#### **3.4.4 Aspects of confidentiality**

Ensuring confidentiality was of major importance to protect the participants and to ensure the truthfulness of the data as was described above. Israel (2015, p. 103) referred to that particular aspect: "[...] interviewees might be reluctant to reveal details about themselves if they think the information could be freely disseminated to third parties, despite assurances to the contrary."

To ensure confidentiality all interviews were performed outside the company's premises, transfer of data of any kind was either done by handing it over to and from the interviewees or using exclusively private email accounts. Data was stored outside the company in my private files, audio taped interview files were stored in

separate folders from transcriptions and memos, and the storage medium was additionally password-protected. All hardcopies of transcriptions, case analysis etc. were kept away from the company's premises. In order to avoid backtracking of data to the informants from third parties I coded the informants' names in the transcripts. Similarly, I substituted the names of other employees that had been referred to in the interviews to ensure anonymity as well as general confidentiality. I did the same in the field notes on participant information (see 3.5.1.5).

That attempt "to be sensitive about the responses of people in the 'neighbourhood' who might be reading the research text." (Alvesson, 2009, p. 166), i.e. for keeping the participants' confidentiality, was explained to them when I asked the participants for their participation. In order to ensure the interests of the participants I moreover requested their acceptance of the research prior to commencing it to ensure that they were all able to make an informed choice about their participation. Accordingly, they all gave their consent to take part in the research.

As detailed in section 3.5.1.2 I also informed the participants about the research purpose, the research process as well as the handling of the data including data disposal after completion of the requirements of the DBA both in face-to-face meetings and via a letter of informed consent. By filling in and signing the thereon-attached informed consent form all informants confirmed that they participated voluntarily. (Refer to Annex 3 for the letter and informed consent form.)



### **3.5 Ways of data generation**

Several authors recommended the utilisation of multiple sources of data in order to get to a full three-dimensional picture, i.e. to build an in-depth understanding (Alvesson, 2009; Creswell, 2013; Eisenhardt, 1989; Gummesson, 2017). To meet that requirement, I used the following methods of data formation for the current research:

- interviews,
- secondary data (archival, documents, websites),
- observation as a participant, in everyday working situations.

I selected the particular data sources according to the requirement of the research objectives with the aim, as Martin (2002, p. 47) calls it, “to dig deep” i.e. to deliver maximum depth (Flyvbjerg, 2011). My choice of data source and the processes of data generation are detailed in the following sections.

#### **3.5.1 Interviews**

The main source of data for the current research were interviews as these allow to get information from the participants’ points of view and to learn about their basic assumptions and their personal values (Bryman, 2012; Moses & Knutsen, 2012) in relation to the organisation’s values and strategies. One-to-one semi-structured in-depth interviews were employed following a brief interview-guide to assure that all topics of interest for meeting the research objectives were covered in each interview. (The main subjects of the interview-guide and the inspiring theories are detailed in section 3.5.1.6. For the whole interview-guide refer to Annex 4.)

As the heading questions of each topic were open ended the interviewees could respond freely. That enabled a flow of talk and avoided that I influenced the participants during the interviews (Leavy, 2014). Although I prepared a number of particularizing questions on each interview topic were beforehand I posed those questions only if more detail was needed or if the answers provided by the

participants did not cover every aspect I was interested in (Easterby-Smith et al., 2012; Leavy, 2014; Saunders et al., 2009).

That open interview structure moreover allowed me to adapt the interview questions and the interview structure in accordance to the answers. Like Gummesson (2017, p. 228) suggested the interviews were “more similar to a conversation and dialogue than to a question-and-answer ritual”. That enabled me to gather as much information as possible on each of the topics from each participant (Leavy, 2014; Saunders et al., 2009).

Depending on the respondent, my role in the interviews was more that of a facilitator providing the main topics and keeping the participants talking (Bryman, 2012; Easterby-Smith et al., 2012). That allowed learning about the respondents’ perceptions regarding the interview topics. It moreover enabled a reconstruction of changes within the organisation and the departments over time from the participants’ perspectives. Adding the retrospective element (Easterby-Smith et al., 2012; Thomas, 2011) provided insight into what Smircich and Stubbart (1985, p. 730) called “dramas” for placing current employee reactions and behaviour in the context of the company’s development.

The flexibility of that interview method proved to be important especially when interviewing the key informants from operations and quality control. These informants were at first less open and forthcoming in their answers compared to the employees of R&D. Thus, I had to ask more of the detailing questions in these interviews as compared to the interviews conducted with the R&D employees. That in the beginning more hesitant reaction might be explained by a certain fear to reveal negative feedback on their jobs, their direct superiors or the organisation’s management – including me. Another reason for the observed difference in the flow of communication might be that the R&D employees sensed an opportunity for achievement of change. As their direct superior I could be assumed to be able to influence or adapt their working conditions or job content according to their personal preferences. Hence all R&D participants were very open and willing to expose their emotions, values and personal opinions.

### **3.5.1.1 Selection of participants**

As the primary focus of the research was on the R&D department, the aim was to include all R&D employees as interview partners, which were 11 people in total.

Due to the organisational structure of the R&D department of BrandCos this also added a cross-sectional element – or nested element (Thomas, 2011). At BrandCos the R&D department consists of two functionally separated groups of employees that both work for both company strategies. These are on the one hand those employees involved in actual development of the cosmetic formulas, i.e. working in the laboratory and creating as well as mixing the formulations, being involved with all therewith related tasks. On the other hand R&D comprises the function of regulatory affairs related to personal care products. These are those employees responsible for legal compliance, product registration, product notification and all issues related to providing technical and scientific customer information.

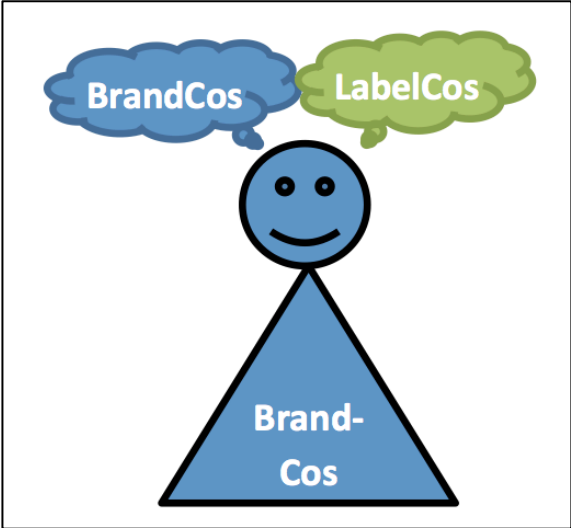
That organisational structure – two completely separate functional units being combined under one direct supervisor – emerged after my entrance into the organisation. As I had knowledge and experience in both fields: natural science and cosmetic science (laboratory) as well as cosmetics regulation, registration and claim substantiation (regulatory affairs) those functional fields were grouped under the heading of R&D and my supervision. For the current research this opted for two nested or embedded units (Yin, 2014) in one case example that could be used for comparison. Accordingly, I approached all employees in R&D, belonging either to regulatory affairs or to the laboratory. I informed them about the aim and purpose of the research and invited them to participate in the study. All relevant persons volunteered to inform the research adding up to a total of 6 participants in the laboratory function and 5 participants from the regulatory affairs function.

In order to gather further information on possible conflicts derived from a dual market strategy I also approached employees from the other two departments dealing with both strategies, i.e. quality control and operations (production) for interviews. My intention was to contrast or compare that information to the data from R&D, i.e. to look for differences or patterns. Accordingly, I performed two key

informant interviews in each of these two departments. I chose the informants according to their current function, their involvement in cross-strategic processes, and lengths of company affiliation to be able to get information on their perspective on the development of the organisation and their working environment.

The decision that two key-informant interviews each in both departments were a sufficient number was taken because the thus gathered data was not the main focus of the research but was primarily to be used to deliver more depth to the data in adding different perspectives to the R&D perspective (Flyvbjerg, 2011). In actual fact that number proved to be sufficient as the second interviews did not uncover additional information with regards to meeting the research objectives.

In order to get to know more about the mass-market strategy and the retailers' demands I also performed two key-informant interviews with LabelCos sales persons, i.e. working under a LabelCos contract. These two interviews supplemented the interviews in the group of employees building the focus of my research, i.e. working under a BrandCos contract for both strategies (see Figure 9). Accordingly, I performed 15 interviews in total.



**Figure 9** Employee group being the focus of the research (by the author)

After selection of the interview partners I approached and informed all of them as described in the following section.

### **3.5.1.2 Request for interviews**

All informants were asked personally in face-to-face conversations if they would be willing to participate in the research. During these conversations I provided the background for the research as well as details on the intention of the research and the research objectives. I also explained the reasons for approaching the particular informants as interview partners. I also indicated the time requirements for the one-to-one interviews and detailed all questions of anonymity, confidentiality, data storage outside the company as well as their permanent option for withdrawal from the research. When the general agreement on participation was given the volunteers were provided with an informed consent letter and informed consent form.

The two pages information, shown in Annex 3, comprised of:

- a one page summary of the research aim and objectives as well as of all necessary information about securing their anonymity by codifying all interview data to prevent backtracking of any information to the informants, and data handling i.e. storage place, storage security, and storage time,
- a one page form on which the participants had to give their informed consent. Apart from indication that they fully understood what the research was about, their right to withdraw from the research at any time during the research process was explicitly stated.

This letter of informed consent was based on a template published on the University of Newcastle's homepage ([www.ncl.ac.uk/res/research/ethics.../consent\\_form\\_example.doc](http://www.ncl.ac.uk/res/research/ethics.../consent_form_example.doc); January 2016).

I translated that form into German and I adapted it according to the requirements of the current research. Apart from the title that I left in English all explanatory information was given in German in order to ensure the participant's full comprehension.

The main information provided can also be found partly in Creswell (2013, p. 153):

- Identification of the researcher
- Identification of the purpose of the research
- Identification of the level and type of participant involvement
- Guarantee of confidentiality to the participant
- Assurance that the participant can withdraw at any time
- Provision of name of person to contact if questions arise

Participants received that information and the form either personally, when I handed a printed version to them, or via email. To ensure data security I sent the mail from my private email account to their private email account(s). Handing the signed forms back was done using the same two options, so that no correspondence was done via any company email account.

### **3.5.1.3 Place and timeframe**

All interviews took place outside the organisation's premises. They were conducted either at the respondent's home, the researcher's home or in an appropriate and quiet area of a nearby café. I regarded it important not perform the interviews on the company's premises in order to get more open information and to ensure data safety and anonymity of the informants. The interviews were scheduled about 2 to 3 weeks in advance to fit the informant's planning requirements. They were performed after normal working hours in the respondent's spare time to avoid any interference with work. In case the scheduled time did not fit due to any unexpected circumstances the interviews were re-scheduled so that the time was better suited for the informants and they could be performed without any time-pressure. Interview time was scheduled for 2 hours maximum. Depending on the personality, i.e. communication preference, of the informants the actual interview lengths ranged between 1 and 1,5 hours. All interview partners agreed to be available for further questions should there be any which could be followed up on in a very casual manner as all respondents were available for further communication on a daily basis.

#### **3.5.1.4 Process of interviewing and language**

As my intention was to get to the personal values and viewpoints of the informants it was important to ensure a casual and trusting atmosphere (Easterby-Smith et al., 2012; Israel, 2015). That requirement proved to be easily achievable, as I know most of the participants quite well. This is either because they work in the R&D department (under my supervision), or due to a long company affiliation on both sides. As we all are on first name terms the interview atmosphere was generally informal and relaxed.

I started the interviews with the request to describe the company, their professional background, their professional development as well as the respondents' role or job function in the organisation together with a description of their daily working routine. That served to get the respondents acquainted with the situation and to let them freely express themselves. Most of them already covered several of the areas of interest for the research in these opening descriptions. Therefore, I just posed clarifying questions and follow up questions where necessary in a communication like manner (Gummesson, 2017). Thus, the interviews resembled not so much a question and answer session but were more comparable to an ordinary conversation (Hoey, 2014). Letting the informants talk freely led to the discovery of motivational and cultural aspects that I followed up on in later interviews. Hence early data informed later data formation.

My general acquaintance with the organisation and the interviewees can be seen as an advantage but it can also be regarded as a major cause for subjectivity and bias. This is mainly because familiarity bears the risks to omit simple and basic questions and to not apply probing because the respondents, as well as the researcher, might think that the researcher already knows the answers (Saunders et al., 2009). Thus, whenever an informant referred to something he/she believed I should already know I applied probing, no matter if I actually did know what he/she referred to. I did that to get the information first-hand from the informant and to prevent to (be forced to) interpret the informants' answers or hints based on my own experience. With that I tried to hold up a neutral position, to free myself from "blocked pre-

understanding” (Gummesson, 2000, p. 81), and to embrace and keep open to new perspectives or unexpected information and interpretations.

For similar reasons I purposefully omitted direct questions about the dual strategy or direct reference to BrandCos or LabelCos, other than in clarifying questions, also in order to prevent influencing the informants in their answers. Moreover, I assumed such hints not to be necessary for getting information on the dual strategy’s influence on the participants’ daily working lives and therewith on their personal work motivation. That assumption obviously being based on primary knowledge and pre-understanding of the case proved to be right. Information concerning the two strategies – or as the informants called it ‘the two parts of the company’ or even ‘the two companies’ – was already provided during the warm-up phase, latest when describing the company and/or the particular job.

As the research was done in Germany and neither of the people involved were native English speakers, but mostly German – except for one French and one Russian participant – all interviews were conducted in German. The interviews were audio taped. I transcribed the recordings either on the day of the interview or on the following day. That ensured re-collection of the interview and the atmosphere during the interviews which facilitated initial engagement with and reflection on the data (Leavy, 2014).

For reflection I used the technique of writing memos (Corbin & Strauss, 2015; Creswell, 2013) either right after each interview or after transcribing the recorded data or both. These short memos included my thoughts during the interviews as well as emerging codes and themes. This helped in preparation for the next interviews as the answers and issues that were referred to in the previous interviews could be followed up on. Whereas audio tapes and transcripts of the voice recordings were in German I wrote all memos in English to focus myself on that language and for better familiarity of the vocabulary to be used in the thesis. (For examples of memos see Annex 6.)



### 3.5.1.5 Anonymity and confidentiality

To ensure anonymity and confidentiality of the informants I coded their names during transcription using abbreviations for the departments and numbers according to the chronological order of the interviews, e.g. P1, QC2, or RD4. P1 stands for the first interviewee from operations, QC2 is the second interview partner from quality control, and RD4 represents the fourth interviewee from the R&D laboratory (see Table 3).

Department	Codes
Quality Control	QC1, QC2
Operations (Production)	P1, P2
R&D laboratory	RD1, RD2, RD3, RD4, RD5, RD6
R&D regulatory affairs	RA1, RA2, RA3, RA4, RA5
LabelCos sales	LC1, LC2

**Table 3** Departments and corresponding respondents' codes (by the author)

Likewise, I replaced the names of people mentioned by the respondents during the interviews in the transcriptions by more general descriptions like "colleague", "CEO", or "supervisor" to assure confidentiality. The same applies for names of informants that I spoke to during times of observant participation, department managers being coded as "DM", marketing staff as "MT". That means that data derived that way can be identified by codes other than those in the table above.

Due to confidentiality reasons I decided to provide neither gender nor length of company affiliation, as either and particularly the combination of both, would easily allow to identify the respondents. To give general information on that issue: in R&D all but one employees are female, in production all employees are male, respondents from QC are female, and both genders are represented in the LabelCos' respondents. Duration of employment varies between 5 and 31 years, with six of the respondents having been affiliated to BrandCos prior to the implementation of the second strategy, those to be represented in each group of respondents – obviously except the LabelCos group.

Despite all attempts of anonymisation I can still recognize the identity of the participants from the transcriptions and my field notes due to their answers and information provided. This forced me to be very careful in using quotations as well

as in interpreting the data by using intensive reflection and by trying to look at the data without considering the person or personality behind it.

To ensure data safety I kept all data from the interviews and the fieldwork – audio recordings, transcriptions, field notes, and corresponding memos – outside the organisation’s premises. Everything was stored in a password-protected area of my personal computer and for backup on a second storage drive at my private address.

#### **3.5.1.6 Interview-guide**

After the preliminary literature review I grouped the occurring themes to inform questions for the interviews and prepared a brief interview-guide.

Although I intended to let the informants talk freely to get as much first-hand information and to prevent me manipulating them based on my pre-understanding I regarded such guide to be helpful. This was mainly because I felt to need a guiding tool, as I had never conducted interviews of that kind before. The interview-guide served mainly to keep the subjects to be covered (facets of culture and aspects of motivation) as well as appropriate questions for uncovering those subjects in mind. It moreover helped to have applicable detailing and probing questions readily available during the course of the interviews (Bryman, 2012; Creswell, 2016). As that interview-guide served for my personal backup I did not really test it prior to actually start the interviews other than having it at hand during the first and all subsequent interviews conducted.

Table 4 gives an overview of the interview-guide. It comprises the main subjects to be covered in the interviews together with an explanation of the purpose of inclusion of each subject as well as a reference to the underlying cultural and motivational theories.

Part	Main Subjects	Purpose	Theoretical base
Warm up	<ul style="list-style-type: none"> <li>• Length of company affiliation</li> <li>• Reasons for applying for a job in that particular company</li> <li>• Professional background</li> <li>• Changes over time</li> </ul>	<ul style="list-style-type: none"> <li>• Familiarisation with the interview situation</li> <li>• Learning about: <ul style="list-style-type: none"> <li>○ values</li> <li>○ personal motivation</li> <li>○ skills</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• JCT (Hackman &amp; Oldham, 1976)</li> <li>• Levels of organisational culture (Schein, 1990)</li> </ul>
Vision and Mission Statement	<ul style="list-style-type: none"> <li>• Perceptions of cultural values of the employees</li> <li>• espoused versus enacted values</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of cultural values and underlying assumptions</li> <li>• Getting information on employee's own values and assumptions</li> <li>• Learning about work motivation</li> </ul>	<ul style="list-style-type: none"> <li>• Cultural values (Schein, 1990)</li> <li>• Cultural perspectives (Martin, 2002)</li> <li>• SDT (Deci et al., 1989)</li> </ul>
Company description Job description Description of daily routines	<ul style="list-style-type: none"> <li>• Personal function and responsibilities</li> <li>• Involvement in organisational processes and organisational or task-wise decisions</li> <li>• Changes over time of the above</li> <li>• Likes and dislikes of tasks</li> <li>• Preferences of rewards</li> </ul>	<ul style="list-style-type: none"> <li>• Getting information on: <ul style="list-style-type: none"> <li>○ artefacts, cultural values and assumptions</li> <li>○ changes over time</li> </ul> </li> <li>• Learning about: <ul style="list-style-type: none"> <li>○ factors enabling or hindering work motivation</li> <li>○ tasks and skills</li> <li>○ rewards and goals</li> <li>○ personal preferences</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Levels of organisational culture (Schein, 1990)</li> <li>• Cultural perspectives (Martin, 2002)</li> <li>• JCT (Hackman &amp; Oldham, 1976)</li> <li>• GST (Latham &amp; Locke, 1979)</li> </ul>
Communication personal relations	<ul style="list-style-type: none"> <li>• Flow of information and ways of internal communication</li> <li>• Internal jargon and rituals and perception thereof</li> <li>• Interpersonal relations and teamwork</li> </ul>	<ul style="list-style-type: none"> <li>• Learning about motivational aspect of relatedness</li> <li>• Getting information on cultural artefacts and values</li> </ul>	<ul style="list-style-type: none"> <li>• Communication aspect of culture (Keyton, 2011)</li> <li>• Cultural artefacts (Schein, 1990)</li> <li>• SDT (Deci et al., 1989)</li> </ul>
Company and workplace	<ul style="list-style-type: none"> <li>• Buildings and layout</li> <li>• status symbols</li> <li>• workplace layout</li> <li>• equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Getting information on cultural artefacts</li> </ul>	<ul style="list-style-type: none"> <li>• Cultural artefacts (Schein, 1990)</li> </ul>

**Table 4** Brief illustration of the interview-guide (by the author)

Subjects, their purpose, and the underlying theories of organisational culture and motivation are given.

Main subjects to be covered as well as the specifying questions were inspired by the recommendations of Schein (1990) to decode culture and to learn about artefacts and values of an organisation's culture. With regards to culture these were employees' perceptions of the organisation's vision and mission statement, means of internal communication, employee involvement, interaction with and relationship to other employees as well as company and workplace layout.

For learning about motivation the questions were inspired by issues addressed in several motivational theories (Hackman & Oldham, 1976; Latham & Locke, 1979; R. M. Ryan & Deci, 2000). These covered particularly issues of autonomous work (how work is done), relatedness with regards to personal contacts and affiliation to teams (issues of identification), personal goals, preferences with regards to rewards, and aspects of job characteristics, tasks to be performed and individual skills needed (issues of competence). Overlapping issues between work motivation and organisational culture are questions of interpersonal relations and affiliations to teams illustrating a close relationship between the two subjects.

The full interview-guide is attached in Annex 4. For the purpose of the interviews that guide was prepared in German. For the purpose of the thesis I translated the German texts into English focussing on meaning.

### **3.5.2 Secondary data**

Secondary data, i.e. company specific data (Bryman, 2012; Yin, 2014), was used mainly as a pre-requisite for reaching the first research objective – identifying aspects of culture related to either of the two strategies – from a management perspective.

To do that it seemed appropriate to look into the currently espoused cultural values of both organisational units BrandCos and LabelCos as well as into a certain development of culture over time, in particular since the adoption of a second market strategy.

For that I used the following sources:

- websites of BrandCos and LabelCos (accessed on 23<sup>rd</sup> July 2017),
- business reports for 2014 and 2016 (for key figures on production volume and turnover), and
- company strategy papers from 1990, 1995 and November 2014.

That covered all company strategy papers being available – the 2014 version being the most current.

Following Pioch and Gerhard (2014) websites deliver corporate messages outside a company, which are likely to convey aspects of organisational culture, being reflected in the language used or among others in mission and vision statements (Martin, 2002; Pioch, 2007; Smollan & Sayers, 2009). The same applies for secondary company literature like annual reports (Ogbonna & Harris, 1998; Pioch, 2007; Urde, 2009), which in the current case are in the form of company strategy papers.

Responsible for the content of that information is the organisation's general management (CEO level). For the BrandCos website that is together with the directors of the marketing and sales departments, for the business reports together with the director of controlling and for the strategy papers together with the directors of those departments explicitly covered, e.g. HR.

Therefore, that secondary data provided insight into the management's perspective on aspects of company culture directed outward (websites: to the public) and inward (business reports and strategy papers: towards organisational members on the management level). As the strategy papers covered the development of the organisation prior to and since the adoption of a second market strategy, i.e. the acquisition of LabelCos, there was reason to believe that they mirrored a potential change in business focus. Apart from looking into the content I also looked for the scope of information to be found on a second strategy as I assumed that to be a potential indicator of importance. Hence the secondary data allowed an insight into the official perspective of the organisation's management against the backdrop of the organisation's historical development and its development with regards to market performance.

For analysis of the websites I followed a method applied by Pioch and Gerhard (2014) in evaluating facets of culture on company websites, e.g. in vision and mission statement, human resource approaches or in the general communication towards customers. Access to the English versions of the websites of BrandCos and LabelCos was on 23<sup>rd</sup> July 2017 via the German start pages.

As Pioch and Gerhard (2014) found that English and German web-sites of the same organisation often differed I checked both language versions of both websites for potential differences. In each case the German and the English versions were exactly the same, both layout-wise and content-wise. Consequently, I regarded using the English versions to be appropriate as that avoided any personal interpretation in a translation step. Hence it allowed the direct analysis of the management's view on the strategies and related aspects of culture.

References to organisational culture can be found throughout the whole internet-presentation of LabelCos and on the "About BrandCos" pages of the BrandCos website. Consequently, I coded and analysed the "About BrandCos" pages and the total of the LabelCos web-presentation applying the secondary codes developed from the interview data. The so identified issues were then compared to the themes derived from the interview data. This was done with the main purpose to find references towards a balancing act to be performed in the espoused values of the organisation over time (Martin, 2002; Pioch & Gerhard, 2014; Schein, 2010; Yin, 2014). It moreover served as a check of the information provided by the respondents during the interviews.

Apart from such thematic analysis I also looked at the impression created by the websites via focussing on the design and style of the websites. The aim was to look for similarities and differences between the two websites, i.e. to explore if the websites' designs supported the particular market strategy and the websites' contents.

Despite all secondary company data used being unquestionable authentic it is important to keep in mind that such "texts are written with distinctive purposes in mind" (Bryman, 2012, p. 555). In particular the information contained on the two websites comprises mainly messages from the management – or marketing/sales – aiming at the public domain. That information can be regarded as being primarily advertisement for e.g. current and potential customers, for suppliers, for job applicants, or for the employees. Thus, interpretation of that data has to be done against the backdrop of that purpose and to consider aspects of credibility,

representativeness and comprehensibility (Bryman, 2012). That applies similarly for the company strategy papers and the annual reports although both can be regarded as internal documents. As both BrandCos and LabelCos legally are 'GmbHs', private limited companies, neither of these documents is produced for the public domain. They are intended primarily for information of the board of administration and secondarily for information of the department directors. These papers reflect the management's interpretation of the organisation's business development as well as of its current and future strategy. As such information is comprehensible for the audience a certain kind of credibility and representativeness is to be expected.

My emic position facilitated understanding and therewith interpreting that internal data which moreover could be done against the backdrop of the informant's accounts of the historical development of the organisation. Nevertheless, it is reasonable to expect all that secondary data to provide information on organisational culture from an integrative perspective (Martin, 2002) as it represents exclusively the management's view.

### **3.5.3 Observant participation**

Apart from using interviews to learn about the employees' perspective I had the chance to be an observant participant (Moeran, 2009) during the research phase. This means that my main role was that of a participant and doing observation was only of secondary importance: "Participation comes first and is only occasionally complemented with observation in a research-focused sense." (Alvesson, 2009, p. 159). In that role I could form data in day-to-day encounters, or naturally occurring events, i.e. in an "emergent-spontaneous" (Alvesson, 2009, p. 164) way without prior planning.

In line with this I took notes whenever I considered something appropriate and suitable to inform the research objectives, e.g. personal communication. This was done predominantly in day-to-day working situations like occasional interdisciplinary encounters or meetings with the involvement of informants of all hierarchical levels from different departments including managers, CEO's, or

owners, and me. Although impossible to plan I could take notes on such incidents on multiple occasions as my role as a practitioner in the organisation provided daily contact to several organisational members, which added data to the data formed in the interviews. The opportunity to explore the case from an emic position enabled me to gather first-hand information, to distinguish fact from fiction (Moeran, 2009), and to apply information and knowledge I had from my long-term experience in the researched company. As I always participated as a full member all of the informants behaved and reacted like they were not being observed, my role as researcher being only of secondary importance (Creswell, 2016). (For ethical considerations about overt or covert observation refer to section 3.8. For examples of field notes see Annex 7.)

During all my observation, where I also looked into building and work-place layouts, I paid particular attention to the informants' statements pointing towards ways in which the organisation works. I regarded that to be translatable into cultural aspects, e.g. the way things are done in the organisation (Cameron & Quinn, 2006; Martin, 2002; Smircich & Stubbart, 1985), relating strategy to aspects of organisational culture and further cultural aspects to motivation.

For the creation of field notes and further managing the data I technically followed the recommendation by Creswell (2016) including both a descriptive and a reflective part; the latter being helpful for further reflection (Corbin & Strauss, 2015). (See Annex 7 for examples.)

The choice of that case example and the design of the research as an at-home ethnography provided me with the opportunity to conduct the research from an emic position (Morris et al., 1999). I could thus use my pre-understanding and my close relationship to the informants (Martin, 2002) to explore and understand a phenomenon in context (Gummesson, 2007; Leavy, 2014; Moses & Knutsen, 2012) and thus to build theory from data (Gummesson, 2000).



### 3.5.4 Methods in summary

Both the research design and in particular the methods of data formation were determined mainly by the research objectives according to my pre-understanding of the research context and setting.

To get an in-depth insight in the employees' perceptions of the organisation's market strategies being reflected in aspects of its culture and leading to differing levels of motivation to work, I focussed data formation on in-depth interviews. Where applicable I added data derived from (observant) participation and my previous knowledge, such way of data formation being inherent my role as at-home ethnographer (Alvesson, 2009). Comparing the thus formed data with official and internal company statements and management communications, i.e. the management's perspective, intended to support the credibility of my interpretations of the data derived via personal communication.

In order to create a facet rich picture I used mixed methods in the sense of multiple methods for data formation (Alvesson, 2009; Gummesson, 2017). By applying such inductive approach I attempted to let theory emerge from the data (Meyer, 2001; Saunders et al., 2009) while minimising personal bias. Therewith I aimed at adding knowledge for theory and practise in the particular research context. That shaped the research methods as illustrated in the resulting matrix pictured in Table 5.

	Interviews	Internal documents	Websites	Observant Participation
R&D Laboratory	X		X	X
R&D Regulatory	X			X
Quality Control	X			
Operations	X			
Mangament BrandCos		X	X	X
Management LabelCos		X	X	

**Table 5 Methods of data generation in different operational units of the case (by the author)**

Each method was applied for meeting the research objectives as summarised in Table 6 and described thereafter.

	Interviews	Internal documents	Websites	Observant Participation
RO1	X	X	X	X
RO2	X			
RO3	X			X
RO4	X			X

**Table 6 Methods of data generation applied for reaching the research objectives (RO) (by the author)**

1. Identifying facets or organisational culture related to either or both of the strategies in a dual strategy environment:

I approached that firstly in in-depth interviews with employees of the single departments. Especially the interview topics of the organisation's vision and mission statement that were presented to the staff in January 2016, of the employees' role in the organisation and on the ways that work is being done for each of the two market strategies provided numerous aspects and different insights into the participants' perceptions of cultural values. Where suitable I included information based on my experience and participation in the research setting, e.g. referring to personal conversations. I compared these with the themes discovered in my analyses of the websites of BrandCos and LabelCos and of company strategy papers that depicted a certain development of management's position, focus, and values over time (for an explanation of the relation of such sources to the management's perspective on culture see data section 3.5.2). It also added trustworthiness to the results via means of triangulation (Creswell, 2016; Easterby-Smith et al., 2012; Remenyi, 2012) as well as a greater depth to research (Flyvbjerg, 2006).

2. Identifying motivational factors in departments having to work for both strategies with focus on R&D,
3. finding possible explanations for how and why the identified facets of organisational culture might influence motivation, and
4. exploring the influence of a dual strategy on the work motivation of those employees who have to satisfy both strategies.

My approach towards these research objectives was via interviews in the departments of concern. I prepared for these interviews by consulting concepts from theoretical frameworks on motivation and from interpretative concepts on organisational culture. For the issue of motivation to work the underlying concept used was in particular adaptations of the Self Determination Theory (SDT) (Deci et al., 1989) as preliminary interviews pointed especially towards aspects of self-determination and identification to be major motivators but also major differentiating factors between the two strategic orientations. For looking at organisational culture I followed the frameworks of Schein (2010) with regards to cultural levels and Martin (2002) with regards to inclusion of multiple perspectives.

These concepts inspired the interview topics as well as the questions I posed in the course of the interviews. Due to my role as participant to the research setting I could do that in a very flexible way. I moreover referred back to them during analysis and interpretation of the data whilst still remaining receptive for other perspectives.

### **3.6 Data analysis**

The process of data analysis in a qualitative study that consists mainly of textual data is a complex iterative process that involves preparation and examination of the data, reflection, coding and categorisation, combination of codes and re-combination. This process, described by Yin (2014) as a kind of playing with the data, is not linear but rather a spiral (Creswell, 2013) that emerges from the raw data towards the final report.

The particular process I followed to create this final report is described in the following section (see Figure 10). It followed briefly the recommendations by Creswell (2013, 2016).

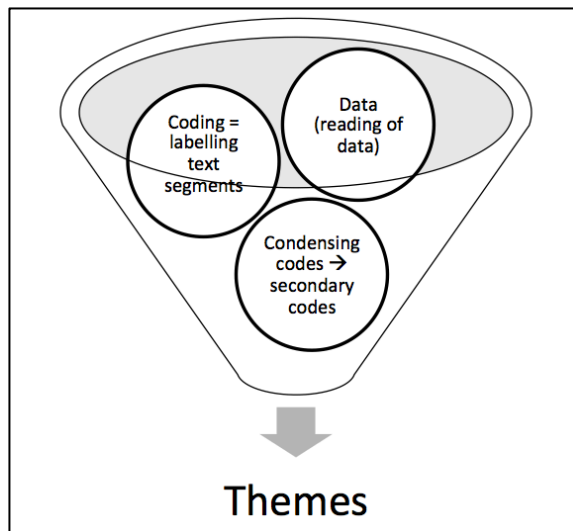


Figure 10 From text data to themes (by the author)

### 3.6.1 Data preparation and language selection

As all interviews were conducted in German all transcriptions of the voice recordings of the interviews were in German as well. Despite the transcriptions being in German I coded directly in English. This meant that I applied in-vivo coding (Corbin & Strauss, 2015; Creswell, 2013) using direct translations of the participant's words. Thus, the codes emerged directly from the data with the exemption that the language was changed. (Annex 5 contains an example of an interview transcript translated into English.)

During the coding process I marked those pieces of information that I intended to use as quotations to illustrate my interpretations of the data and concurrently translated these data sections into English. For the translations I mostly gave the preservation of meaning priority over a literal translation. Exemptions were striking expressions, an unusual choice of words, or neologisms. An example is the striking German expression 'Anti-Partei' that literally translates to 'anti-party' making a strong resentment palpable.

Apart from coding in English I wrote all memos in English. That helped to prevent any translational challenges during data analysis, interpretation and preparation of the final account, which I all performed directly in English.

Most of the crude data, interviews, strategy papers, business reports, remained in the original language. The only exemption from German as language for crude data was that the analysis of the companies' websites was performed on the English versions of the websites as these could be regarded as original and official company data.

### **3.6.2 Use of data analysis software**

For facilitating data storage and the data analysis process I used NVivo for MAC 11 as QDA (Qualitative Data Analysis) software. This means in particular that I uploaded all transcript files: of the voice recordings, of my handwritten field notes, and of my handwritten memos, and all identified secondary company data as well as the text files extracted from the websites into NVivo. That proved to be helpful in storing and retrieving data, in the application of codes, in the preparation of a code list, in the arrangement and re-arrangement of codes, in the grouping of codes to themes as well as in writing and storing memos and for retrieving quotations.

In order to facilitate data analysis I imported all relevant literature in the NVivo for Mac software and coded it for major underlying subjects and themes. Such approach facilitated retrieval of themes identified in the data in the literature and comparison therewith for identifying the research's contributions to theory (see Annexes 2 and 11).

### **3.6.3 Coding and development of themes**

Coding can be regarded as the process of de-structuring data into small pieces and then to re-structure it in a way that makes the data meaningful. Hence coding is central to qualitative data analysis (Creswell, 2013, 2016). I applied the following methodology for coding of all data – interview data coded concurrently to secondary data.

Right after transcription of each interview (for a translated example see Annex 5) I printed the transcriptions in an easy to read format, read through the data to get a

first impression, and also read through the related memos. I then initially coded the data in the margins of the printouts using in-vivo codes in order to keep close to the words of the participants (Creswell, 2016). Immediately afterwards I transferred the codes into the QDA software translating the original German words into English. Thus, the coded documents stored in the QDA software became a copy of the coded printouts with the distinction that the names of the codes were in English.

Following the recommendation by Eisenhardt (1989) this process of data processing overlapped with data collection. Thus, each interview could be inspired by the course of the earlier interviews as well as by the answers derived from the prior interviews, adding flexibility to data formation. During the process of data formation and coding I coded all interview texts a second time using new printouts of the original interview transcripts. This resulted in a 90% overlap of initial codes – as compared with the code-list from the first round of coding in the QDA software. Codes that newly emerged from this second round of coding were transferred into the software leading to a preliminary code-list of 100 codes (see Annex 9).

I started to develop themes from that large number of codes with clustering codes of similar meaning and applying a comprehensive label to them. The following examples serve as illustration of the process of clustering. I aggregated the codes “working on a galley”, “conveyor-belt-work”, “to do in quick succession”, “slaving away”, and “time pressure” under the label “time pressure” as all other expressions could be regarded as metaphors for working under time pressure. Likewise, the codes “zero mistakes”, “accusation”, “finger-pointing”, “need to self-exculpate”, and “fear” got the summarising label “error culture of zero mistakes”.

When codes could be interpreted in different ways, for example ‘slaving away’ or ‘working on a galley’ could potentially refer to time-pressure or be related to strict supervision, I referred back to the particular informants for clarification and correct grouping of in-vivo codes.

Using the QDA software facilitated that process of coding in that codes could easily be aggregated and re-labelled to form suitable headings for telling a story without losing the context of the underlying data (Creswell, 2016).

Clustering the in-vivo codes derived from the interviews according to similar meaning (see Annex 10), applying more comprehensive labels when necessary (as described above), and grouping the codes to themes resulted three major themes and several subthemes relating to issues of organisational culture. Which I labelled according to the OCAI (Cameron & Quinn, 2006) for ease of referencing to them throughout the thesis. For motivation I based the emerging themes under which I grouped the in-vivo codes on work motivators/de-motivators on the terminology of the theoretical framework of SDT (R. M. Ryan & Deci, 2000) as that framework covers all relevant factors supporting or frustrating motivation to work that were identified in the literature. All themes developed from the data are detailed in chapter 4 and interpreted in chapter 5.

I used the second level codes, described above as comprehensive label, to recode all interview transcripts and for coding my field notes. Thus, finally all interview data and the field notes were screened for the same codes. After that I also looked for commonalities and differences between the three departments working for LabelCos as well as for BrandCos. That is to a certain extend comparable with a within-case analysis followed by a cross-case analysis (Eisenhardt, 1989). (Refer to Annex 7 for an example of a coded field note.)

Concurrently to coding of my primary data I coded the secondary data, particularly strategy papers and website texts from BrandCos and LabelCos, applying the evolving secondary codes relating to organisational culture. That enabled to compare enacted cultural values from the staff perspective with espoused values as expressed by the management, and it added a second perspective on culture. (See Annex 8 for examples of coding secondary data.)

Although the principle themes discovered correlate between the staff and management perspectives the view on those subjects is controversial. Due to the different views on corresponding themes from management and staff perspective I partly renamed the themes for the company cultures from the staff perspective adding “lack of” or “loss of” to illustrate the contrasting perspectives, e.g. family values versus lack of family values.

For better transparency of the process of development of final themes, and codes from the in-vivo codes Annex 11 contains a more comprehensive illustration relating final themes, subthemes and codes to the corresponding in-vivo codes. To demonstrate the relation to the crude data Annex 12 contains an exemplary illustration of the crude data coded in such codes and themes. As most of that data is in German, I included translations for the quotes I used for the data presentation in chapter 4.

### **3.7 Trustworthiness and researchers influence**

In order to develop a most accurate account of the data interpretation I tried to look at it from different angles including more than one perspective (Creswell, 2016). Inclusion of field notes and secondary data into the study and not to rely solely on interview data enabled to look for patterns or differences between data from different sources adding depth to the findings and to the thematic analysis (Thomas, 2011).

As the process of data analysis and reflective interpretation is the only way to add meaning to the data it can definitely be regarded as the most important part of the research. Bryman (2012, p. 578) described the importance of that process with the following words: “[...] your findings acquire significance in our intellectual community only when you have reflected on, interpreted, and theorized your data.” I did that against the backdrop of the situations in which the data had been generated to keep it in a broader context and not to fragment the data (Bryman, 2012; Eisenhardt, 1989; Silverman, 2011).

Being aware that my analysis of the data will always be influenced by my experience in the organisation, hence biased to my personal perception, I checked the developed themes and thereunder grouped codes with two of the participants from R&D. That meant in particular that I showed them the developed themes together with the codes explaining the process of grouping and application of labels. Getting their approval did not require any changes.



Covering both parts of the department the aim was to reduce bias and to add trustworthiness via a participatory aspect (Reason & Bradbury, 2008).

### **3.8 Ethics**

The research was designed to comply with ethical research practises, following the University of Gloucestershire's standards of ethics and with special attention to the participants' confidentiality. All participants being interviewed were informed about the research purpose and process, about handling of data, issues of confidentiality as well of their voluntary participation and option of withdrawal.

Ethical issues in participant observation were addressed by informing all people potentially contributing during the process of data generation about the research. That information included the purpose of the research and general management's agreement to pursue the research on the company premises by inter alia conducting observation during work time.

Despite all people involved in the process of the research being informed about my double role right from the beginning of the research they might not have been fully aware of it during every day working situations. This is due to my role as practitioner in the case organisation. I always participated as a full member in the observed work situation, my principle role being a full participant as observer (Saunders et al., 2009). Therefore, my observer's role can also be regarded as partly covert (Bryman, 2012). To nevertheless ensure informed consent as far as possible I verbally asked my conversational partners for permission to use their information, i.e. whenever I regarded something to potentially adding to my data and especially when I believed something to be worth quoting.

More measures taken to ensure research ethics and confidentiality are detailed in sections 3.5.1.2 and 3.5.1.5.

### 3.9 Summary of the research approach

My research strategy was to follow a qualitative approach for exploring a phenomenon, i.e. motivational challenges in relation to an organisation's dual market strategy, in a cultural setting – the organisation and the department(s) – to which I have natural access due to my active participation. This corresponds to the definition of at-home ethnography as given by Alvesson (2009, p. 159): "The researcher works [...] in the setting and uses the experiences and knowledge of and access to empirical material for research purposes."

As I laid primary focus on the R&D department of the organisation the current research can be defined as an at-home ethnography of an embedded case. I focussed on the information from employees working in the organisation's R&D department due to my personal experience/observation. That experience corresponds to vocal information from people<sup>3</sup> working as product developers of cosmetic products suggesting that the simultaneous development of brand and private-label products or the change in development focus from brand products to private label products can be a challenge with regards to personal motivation.

Although the research was designed as an at-home ethnography I regard the application of the framework of Thomas (2011), in which he proposed a guideline for structuring case studies, as useful to literally illustrate the strategy of my research strategy (see Figure 11).

The subject of the study, the "practical, historical unity" (Thomas, 2011, p. 513) was the R&D department of a German Cosmetic SME, called BrandCos. The object of the study that "constitutes, then, the analytical frame [...] which the case exemplifies." (Thomas, 2011, p. 515) was the way in which a dual market strategy of an organisation via aspects of its culture(s) might influence motivation of those employees, who have to work to satisfy both strategies.

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<sup>3</sup> Personal communication in 2015 with three product developers who changed from a brand product manufacturer to a manufacturer of private label cosmetics

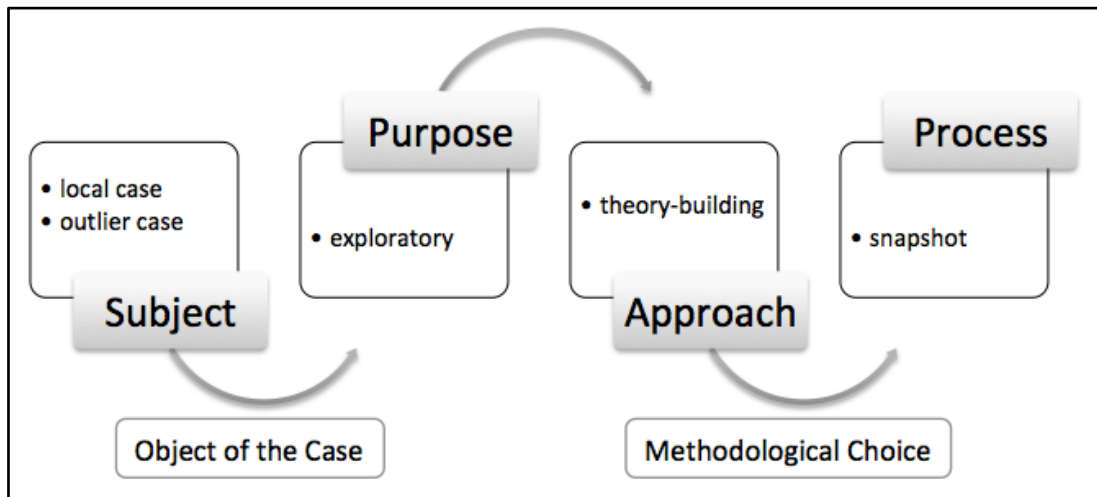


Figure 11 Typology of a case study (adapted from Thomas, 2011; by the author)

Following the illustration in Figure 11 further my research can be described as follows. The purpose of the study, the reason for conducting it, was to explore the above detailed object of the study (how) and to find explanations (why). The latter led to the approach, i.e. developing an explanation throughout the research process based on the data (theory building). The process followed an interpretative methodology (methodological choice) relying on words provided in a) interviews, because these allowed learning about the participant’s perspective (Bryman, 2012), b) in day-to-day communication, and c) in pre-existing documents for comparative reasons and for greater depth. According to the definition provided by Thomas (2011) the process was to provide a snapshot in time of a case example seeking explanations in its historical and environmental context (Gummesson, 2000; Moses & Knutsen, 2012).

After that illustration of the research strategy, the methods chosen, the process of data analysis, and my personal influence as a researcher the following chapter outlines the findings of the research. That chapter is subdivided according to the two different concepts of organisational culture and employee motivation. Each section displays the data in terms of theme passages as recommended by Creswell (2016). Theme passages are further organised applying comprehensive code labels for reasons of clarity and comprehensibility when telling the story of the employees working for both strategies in a dual strategy environment.

## 4 Strategy, culture, motivation

As illustrated in section 1.2 the current research aimed to explore the influence of a dual market strategy on the work motivation of employees if they have to work for both strategies. I performed the research as an at-home ethnography in a German SME operating in the personal care industry pursuing that strategy with two organisational parts, called BrandCos and LabelCos, with certain BrandCos departments working for LabelCos as well (see 3.3.1).

Although previous work has pointed to issues of organisational culture as potential bridging elements between the concepts of market strategy and employee motivation (see data section 2.2.5) there has been no attention paid to a potentially more direct relation between the two concepts. Accordingly, the study aimed at filling that gap via looking at employee motivation in the light of the dual strategy as well as at adding to the literature in relating strategy to employee motivation via aspects of organisational culture.

This chapter first looks at organisational culture in relation to the two market strategies commencing with the management view as depicted in section 3.5.2. That is then contrasted to the employees' perspective to illustrate challenges experienced by the employees in that specific dual strategy environment. Themes or facets of culture are displayed from each perspective in the order of subjective importance, the most important theme for each perspective presented first, and where appropriate separately for each strategic orientation. Following that thematic presentation of data on strategy and organisational culture section 4.3 comprises data on work motivation related to strategy and/or organisational culture.

Where appropriate and helpful I include further explanations to the data as well as analytic comments for better orientation of the reader (Creswell, 2013). For achieving a most comprehensive and coherent account of the balancing act to be performed by the employees working in a dual strategy environment I decided to

separate the final interpretation and discussion of the data from its thematic presentation. Accordingly, the answers to my research questions are to be found in chapter 5.

#### 4.1 Facets of organisational culture: What does management say?

One way of looking at an organisation’s cultural values espoused by management is through the lens of web-sites and another way is to look at it through the lens of company documents, i.e. strategy papers. Consequently, I evaluated the web-sites of BrandCos and LabelCos from 23<sup>rd</sup> July 2017 (lens A) and all available BrandCos strategy papers (lens B). These dated from 1990, 1995 and November 2014, with the 2014 paper being the most recent.

Table 7 gives an overview of the themes covered on the websites (lens A) compared to those found in the strategy papers (lens B).

Source	Lens A		Lens B			
	BrandCos Website (House brand)	LabelCos Website (PLB supplier)	BrandCos strategy papers on BrandCos (House brand)			BrandCos strategy papers on LabelCos (PLB supplier)
Themes identified			1990	1995	2014	2014
Innovation/Market leadership	xx		xx	xx	xx	
Sustainability/social concern	x		x	x		
Family values/emotions	xx		x	x		
cost efficacy/speed		x				xx
Reliability/quality		xx				x
Customer focus/customisation		xx				x
Reference to success/profit	x		x	x	x	xx
Reference to cultural values	x		x	x	x	

**Table 7 Cultural values espoused externally (websites) and internally (strategy papers) (by the author), xx = demonstrates a high focus as these aspects are covered several times As the acquisition of LabelCos took place in 1996 a LabelCos section is just to be found in the 2014 strategy paper.**

For each part of the organisation three main themes – or facets of organisational culture – are expressed from the management perspective. These facets are different for BrandCos and for LabelCos and they differ in importance.

Looking at the websites (lens A) the main focus of management for BrandCos appears to be ‘innovation and market leadership’ together with ‘family values and emotions’ followed by ‘responsibility/sustainability’ issues. For LabelCos the main aspects are ‘customer focus’ together with ‘reliability and quality’ followed by ‘cost efficacy and speed’.

The strategy papers – inward directed presentation (lens B) – paint a slightly different picture. Apart from a difference in focus between the latest strategy paper and the current websites a change in focus for BrandCos over time is noticeable. Accordingly, ‘family values and emotions’ as well as ‘responsibility/sustainability’ gradually diminished from BrandCos’ focus whereas for LabelCos ‘cost efficacy and speed’ seem to be internally most important. If such change in focus of BrandCos and the deviation of externally and internally published information is perceptible from the staff perspective, e.g. in terms of a deviation between espoused and enacted cultural elements, will be looked at in part 0.

Prior to illuminating content-related details the following section briefly describes the impression the two websites convey serving the function to illustrate strategy related differences. It is impossible to visually present examples, as that would instantly reveal the true identity of BrandCos and LabelCos and easily risk confidentiality. Therefore, I try to describe the websites as vividly as possible.

#### **4.1.1 Impression created by the websites (lens A)**

As illustrated in section 3.3.1 BrandCos and LabelCos are independently registered companies, both having their own websites. Due to the different target markets the websites of BrandCos and LabelCos create a very different, almost contrasting, impression.

#### 4.1.1.1 BrandCos website

BrandCos tries to attract customers, beauty professionals and interested end-consumers with a luxurious presentation of its brand products and services.

About 90% of the website is dedicated to the brand's products with pictures and brief descriptions, functioning as a web-shop. That part has changed between December 2016, when I first looked at the website from an analytic point of view, and July 2017 when I did the final analysis. Whereas in December 2016 the landing page was a general introduction to product lines and the visitor had to actively look for the web-shop the July 2017 landing page was the company's web-shop. That hints towards a move in a more openly demonstrated multi-channel approach, making purchasing for end-consumers more convenient and potentially increasing BrandCos' product sales. This can indicate an attempted change in strategic outlook. It follows the reported trend in the EU of manufacturers to answer growth in e-commerce sales via opening their own online-shops (*Final report on the E-commerce Sector Inquiry, 2017*).

The remaining 10% of the website, under the heading "About BrandCos", is dedicated to the presentation of the company. The overall impression the website creates is most comparable to a "mood-board" that is designed with the intention to promote the brand and the brand products.

The "About BrandCos" part is a quite long scroll-down page where aspects concerning the company, its heritage and its focus are briefly described under corresponding headings, together with slogans and corresponding tailor-made pictures. Examples are:

- *BrandCos*  
*The art of precision skin care*  
*Picture: x-ray of a rose (reminding of the company's logo)*
- *Science & Research*  
*Precision formulas for maximum efficacy and compatibility*  
*Picture: most important product category*

- *Family Business*

*In the third generation we continue the most beautiful family tradition.*

*Picture: portrait of the family members currently on the board*

- *Mission statement*

*BrandCosLIKE is our pledge*

*Picture: compass rose (BrandCos, 07/2017)*

From the content and layout of this section of the website it can be concluded that the main purpose here is to promote the brand and the company's expertise.

#### **4.1.1.2 LabelCos website**

In contrast to the BrandCos website the LabelCos website appears very technical and matter-of-fact. The contained information is short and deals solely with the scope of services that LabelCos offers for potential business-to-business mass-market customers, e.g. drugstore, supermarket.

The website does neither give any details on products or on people involved nor does it contain a mission or vision statement. It focuses on lists of product types and packaging options available as well as on an overview on the "service portfolio" of LabelCos.

Under the heading "About us" one finds a short introduction of the company together with a list of the certifications LabelCos currently holds. The following is an extract of the "About us" part of the website:

*LabelCos has been developing and manufacturing the full range of cosmetics since 1932. [...] it began specializing in house brands and own labels. Ever since then, it has been a reliable partner offering innovative solutions in this market.*

*[...] LabelCos delivers complete customized solutions for your product.*

*[...] LabelCos offers its retail partners its unique experience and know-how plus products of outstanding quality "Made in Germany". It is this*



*expertise that makes LabelCos one of the preferred partners of customers in the retail trade.*

*LabelCos is an ISO 9001:2008 certified company since 2010 and also IFS-HPC certified since April 2011. (LabelCos website, 07/2017)*

Pictures on the LabelCos website are generic and all available for purchase on the relevant Internet portals. The use of generic pictures might be because LabelCos does not own its own products or brand(s). Moreover, conveying its customers via showing original pictures of PLB products might be against obligations of confidentiality. Hence the choice of pictures is purposeful. Via the pictures, the layout and the wording the LabelCos website creates an image of straightforward reliability – a very different impression compared to the BrandCos website.

#### **4.1.1.3 Appearance of the websites resumed**

The main purpose of the BrandCos website appears to be the promotion of the brand's products together with creating the image of a strong brand that emotionally appeals to potential customers. In contrast to that the LabelCos website focuses on selling the company's services. It is much less emotional and much more matter-of-fact stressing reliability and a strong customer focus.

Based on that different impression and emotional appeal of the BrandCos and LabelCos websites a link between the two companies is neither obvious nor implied. As neither of the two websites provides any hint towards such a link despite their affiliation (see chapter 3.3.1) it is not unreasonable to think that such link is deliberately concealed. It is only when looking closely for the names of the CEOs in the imprints of the websites that the name of CEO1 (see Figure 6) can be found on both.

Following the description of the two websites the next sections focus on the websites' contents together with the content of the company strategy papers. The sections are structured according to the themes identified for organisational culture from the management's perspective. These themes are summarised in Figure 12, Figure 13, and Figure 14, where the most important theme – or facet of culture – is

always shown on top, literally resting or being based on the other two. The presentation of cultural issues for BrandCos is followed by those identified for LabelCos. For each theme the outward directed information coming from the websites is presented first. It is then compared to the inward directed perspective published in the company's strategy papers.

#### 4.1.2 BrandCos' culture

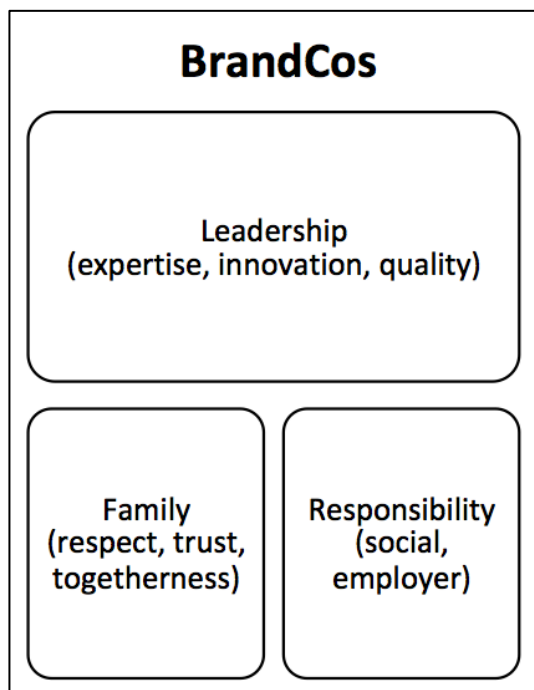


Figure 12 BrandCos' culture from the management perspective (by the author)

##### 4.1.2.1 Leadership

###### *Lens A*

The most important issue relating to BrandCos from the management perspective is to confirm its product and market leadership strategy. In every section of the "About BrandCos" part the company stresses its role as leader in its target market.

To achieve that BrandCos management focuses on innovation declaring that "science and research are part of BrandCos' DNA". Based on that DNA, BrandCos develops "precision formulas" that "meet the highest standards" and that deliver "ground-breaking research results and the highest active ingredient performance

levels". Therewith BrandCos claims to have achieved market leadership in professional cosmetics and the company envisions defending that position.

Throughout the whole website BrandCos emphasizes its role of a discoverer together with its leadership position in its target market declaring itself as the "pioneer in precision skincare". Such celebration of excellence is especially obvious in an extensive listing of awards that were given to BrandCos products and treatments. The latter are described to be "an exceptional experience". A detailed description of the brand's most important product launches further adds to promoting the company's market leadership. Correspondingly the products are headed by slogans like "a star is born", "high-tech beauty" or "world leader in ampoules". BrandCos not only sets the standards in the world of professional cosmetics "with the most effective professional skin care made in Germany" it also determines the rules, for itself and the customers. It is meant in the literal sense when BrandCos creates its own "BrandCos world".

#### *Lens B*

The strategy papers depict that BrandCos continuously claimed its market leadership and its commitment to research and science:

According to the 1990 strategy paper BrandCos "is the dominating brand in the beauty parlours". As BrandCos products are "developed according to the latest scientific findings, with the most advanced methods" BrandCos has "the know-how to lead the beauty parlours to success". In 1995 BrandCos, still "the market leader", intends to "expand its dominating position in the beauty parlours" with its "most innovative products" and its "scientific focus".

In line with that basic attitude expressed in the early strategy papers the 2014 strategy paper exhibits that "BrandCos is the uncontested market leader". Its R&D is regarded as one of the company's "traditional core competences". Despite that congruence of content the newest version of the strategy papers shows the intention to promote the company's expertise more aggressively. According to that document management commits to a change in BrandCos' customer directed wording: "BrandCos products will be communicated in a more technical language

focussing on innovation and science”. Such change in tonality can be interpreted as an attempt of BrandCos to renounce the company’s traditional focus, “the BrandCos family” with its social concern, in favour for a more espoused market orientation; i.e. moving from a “clan culture” towards a “market culture” (Cameron & Quinn, 2006). This can be an attempt to demonstrate competitiveness and to emphasize the company’s continuous claim of market leadership.

That interpretation is backed by the fact that statements about family values, family tradition or about the company’s environmental and social concern are reduced to a minimum in the 2014 strategy paper. The aspect of family values and responsibility will be illustrated in more detail in sections 4.1.2.2 and 0.

#### **4.1.2.2 Family**

Apart from substantiating the claimed supreme role on the professional cosmetics market with the company’s scientific background BrandCos reasons such role on its website with the company’s history and its heritage as a family owned company.

##### *Lens A*

That “the beauty revolution began in 1955” and the company can now “look back on more than 60 years of expertise in the industry” is to be taken as good evidence for BrandCos’ expertise. A personal statement of members of the owner family highlights “the strong team” inside and outside the company and promises “BrandCos as a family business” to “maintain these family traditions”. These traditions of a family-oriented culture can be found in the cultural values that are referred to in BrandCos’ vision and mission statement as published on the website:

##### *Mission*

*As a pioneer in professional skincare we create innovative precision formulas and expert solutions, made in Germany. They continue to be a source of inspiration for our partners and our customers – because we take an individual approach to beauty.*

##### *Guidelines*

*We rely on our expertise, and we see the daily challenges we face as*

*opportunities that we can boldly tackle by working together as a team. Our daily interactions are based on our shared understanding of the values of fairness, respect and openness which we have developed together and which determine our actions. Every one of us shares responsibility and contributes passionately to the success of the company. As a part of a family-owned company, we are already thinking about tomorrow today.*

#### *Vision*

*BrandCos is a recognized scientific authority for innovative skincare and beauty maintenance. Worldwide we are renowned for the excellence of our products and treatments. (BrandCos website, 07/2017)*

Here “shared understanding of the values of fairness, respect and openness” as well as “responsibility” and “passion” are used to attract people inside “working together as a team” and outside the company “for our partners and our customers”.

#### *Lens B*

A similar approach has been made for internal branding as the data from 1990 and 1995 shows. In both documents the importance of the staff for the success of BrandCos is extensively stressed. In 1990 BrandCos declares to be “proud to be a traditional family business” and therewith to be “successful in its activity”. In the document from 1995 that concept is further detailed. Family values like “trust”, or “respect for each other” and “employee involvement in the company’s activity” are identified to help to achieve “a high degree of identification” of the staff with BrandCos. Management explicitly calls that to create a “sense of we”. BrandCos management actively commits to involve the staff to create a bond between the staff and the brand as well as the company. Accordingly, management defines leading as “to coach in order to enable others to be successful”. Employee involvement is intended to increase identification with the company and therewith to support work motivation of the employees.

Compared to the first two strategy papers the latest strategy paper from 2014 contains little information related to family values, to the importance of the employees, or to employee involvement. Apart from the information of the organisation's vision and mission statement there is no more reference to company values. The majority of that paper deals with facts and figures on company performance and operational goals.

For BrandCos those goals are defined as "protection and development of the brand BrandCos" towards an "anti-aging expert in face care" in order to "increase covetousness of the brand BrandCos". This shall be achieved by a higher focus on certain "strategic product lines and dosage forms" and on corresponding "treatment devices and treatment routines" together with a concurrent "reduction of product complexity". In the "HR strategy" part of that paper management defines "growing attractiveness as an employer" as another goal for the organisation. "Improved employer branding" is regarded to be necessary to "attract highly qualified employees" in order to "guarantee company success". All defined measures shall lead to the overall target to "ensure dynamic growth in turnover and therewith to outperform BrandCos competitors".

Corresponding to the information of the "Careers" section of BrandCos' website, which emphasizes that "we are looking for [...] individuals to help us shape our future successes", the data from the 2014 strategy paper creates the impression that people are mainly regarded as means for ensuring the attainment of the company's goals.

Fitting to that change in focus with regards to family values the management's attitude towards BrandCos' social (or employer) responsibility changed over time as is illustrated in the following section.

#### **4.1.2.3 Responsibility**

The third theme identified in the data relating to organisational culture is concerned with the organisation's attitude towards issues of sustainability and responsibility for staff and society. Comparable to section 4.1.2.2 the data shows a certain discrepancy between the outward and the inward directed messages as well as a change in attitude over time.

##### *Lens A*

As these issues guarantee a certain public awareness it is hardly surprising that the "About BrandCos" section of the website comprises a short section on "Sustainability & Responsibility". Therein BrandCos emphasizes its commitment "to the environment". To ensure "nature conservation" the goods are shipped "in a carbon neutral manner" and the "advertising materials are printed on FSC-certified paper". Moreover, BrandCos stresses that "animal experiments remain an absolute taboo". Regarding the fact that animal experiments for cosmetic products are banned in the EU since September 2004 and the German cosmetics industry voluntarily refrained from conducting such tests already in 1989 the statement does not contain any genuine information. As reference to leadership and expertise on the website outweighs issues of environmental concern by far it is reasonable to assume that such aspects are more part of the trade than really company policy.

Fitting to that the BrandCos website does not contain any information on social responsibility, responsibility for the company's staff, or aspects of treatment or development of staff. In that the information on the website resembles the 2014 strategy paper.

##### *Lens B*

In that strategy paper social or environmental concerns are reduced to "safety at work" and the "protection of the environment". That adds to the overall impression that aspects of social or environmental concern are currently regarded as something that is either legally prescribed or publicly expected of an organisation. That suggests that such values are no longer important enough to be transported into and enacted in the organisation.

That such aspects have been of concern to the company's management can be deduced from the data published in the earlier strategy papers. The 1990 strategy paper comprises a brief section on "ethical principles" that shall "guide every decision" to guarantee that "no harm" is done to "people or the environment". Certain measures to achieve that are detailed. These comprise the introduction of "a waste management and recycling system", the implementation of "environmentally friendly and humane production processes", and the general design of "humane work places". These measures are reconfirmed and emphasized in the 1995 strategy paper. That paper further elaborates on staff development measures with the commitment to continuous staff training and staff development activities as a major task domain of HR.

#### **4.1.2.4 Management's view on BrandCos' culture resumed**

Looking at the information provided the current management perspective on aspects of organisational culture espoused on the website regarding the main focus is consistent with the inward directed information, published in the 2014 strategy paper. The company continues to emphasize its aspiration of leadership based on innovation capacity, scientific roots, and experience on the market. Regarding the importance of family values, sustainability and responsibility there is a difference between the outward and inward directed information. Whereas those values are still espoused on the website they got out of focus between 1995 and 2014 in the strategy papers (see Table 7).

Because family and responsibility related issues are nevertheless still espoused on the website there is reason to believe that management uses such values deliberately to retain its original brand image outside the organisation. Internal branding in this respect does no longer seem to be of major importance. As the organisation implemented its second strategy within a certain period between 1995 and 2014 such development might not be coincidental but aimed at by the organisation's management, i.e. moving from a "clan culture" to a "market culture" (Cameron & Quinn, 2006). This can also be deduced from the decision to move towards a multi-channel sales approach, e.g. promoting sales via the website and no longer relying predominantly on sales via beauty salons, which can be seen from



the described change of the website layout between December 2016 and July 2017. Such shift can be interpreted as attempt to stay competitive in both target markets and especially in the stagnating selective cosmetics market (VKE, 2017).

That aspect of change from a “clan culture” to a “market culture” will be further evaluated from staff perspective with the help of the data provided by the respondents (see data section 0).

The following part deals with cultural issues related to LabelCos from the management’s perspective. Data from the website is compared with data derived from the 2014 BrandCos’ strategy paper, which also covers information on the PLB business of LabelCos. Documents dealing exclusively with LabelCos are not existent.

#### 4.1.3 LabelCos’ culture

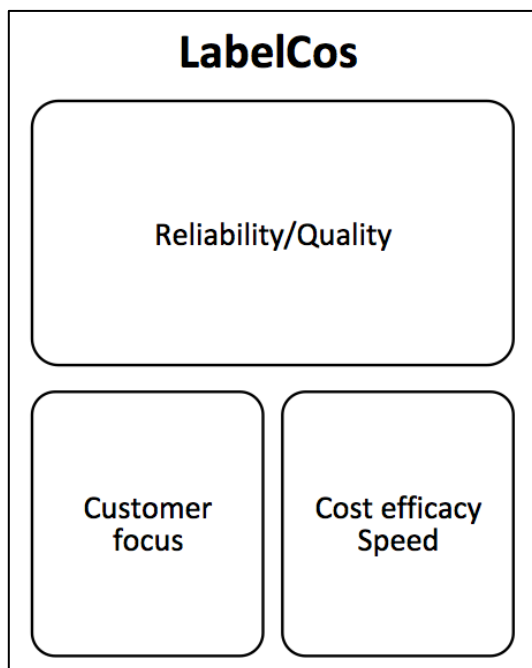


Figure 13 LabelCos’ culture from the management perspective (by the author)

#### **4.1.3.1 Reliability and quality**

##### *Lens A*

Corresponding to the first impression that the website of LabelCos creates, as depicted in section 4.1.1.2, the major part of the information transported via the website deals with reliability-issues.

LabelCos positions itself as “one of the preferred partners of customers in the retail trade”. As “a reliable partner” LabelCos claims to “understand the retail world”. It bases that understanding on a long history – “since 1932” – of partnerships with “renowned clients in Germany and elsewhere” whom it supplies with “house brands and own labels”. As evidence for LabelCos’ capability to deliver quality the website also lists the quality standards according to which LabelCos’ processes (which in fact are BrandCos’ processes) have been certified. Accordingly, LabelCos’ service portfolio comprises “Research and Development” following “high quality standards” including “comprehensive quality control”, “safety evaluations” and “competent advice”.

##### *Lens B*

The brief section on LabelCos in the 2014 strategy paper also emphasizes LabelCos’ role as “the specialist for PLB’s in the BrandCos-Group”. Management stresses LabelCos’ responsibility to “support the retail partners in developing modern PLB concepts” and in developing and producing products “that always meet highest quality standards”. LabelCos will go on to “concentrate on such strength in the future”.

The reliability claim espoused on the LabelCos website is mainly grounded in customer orientation as is exhibited in the next section.

#### **4.1.3.2 Customer focus**

Besides reliability and quality the aspect of customer orientation is another pillar of LabelCos' culture from the management perspective.

##### *Lens A*

That LabelCos "delivers customized solutions" implies tuning of everything that LabelCos offers according to the customers' expectations and demands. As a consequence LabelCos promises to develop formulas that are "customized to your requirements" or to refine formulas according to "your product ideas". Via "target-oriented processing of your requirements" LabelCos ensures to turn "the spotlight on your product". By directly addressing every potential customer LabelCos attempts to create the impression to always focus on that single customer's demands.

##### *Lens B*

To ensure the customer-oriented focus management stresses the importance of a "retail-oriented mentality" within the company in the 2014 strategy paper. In order to stay „a partner for existing and new customers in the retail business" everything that LabelCos offers has to be "customer-oriented". This is expected to apply for the developed products as well as for services like "professional trainings, service support and consulting". These measures shall guarantee that LabelCos remains a "PLB specialist" who "knows the markets in Europe and abroad".

What management believes to be a requirement to stay a reliable customer-oriented partner is described in the next section.

#### **4.1.3.3 Cost efficacy and speed**

##### *Lens A*

To stay a reliable and customer-oriented partner for the mass-market customers products and services have to be competitive. Therefore, the company's "infrastructure" has to be "retail-oriented". That comprises cost-efficient processes to ensure low prices as well as short reaction times to be able to meet the retail customers' product and service demands.

Correspondingly the LabelCos website promises “short reaction times” for the “refinement” of the customers’ product ideas as well as for “product delivery”. Accordingly, “cost-efficient filling” as well as “efficient logistics and warehousing” ensure constant readiness for delivery of goods and competitive prices.

#### *Lens B*

In order to stay competitive in the PLB business LabelCos management explicitly demands to “develop retail-oriented processes and a retail-oriented mentality” in the 2014 strategy paper. Options to stay cost-efficient or to increase cost efficacy are seen in “higher automation of production and filling processes” as well as in “outsourcing of production and filling” to reduce “staff costs”.

#### **4.1.3.4 Management’s view on LabelCos’ culture resumed**

According to the LabelCos website as well as to the 2014 strategy paper LabelCos’ reliability for the retail customer is based on three pillars: quality, cost-efficiency and customisation. Outward directed information (lens A) corresponds to the inward directed information (lens B).

Management attempts to adjust not only processes to its PLB strategy but also therewith related cultural values. That can be deduced from its direct demand to develop a certain mentality. Such demand implies the acknowledgement that such mentality does not already (fully) exist but rather a different mentality prevails. This might be the original mentality corresponding to the brand values of BrandCos as described in section 4.1.2. This line of thought leads to the conclusion that the departure from cultural values related to family or responsibility, as described in section 4.1.2, is definitely aimed at by management in order to implement a more customer or market oriented culture.

To further elucidate that deduction the following section looks into the management view on the potential impact of the development of a dual strategy on issues of organisational structure and organisational culture.

#### 4.1.4 Towards a dual strategy: Management view (lens B)

The former explications reveal that the management view on culture differs between BrandCos differs and LabelCos. The different cultural aspects – leadership mentality (BrandCos) or service mentality, i.e. customer focus, (LabelCos) – appear to fit the strategies.

Particularly the data from the strategy papers that the gradually changing business focus from exclusively aiming at the selective market towards a dual strategy most probably led to gradually adapt facets of the organisation’s culture accordingly. The first hint towards the intention of a strategic change can be found in the BrandCos strategy paper from 1995:

*BrandCos is interested in every contract manufacturing operation provided that such operations do result in revenues but do neither interfere with BrandCos’ core business nor affect BrandCos’ core business adversely. (BrandCos strategy, 1995)*

That sentence illustrates that management at that time already assumed that contract manufacturing might be different from managing and manufacturing a brand. Therefore, management considered that “the contract manufacturing business requires a much higher flexibility compared to the BrandCos core business in R&D, QC, purchasing and production”. Despite such considerations further inferences with regards to potentially necessary adaptations of the organisation’s structure or its culture are not drawn at that time. On the contrary management further assumes that “there is no need for additional resources” and that “the departments are well prepared to meet new challenges”. Apart from such first indications towards a dual strategy, which can be conceived as a kind of careful announcement of an intended change in strategic orientation, the 1995 strategy paper focusses exclusively upon BrandCos’ brand strategy targeting the selective cosmetics market.

The content of the latest strategy paper from 2014 differs from that. Apart from a large section dealing with the strategic orientation of the BrandCos brand it

contains a separate chapter on the “contract manufacturing strategy of LabelCos”. That chapter comprises information on the anticipated development of the mass-market sector, the therewith associated development of LabelCos, and the influence of the LabelCos strategy on organisational processes of the BrandCos entity.

#### **4.1.4.1 Organisational requirements**

Almost 20 years after BrandCos’ first attempt to aim at a second strategy the strategy paper from 2014 conveys that the organisation meanwhile has implemented a dual strategy. On that account the strategy paper contains a separate section on the “contract manufacturing strategy of LabelCos”, which reveals several aspects.

Related to its content it confirms that the dual strategy of targeting the mass-market with supplying products for PLB’s via the LabelCos sales unit besides targeting the selective cosmetic market with the BrandCos brand has meanwhile been adopted. Moreover, the section reveals that management plans the expansion of the contract manufacturing business. Main focus of the contract manufacturing strategy for the next years is designated as “to secure growth in turnover and increase in profit” which shall be achieved by targeting new international retail customers. How to do that is not further detailed.

Regarding its scope the section on the LabelCos strategy might be an indicator for the subordinate role that the organisation’s management officially attributes to the PLB business. As only 5% of the total amount of pages deals with the LabelCos business it can be concluded that management still seems to regard BrandCos as the organisation’s core business derogating LabelCos’ activities to minor importance. This is despite the fact that LabelCos is currently accountable for approximately one-third of the organisation’s total turnover and profit.

Although there is little substantial information on the actual LabelCos strategy in that short section on LabelCos in the 2014 strategy paper there is nevertheless one hint to the importance of LabelCos in another section of that paper. In that section on BrandCos’ strategy in operations management acknowledges organisational

adaptations to be necessary in order to stay successful with the organisation's dual strategy. The following section taken from the 2014 strategy paper particularly refers to required changes in production processes when uncovering the main challenge for BrandCos due to its dual strategy:

*Historically the operational divisions of BrandCos have their origin in pure brand production characterised by relatively high contribution margins. In recent years BrandCos production has gradually become a contract manufacturer for the mass market. This development is a unique feature of the BrandCos organisation that, to our knowledge, does not exist a second time. That actual transition from one strategy towards a second market strategy means that BrandCos operations are now being determined by the contract manufacturing (PLB) business of LabelCos. The PLB business, which is characterised by tight margins, puts pressure on BrandCos operations, as PLB products have to be produced in extremely high volumes at the least possible costs. In order to stay competitive in the mass market BrandCos operations will have to adapt to these new requirements. The overall competitiveness of the organisation depends on lean and efficient (operational) processes. (BrandCos strategy, 2014)*

Interestingly such adaptations are regarded to be exclusively concerned with cost-efficient processes in the BrandCos operations departments. That means that BrandCos' processes have to be adapted according to the requirements of LabelCos' business. Such determination of BrandCos' operational processes by the LabelCos business is also mirrored in the current figures from production and filling. These show a ratio of 80% for LabelCos and 20% for BrandCos both in produced quantity of bulk and in number of units, e.g. jars, tubes, dispensers, filled.

Apart from amendments to be made at BrandCos with regards to processes in operations there are no other hints towards potential impacts of the second strategy on the organisation or its employees. BrandCos remains as it was. The brand business is still considered to be company's core business. It continues to

focus on innovation and on promoting its leadership position on the selective cosmetic market. LabelCos, regarded as a (profitable) extra business, focuses on staying competitive with its mass-market strategy by improving processes to enable better (cost) efficacy. In other words LabelCos appears to be process driven whereas BrandCos is research and marketing driven. – Both are following different or competing value disciplines, which according to the literature (Porter, 1996; Treacy & Wiersema, 1993) requires more than just adaptations of operational procedures.

Nevertheless management regards both strategies to be pursuable under one roof and with – large parts – the same workforce (see data section 3.3.1). That results in contradictions inherent in the company. On the one hand, looking at the intentions and appearances of the websites, separation is aimed at. On the other hand both businesses are integrated in one R&D and one operational unit. That creates a contradiction between what is espoused (separation) and what is tried to enact (unity). The attempt to enact unity leads to another contradiction. Both strategies, due to their difference, naturally relate to different ways of doing things, and to different mind-sets required for pursuing each, hence to different cultural values required for each of the two strategies (Martin, 2002; Smircich, 1983; Urde, 2009).

I will further elucidate the aspect of different cultural values being potentially required in the following section.

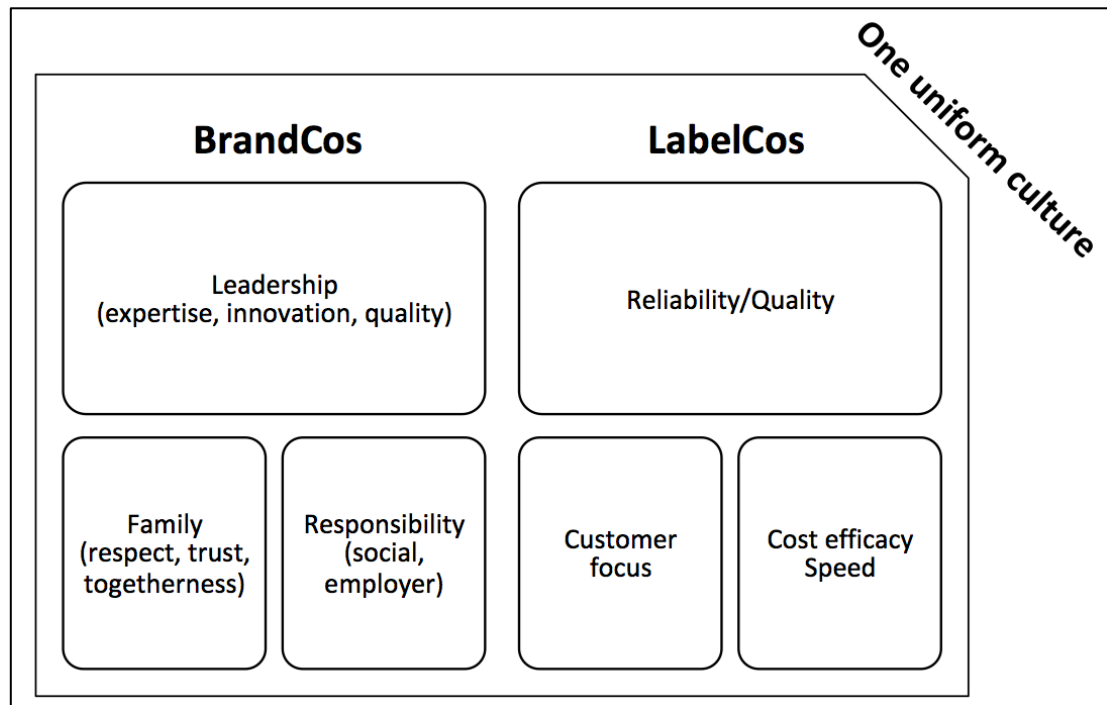
#### **4.1.4.2 Cultural implications**

Despite the stated differences corresponding to the divergent strategic requirements of BrandCos and LabelCos and the different cultural values espoused (see data sections 4.1.2 and 4.1.3) management still claims one integrated organisational culture to be existent and to be promotable in the organisation.

Figure 14 shows the main cultural facets as espoused by management. BrandCos' leadership driven values are based on family-like values and responsibility issues. Hence the aspiration of BrandCos' leadership position is claimed to be driven by the employees and by a strong team. LabelCos' focus is on the customer concentrating on process orientation, i.e. speed and cost efficacy, as well as on quality and



supplier reliability. Despite these differences management regards all to form a uniform culture as can be deduced from two sections of the 2014 strategy paper. That strategy paper still being valid today:



**Figure 14 Management view on an overall organisational culture (by the author)**

The first section is the organisation’s general mission and vision statement. The introductory phrase in the 2014 strategy paper depicts that the statement is intended to be valid for the whole organisation: “For the orientation of the stakeholders of the BrandCos-Group the following mission and vision statement has been formulated”. As the designation “BrandCos-Group” comprises both BrandCos and LabelCos the vision and mission statement definitely is meant to apply for both. (The statement’s full text can be found in section 4.1.2.2.)

Nevertheless the integrative view on culture proposed by the organisation’s management can be contested. This is because, despite its proclaimed overall validity, the vision and mission statement is exclusively published on the BrandCos website. On the LabelCos website there is no reference to a vision and mission statement at all. In that the website equals the websites of other PLB product suppliers, see e.g. [www.carecos.com](http://www.carecos.com), [www.cosmetic-service.net](http://www.cosmetic-service.net), [145](http://www.duesberg-</a></p>
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medical.de. It might be due to the intent to demonstrate customer focus as a main strategic goal.

Moreover the majority of the content of that statement appears to be more applicable to the BrandCos brand part of the organisation than to the LabelCos part:

*BrandCos is a scientific authority for innovative skin care and for maintaining beauty. We are renowned worldwide for excellent results of products and treatments. As the pioneer of professional skin care we create innovative precision formulas, products and expert solutions made in Germany. (BrandCos website, 07/2017; BrandCos strategy paper, 2014)*

Not only does that statement not refer to the “BrandCos-Group” but just to BrandCos – an expression internally used when referring to the brand – but also does it refer directly to BrandCos’ brand strategy in aiming at the professional skin care market. That can be concluded from expressions like “products and treatments”, “pioneer of professional skin care”. It is therefore interesting to learn about the opinion on that statement of those employees whose work is also concerned with LabelCos.

The second part of the strategy paper where an integrative view (Martin, 2002) on organisational culture becomes visible is the organisation’s “HR strategy”. That section refers to cultural values in repeating the exact wording of the second paragraph of the organisation’s mission and vision statement (see data section 4.1.2.2.). Moreover, it refers to ways to deploy cultural aspirations into organisational life:

*The members of the management live and anchor our values and company policy uniformly throughout the company. A jointly approved management guideline ensures a compliant approach. In this way, our corporate culture is gradually becoming more tangible for all employees. (BrandCos strategy paper, 2014)*

The link between mission, vision, values and everyday life are the members of the organisation's management, i.e. the CEOs and the department managers. Hence it is explicitly a management task to instil and anchor the corporate cultural values in the organisation, suggesting that organisational culture is manageable. This shall be done via formalised practises, both coercive and normative (Pioch & Gerhard, 2014). Coercive HR measures listed in the HR strategy are the "application of job profiles" and "performance reviews", the "agreement on goals", as well as "linking part of the salary to the organisation's operating results". The latter is explicitly done to "align the interests of the organisation, of the managers, and of the staff." Information on normative practises is less detailed. It is generalised as "development of employees" aligned with "future organisational requirements". That together with "acting and leading according to the management guidelines" shall guarantee the organisation's "resources of highly qualified employees".

In line with the overall impression of the 2014 strategy paper the content and the wording of the HR strategy reveals several aspects. Stressing the importance of the organisation's management to enact and implement the organisation's culture confirms the interpretation that management regards culture to be manageable (see data section 4.1.2). Moreover, it illustrates that the management's view on culture corresponds to Martin's (2002) integration perspective as management expects a uniform corporate culture to exist throughout the whole organisation.

That explicit prevalence of management to look at culture from an integration perspective is remarkable as management also acknowledges quite different cultural values to exist for the two strategies (see data sections 4.1.2, and 4.1.3). This suggests that management believes all these aspects of culture are to amalgamate into one single unified corporate culture with all values being enacted throughout the whole organisation concurrently. Management does neither officially acknowledge different views on culture nor the potential for conflicts due to different cultural values that might require the staff to adopt an adapted mind-set. Nevertheless, management admits the existence of competing strategic goals due to its dual strategy, which it specifies to enforce adaptations of organisational processes, i.e. to require organisational change. Both suggests that management

disregards organisational change and cultural change to affect emotions and therewith to influence the acceptance of e.g. changing values (Smollan & Sayers, 2009).

As a consequence employees are primarily recognised as being important as resources and means to ensure the company's goals (compare also parts 4.1.2.2 and 0). Correspondingly employees have to be highly qualified to ensure the organisation's (future) goal attainment, which is prescribed by coercive actions, but there are no details on more normative HR measures. Such more individual and personalised HR measures for increasing employee identification with the organisation with the aim to add to employee satisfaction and motivation are not considered at all. That corresponds to the overall impression exhibited in section 4.1.2 that 'soft' values like togetherness, respect or a certain employer responsibility are no longer of primary importance for the organisation's management. Hence the mention of for instance employee involvement, participation, or other measures that consider the needs of the employees in order to provide a motivating environment is redundant.

Likewise redundant or of only minor importance appears to be the management guideline that shall "ensure a compliant approach" to make "corporate culture [...] more tangible for all employees". This can be deduced from that guideline being referred to but not being included in the 2014 strategy paper despite its importance for guiding social interaction within the company. Albeit that guideline is made public on posters hanging on the walls at different locations throughout the company's main building, which makes it permanently accessible, such omission from the 2014 strategy paper might suggest a lack of commitment to the therein-stated ways to transport corporate culture into the organisation.

Looking at the text of the management guideline (Table 8) it reinforces the impression that general management regards 'soft' values to be less important compared to 'facts and figures'. Hence mirroring a certain movement from a more clan-like culture to a market culture (Cameron & Quinn, 2006) and resulting in an espoused culture that is a mixture of both. Soft values like 'identification',

‘responsibility’, ‘transparency’, ‘appreciation’, and ‘trust’ are the dominating keywords in the left column. But they are expanded on in the right column by predominantly relating them to ‘goals’ and ‘results’, shifting the balance towards ‘facts and figures’, i.e. facets of a market culture. Thus, the subliminal message appears to be that cultural values originally attributed to LabelCos dominate cultural values originally attributed to BrandCos. Although not officially admitted such transition is owed to the actual impact of LabelCos on BrandCos. Omitting the management guideline from the strategy paper might also be an attempt to conceal such impact and to hold on to the brand as the company’s core business.

Identification	Positive Thinking, Togetherness, Passion: We identify with the organisation’s goals and pursue these goals passionately and proud beyond department’s boundaries.
Responsibility	Liability, Reliability, Ownership: We take responsibility for the results, look for solutions not for problems, and are reliable.
Transparency	Openness, Information, Communication: We give feedback, inform about tasks and responsibilities, and we communicate operational contexts and backgrounds.
Performance	Success, Efficacy, Progress: We work goal and performance oriented and support each other in reaching our goals.
Appreciation	Fairness, Respect, Recognition: We respect everybody, we appreciate good results, and we act with consistency and continuity.
Trust	Authenticity, Error Culture, Learning: We enact a culture of trust in being authentic and reliable. We are a learning organisation with the courage for progress.

**Table 8** Management guideline (original version in German, translated by the author)

After having explored and illustrated the management’s view the following section deals with the employee’s perspective on organisational culture.

## **4.2 Facets of organisational culture: The voice of the employees**

The main source of data for obtaining information on the employees' perspective on organisational culture were the interviews with employees from the three departments dealing with both strategies: R&D, QC, and operations (production).

In the interviews I refrained from asking direct questions on BrandCos and LabelCos as well as from referring to the organisation's strategy. I decided to rather let the respondents describe the company they work for and their daily work in order to avoid guiding the respondents with my own assumptions that I obviously have due to my personal involvement in the dual strategy environment. Another reason not to directly refer to the strategies of BrandCos and LabelCos was that I expected that the respondents would inevitably refer to that dual strategy when describing the company and their daily work. As I had assumed, all respondents gave reference to BrandCos and LabelCos right from the beginning of the interviews and clearly distinguished between the two parts of the organisation.

Analysis of the data on organisational culture, as described in part 3.6.3, resulted in identifying similar cultural values for either of the two strategies compared to the management view. However, the respondents stated that due to those values being conflicting the original BrandCos values would be negatively influenced. To illustrate that I added 'lack of' or 'loss of' to the discovered themes. Moreover, due to enacted and espoused status differences between BrandCos and LabelCos they described differences and barriers between the two parts of the organisation.

In the following I present the themes developed from the interview data, which I supplement with information derived from my experience as observing participant. Section 4.2.1 looks at the general view of the staff on the organisational construct together with cultural values and artefacts symbolising both. To illustrate a variety of facets leading to the experience of status differences and barriers (first theme) I added several subheadings that are adaptations of the in-vivo codes derived directly from the data for grouping and presenting the actual data.

Facets of organisational culture relating to the two strategies are contrasted in section 4.2.2. To better illustrate the differences and conflicts with regards to strategy and organisation cultural elements described by the respondents I decided not to present the cultural themes identified for BrandCos and for LabelCos separately but rather to depict them together. Moreover, I grouped the themes derived from the data for facets of culture under headings representing the conflicts.

Table 9 gives an overview of how the data (in-vivo codes) relates to the developed themes and the headlines under which I present them in the following. This is then my understanding of the data as a result of the process of data analysis.

Presenting the data in terms of conflict allows exploring the potential impact of the organisation's dual strategy and the developed facets of organisational culture on motivation on shop floor level as will be discussed in chapter 4.3.

Final themes	Adapted codes for headlines	In-vivo codes
BrandCos&LabelCos: Status differences - Barriers	<p>BrandCos and LabelCos: High class versus low class Barriers between BrandCos and LabelCos</p> <p>Enacted differences on shop floor level</p> <p>Enacted differences by general management</p> <p>Layout of the buildings: Visible differences</p> <p>Strong brand versus no brand</p>	<p>BrandCos and LabelCos of different status</p> <p>Barriers/walls confrontation/conflict</p> <p>Different ways to work</p> <p>BrandCos people do not know LabelCos</p> <p>LabelCos products are inferior</p> <p>LabelCos people are of lower status</p> <p>BrandCos people and LabelCos people</p> <p>BrandCos produces beauty</p> <p>LabelCos produces success</p> <p>Different work environment</p> <p>LabelCos tower</p> <p>BrandCos = premium products</p> <p>LabelCos = inferior/mass market</p>
BrandCos culture: (Loss of) expertise/quality  (Loss of) family values	<p>Conflicting cultural values: Balancing acts to be performed</p> <p>Expertise/quality versus cost efficacy/speed</p> <p>Family values: There is no longer a BrandCos family</p> <p>Vision and mission: I no longer feel connected</p> <p>Employer responsibility: falling by the wayside</p>	<p>Quality versus quantity more batches to slave away</p> <p>Lack of respect and fairness</p> <p>Lack of appreciation of people/work</p> <p>Family has gone</p> <p>I no longer feel connected</p> <p>There is nothing left</p> <p>People are not important</p> <p>Jargon is impolite/impersonal</p>
LabelCos culture: Cost efficacy-speed Customer focus  blame culture	<p>Expertise/quality versus cost efficacy/speed</p> <p>Expertise/quality versus customer focus</p> <p>Family values: There is no longer a BrandCos family</p>	<p>Quick results</p> <p>Customer and sales figures count</p> <p>Cheap formulas</p> <p>Looking for the guilty</p> <p>Fear to make mistakes</p>

Table 9 Data analysis result: data on culture relating to themes presented (by the author)



#### 4.2.1 BrandCos and LabelCos: High class versus low class?

One topic of the interviews dealt with a description of the organisation as well as the personal role of the respondents in it. When asked for a short description of the organisation they work for and their daily work the respondents provided statements like:

*I am working for BrandCos but we also have LabelCos for which I am doing most of my daily work. (RA4)*

*I am working at BrandCos but we all have the name LabelCos printed in bold on our foreheads. (QC2)*

*I am working for BrandCos. To others I'd rather not mention LabelCos because we must not talk about it although that is the major part of my work. (QC1)*

Such statements point to the importance of LabelCos for the daily work on shop floor level at BrandCos as well as to an existing difference between BrandCos and LabelCos. The respondents employed at BrandCos distinguish between their employer and the actual work they are doing. The statement from QC1 to be not allowed to talk about the work for LabelCos moreover points to a certain kind of official denial of the second strategy.

Such denial is also mirrored in a statement of a respondent from R&D laboratory, who deliberately omits working for LabelCos:

*I am a product developer at BrandCos, a professional in the cosmetic industry. (RD6)*

As I knew that RD6 also works on LabelCos products I directly asked why RD6 focused on BrandCos. The answer was, "I also do LabelCos but I'd rather not mention that. LabelCos is of minor value. BrandCos is superior". That reflects positive emotions, i.e. pride, associated with working for BrandCos compared to more negative emotions when working for LabelCos.

All statements mirror the inherent potential for conflict when having to work for both strategies as they give the work for BrandCos priority of the work for LabelCos. That might be based on the perception of higher status of the brand and there-with higher value of their work for the brand or stronger commitment to their direct employer, as stated on their contracts.

Like the respondents from BrandCos the staff at LabelCos make a distinction and acknowledge a difference:

*I am working at LabelCos. That is a subsidiary of BrandCos. But we are different. [...] We don't have a works council, no flexible working hours. We all have our individually negotiated contracts with LabelCos. (LC1)*

Regarding the above-described fact that the group of respondents work with different contracts, i.e. different employment conditions and legally different employers, BrandCos and LabelCos can be considered as separate companies. Hence it is not surprising that both the staff of BrandCos and the staff of LabelCos clearly differentiate between the two and that they feel a closer connection to their original employer.

As the staff clearly differentiates between BrandCos and LabelCos the staff perspective on culture – even when looking at the organisation as a whole – is more in-line with Martin's (2002) differentiation perspective. They identify different aspects of culture to relate to BrandCos representing professional cosmetics and to LabelCos representing mass-market cosmetics. Although cultural themes identified from the management's perspective re-occur in the interview data the staff distinguish between BrandCos and LabelCos and they identify facets of LabelCos' culture to negatively influence BrandCos culture.

That is true for the shop floor level as well as for the level of department managers, which becomes obvious when a manager at LabelCos states,

*Neither the organisation's mission or vision statement nor the guidelines are for LabelCos. Just look at the rose illustrated on that paper – this is just not LabelCos. It is not even our logo. (DM1)*

Likewise, a department manager of BrandCos depicts,

*The customers determine culture. An organization's culture has to fit to its customers. Hence the LabelCos culture is very different from the BrandCos culture. (DM2)*

This suggests a more differentiated view on culture on the department manager level where the data depicts a differentiation between a BrandCos and a LabelCos culture.

The belief at shop floor level is that LabelCos' culture has to be in-line with the culture of the retail customers. That leads to a more fragmented view on LabelCos culture due to the diversity of retail customers. On that point one respondent reveals:

*LabelCos cannot have a culture or a guiding principle. There is nothing they own. They always have to adapt to each of their customers. (RA3)*

Whereas customer adaptation can be a common element of a culture, e.g. typical of a market culture (Cameron & Quinn, 2006), the staff at shop floor level seems to have difficulty in identifying such common elements of a LabelCos culture. They regard LabelCos' culture to be characterised by unpredictability or ambiguity and to depend on the context, being typical for a fragmented view (Martin, 2002).

The most striking aspect surfacing from the staff perspective is that the difference in the strategies of BrandCos and LabelCos together with competing aspects of culture lead to enacted differences in status or prestige attributed to the two strategic parts of the organisation. That creates barriers and leads to conflict, which is illustrated in the following sections.

#### 4.2.1.1 Barriers between BrandCos and LabelCos

From the information revealed in the interviews it can be concluded that the distinction the respondents make between BrandCos and LabelCos is based on a perceived mismatch between the two with regards to strategy and cultural values.

Correspondingly all employees in R&D – independent of work focus, i.e. regulatory affairs or laboratory – describe BrandCos and LabelCos to be like two companies that are divided by “barriers”. The respondents describe these barriers to lead to “confrontation” with the “anti-party<sup>4</sup>” (RA3) – the anti-party being LabelCos. Likewise, respondents employed directly at LabelCos, management and shop floor alike, acknowledge that “we are different” (LC1) and that “BrandCos people and LabelCos people need totally different mind-sets.” (LC2).

Interestingly, one member of the owner family of BrandCos, like the respondents from R&D, pointed towards a confrontation between BrandCos and LabelCos when I asked him about the historic development of the current organisation:

*In the beginning, they broke their skulls. Not in the laboratory, but in sales. Both strategies just did not work out in parallel. Only the separation of the sales units of BrandCos and LabelCos and the hiring of retail-oriented people at LabelCos led to an improvement.*

What is described in that quote summarises the reason for the final development of the current organisational structure. Which is strict separation of BrandCos and LabelCos sales forces, but LabelCos relying on BrandCos functional units, R&D, operations and QC, for development and production of the products it offers (see data section 3.3.1).

Concentration of all activities for LabelCos at the BrandCos plant, which was attempted right after the acquisition of LabelCos by BrandCos, did not work out as expected. The BrandCos field sales force, used to cooperate with BrandCos partners in the selective market, turned out to be ineffective when visiting the mass-market

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<sup>4</sup> I translated that word literally as it is in fact a neologism and therefore deliberately used by the respondent.

retailers. Other than planned and expected mass-market entrance under the brand name LabelCos failed and BrandCos stopped these activities for about two years. During that time BrandCos underwent some organisational and personnel adaptations with which it prepared for a second approach to enter the cosmetics mass-market. BrandCos re-organised the company with regards to LabelCos business and formed an organisational construct where LabelCos now was kind of a subsidiary company of BrandCos. LabelCos employed its own General Manager and its own field sales force – all under LabelCos' contracts. It re-appeared as a sales company aiming at supplying PLB products for mass-market retailers.

Thus, failure and trouble in strategy and sales were overcome by completely separating the sales forces of BrandCos and LabelCos, i.e. by employing different staff with different personal preferences, i.e. mind-sets, and by employing them under different contracts by formally different employers. The LabelCos sales people as well as the (then newly employed and now former) general manager all had mass-market experience and affinity. They identified with their tasks, their employer as well as with the business strategy. As a consequence, LabelCos started to grow.

Considering the historic development of the organisation the above quote therewith explicitly acknowledges existing differences between the two strategies. It moreover verifies the assumption of LC1 and LC2 that each strategy requires staff with different mentalities to be successfully pursued.

In the current case the issue of different mind-sets is particularly important, as the separation between BrandCos and LabelCos was not followed in R&D, QC, and the operational units. The reason for pursuing both strategies concurrently in these departments was to use available synergies with regards to resources, i.e. machines, technologies, materials, and know-how, and not having to duplicate all required business and job functions. Whilst that might have saved investments it also lead to the issues that I am focusing on in my research.

The requirement of different mind-sets for both strategies is further illustrated in the following.

### **Different mind-sets required**

I found evidence for the necessity of different mind-sets when working for each strategy in several personal communications with employees at all hierarchical levels of LabelCos, a group of people with a high customer orientation. All predicted a certain potential for conflicting values when working for BrandCos and/or working for LabelCos:

*When marketing employees of BrandCos shall also work on LabelCos projects they have to be prepared carefully for that. Otherwise they will feel deprived of privileges. [...] managing the brand, developing expensive packaging, working on luxurious products. They'd loose status. (LC1)*

*One needs a completely different mind-set to understand LabelCos. We are customer centred. The customer decides. We do not dictate products or what to purchase. (LC2)*

Such information depicts that the main difference between working for LabelCos and working for BrandCos is about who is having the lead or who takes the decision. In a producer-customer relation like in the current case this can either be the producer or the customer.

For the selective market strategy BrandCos is the producer who is managing its own products and its brand. BrandCos determines what it offers, when it supplies the customers, for what price, i.e. it determines all business conditions. Transferring the song lyrics 'I tell you what I want' of the Spice Girls' song 'Wannebe' to the case organisation BrandCos' business is comparable to: 'we (the brand) tell you (customer) what you want' or more precise 'we tell you what you have to want'. In case of LabelCos the PLB owner, the retailer, determines all business conditions. For describing the LabelCos business the same lyrics can be re-phrased as: 'they (the customers) tell us (the producer) what they want'. LabelCos (or BrandCos) is still the producer but business conditions are dictated by each retail customer. That demands different attitudes when dealing with customers, which the following words from an interview depict:

*BrandCos and LabelCos pull at different ends of the same rope. That creates conflict. (LC1)*

Such difference in attitude – or mind-set – might be very important in case the staff originally dealing with the brand strategy, therefore used to have the lead, do have to work for the second strategy as well – then simply being forced to follow.

In the case company such differences in attitude were overcome in sales by completely separating the sales forces of BrandCos and LabelCos. Separation in that regard meant employing different types of people for each strategy together with physical separation. This meant people with different mind-sets were employed under different contracts by different employers and they were located in different buildings.

Whereas such separation solved confrontation in sales it simultaneously led to the creation of different categories of staff as illustrated below.

#### **BrandCos people and LabelCos people**

Deeply anchored in the foundations of the current organisation those two categories of staff are called “BrandCos people” and “LabelCos people”. The use of such jargon enables easy differentiation.

Accordingly, these category names are on the one hand used to quickly refer to people, e.g. for locating them in the building or for describing what strategy they work for. On the other hand, they are applied to depict a status or reputation difference between BrandCos and LabelCos or between staff working (primarily) for either strategic orientation. That follows basically the reasoning that the one who is having the lead must be superior to the one who tries to follow demands:

*LabelCos is of minor value. BrandCos is superior. (RD6)*

Such enacted status difference leads to conflict because employees feel differently valued within the organisation. One respondent describes the situation with the following words:

*Somehow the BrandCos group is like the Titanic. On-top there is BrandCos, the high-class, below there is LabelCos, the third class. The ones below work hard but the ones on top are not even aware of them.*

*(RA3)*

The existence of such status difference between BrandCos people and LabelCos people appears to be fostered in everyday working life on all hierarchical levels of the organisation as the following examples depict.

#### **4.2.1.2 Enacted differences on shop floor level**

The root for observable and perceptible status differences between BrandCos and LabelCos lays in the organisation's historical origin. Serving originally the selective cosmetics market the original BrandCos brand products rest on expertise in product development and production. The brand products are designed and marketed as high-priced luxury products. They seem to be highly valued outside and inside the company, as will be detailed further. Due to the facts that PLB products are much cheaper in price and that their overall appearance is not as luxurious compared to the BrandCos products the PLB products produced for LabelCos are regarded as being inferior and less valuable than the BrandCos products inside the organisation.

Such attitude is learned during the socialisation process of new staff, internalised and hence becomes part of the basic assumptions of the staff at BrandCos. Neither newly employed BrandCos staff who work in departments exclusively dealing with the brand BrandCos nor apprentices are officially informed about the company's PLB business. There seems to be no mention of that during recruitment interviews or once those new employees have entered the organisation:

*I did not know what LabelCos was when I came. I thought it was a man, something big, but nobody told me. I would have preferred to know right from the start. [...] The trainees, they don't know either. And BrandCos marketing, they do not know anything about LabelCos. [...] When you enter the company LabelCos business should be presented. I always try to explain that when colleagues and apprentices come to*



*me and see what I am working on. You can sense that they have no idea about LabelCos. (RA3)*

This means that, depending on the department they work in, new staff might never really get an insight into the actual importance of LabelCos in the departments that work for both strategies. Moreover, they might never be well informed about the overall importance of the PLB business for the whole organisation. This is due to LabelCos being completely out of focus in the BrandCos' departments that work exclusively for the BrandCos brand, e.g. BrandCos' marketing and sales. Such difference in information or knowledge seems to be intended by general management. LabelCos is not integrated in the training periods of new BrandCos employees, there are no joint meetings of BrandCos' marketing and/or sales and LabelCos sales, and general management appears to enact such differences as illustrated in section 4.2.1.3.

Not really knowing about the importance of the PLB business fosters a kind of neglect of that business and it adds to a sense of differentiated status being cultivated throughout the organisation at all hierarchical levels. The PLB business is at best ignored in the departments dealing exclusively with the brand business of BrandCos, e.g. BrandCos sales. At worst BrandCos staff make fun of LabelCos and the low prices of the PLB products, i.e. BrandCos marketing staff. Thereby those employees transfer a notion of inferior status from the PLB products to the performance of the employees who work on LabelCos products or who work directly at LabelCos.

Examples for the creation of different statuses and for fostering the perception of lesser value of work or lesser value of people were found during several meetings between BrandCos marketing and R&D laboratory. In such meetings marketing staff openly and frequently make fun of the low prices of LabelCos PLB products. I took notes on statements like, "That's only a 2,50 € cream, you can't compare that with us" (MT1), or "You can't put anything of value in that cheap stuff anyway" (MT2) that are as derogatory as utterances like, "you are mostly just doing PLB" (MT2), "your ideas fit PLB but not us" (MT1).

Another example taken from a field note is BrandCos marketing staff dismissing R&D proposals to follow global thematic concepts or global product trends when they learn that LabelCos already offers similar items or comparable active ingredients to its retail customers. The general attitude followed is that what arrived at the mass-market cannot be innovative and therefore it cannot have any significance for the brand. Such attitude bears potential for conflict because the input of colleagues is not appreciated and not valued just because these are not solely focussed on the brand. This is despite the R&D employees “actively monitor the market of products and raw materials” (RD3) and LabelCos is “always in touch with the latest trends” (LC1) and has to be “quick to respond to new things coming up” (LC2).

That the attitude of a lower significance or quality of LabelCos products is widely held throughout the BrandCos-part of the organisation becomes obvious from information of an employee of the BrandCos consumer studies department that reveals that the staff of that department would ‘have to turn a blind eye’ on the lower performance of the PLB products when comparing them to BrandCos standards.

That employee moreover reported that the volunteers of the internal consumer studies’ test-panel, being BrandCos staff, would have exaggerated expectations towards the performance of BrandCos products and lower expectations on LabelCos products. In the past this would have led to biased test results. – Although there is no direct proof of these assumptions, coming from the consumer studies department, to be true they seemed to be reasonable knowing about two products being differently assessed with regards to moisturising performance based on their colour. Both products were exactly the same apart from the colour. The blue product was rated to be more moisturising compared to the white one.

To avoid such bias brand names are no longer printed on the labels of the test products since November 2016. Thus, the volunteers can no longer see if the products they are using are intended for BrandCos or for LabelCos. This is now comparable to a blind study in medicine. – If that measure really reduces bias is

difficult to tell, as that would require comparative tests of the same products with and without brand names. For a direct product performance comparison these would preferably be half-side tests, which are very difficult to perform as home-in-use tests, because correct application (choice of face-side) cannot be controlled.

Internally the status difference between BrandCos and LabelCos supports the existence of two groups of staff that are of different rank or value, i.e. “BrandCos people” and “LabelCos people”. In the perception of the respondents it comes naturally that the “BrandCos people” are the ones of higher value or rank and that the “LabelCos people” are of lesser value. Such status difference is deeply anchored in the basic assumptions of the respondents. Statements like “LabelCos are second-class people” (RA3) or “they are the bad guys” (RA2) as well as derogatory references about “the other part of the company that is a different level, not as high-class as us” (QC2, referring to LabelCos) demonstrate that. These statements not only depict a difference between “BrandCos people” and “LabelCos people” but also they create the perception of “them” in contrast to “us”, as do statements like “them at BrandCos” (LC2), or “you can see that they do not belong to us” (LC1, referring to BrandCos marketing staff) (see also 4.2.2.3).

The following examples exhibit that general management also fosters such difference.

#### **4.2.1.3 Enacted differences by general management**

That management officially believes in an integrated organisational culture – a culture being valid for BrandCos and LabelCos alike – can be deduced from the information published in the comprehensive HR strategy of the 2014 BrandCos’ strategy paper:

*The members of the management – with the help of the department directors – live and anchor our values and company policy uniformly throughout the company. (BrandCos strategy paper, 2014)*

Despite that espoused expectation that a corporate organisational culture exists and that it is enforceable top-down management's actions appear to foster differences and a feeling of separation.

When the three CEOs of BrandCos welcome staff at a company function as "BrandCos people and LabelCos people" they particularly acknowledge the existence of two separate parts within the organisation.

What might be done with the intention to just acknowledge different responsibilities or to more specifically address the employees the application of such company jargon stresses a difference between two groups of staff. Such address might also be interpreted as differentiation according to importance or order of priority. Consequently, staff perceive segregation between BrandCos and LabelCos. One respondent describes the situation as follows:

*And the ones on top they do not even enact both parts to be equal or equally important. CEO1 comes to the meeting and says: 'At BrandCos they celebrate beauty, at LabelCos we celebrate success'. He just supports LabelCos. But he's supposed to be manager of the whole organisation. He's also BrandCos. Hence you get the impression that differences are fostered. (RD3)*

As can be seen from the reaction of the respondent that official differentiation between two parts of the organisation – i.e. 'we at LabelCos' versus 'they at BrandCos' – does not unify the organisation. It rather deepens the perception of separation on shop floor level. For RD3 the described situation pictures the focus of CEO1 on LabelCos. First because of the differentiation between 'us' and 'them' and second because of the distinction between different goals – here addressed as "beauty" versus "success", which expressed in terms of cultural values might be translated to "expertise/leadership" versus "cost efficacy/customer orientation". Cost efficacy and customer orientation leads to success, being defined as increase in turnover, which is what is literally celebrated in such LabelCos project meetings as described by RD3. Therefore, for the insider, the CEO's reference to BrandCos has a slight negative connotation, because "beauty", or claiming expertise and leadership,

does not necessarily translate to success in terms of sales figures. Thus, the CEO's statement stresses differences between BrandCos and LabelCos rather than similarities, one of which being developing, producing and selling personal care products.

Other information given by the respondents further suggests that general management on BrandCos' "side" fosters differentiation between BrandCos and LabelCos via supporting the image of superiority of BrandCos products over LabelCos products:

*BrandCos supports the image that supermarket cosmetics are not as good as BrandCos products. BrandCos is convinced that that is true. BrandCos customers, the beauticians, are told that we just fill for mass-market customers, but that is not true. Why can't we tell the truth? I mean I do the same work for both. There is no difference in the quality of my work. (RA2)*

*On the one hand they say that we shall not talk about LabelCos and we have to hide everything, e.g. for photo-shootings, but on the other hand BrandCos makes only a small part of our overall production and my daily work. (QC1)*

Management's attempt to conceal the link between BrandCos and LabelCos in front of the BrandCos customers supports the impression of a status difference between the two implying BrandCos to be of higher ranking.

Moreover, it leaves the staff working for both strategies without proper guidance as it suggests their work to be of different importance depending on whom they work for. That creates conflict and it arises the question of, "Why am I not allowed to be proud of all my work?" (RA2). Even if an employee working for both strategies shows motivation for doing both because she values her work and identifies with the task itself the official guideline to hide LabelCos related items, e.g. when BrandCos customers are shown around, fosters the creation of a status difference between the two parts of the organisation.

Accordingly, BrandCos (work) appears to be valued more compared to LabelCos (work). This might become problematic with regards to work motivation the higher the amount of work to be done for the lesser valued strategy, i.e. the more LabelCos related work dominates BrandCos related work, as will be illustrated in more detail in chapter 4.3.

Apart from such perceived status difference between the two strategic orientations there is also a perceived difference in appreciation shown for the staff working for both strategies, being of lower value, and staff working exclusively for BrandCos, being of higher value. Accordingly, some respondents feel discriminated, and torn between two sides, neither fully belonging to either of it.

The following statement from R&D regulatory affairs after a company assembly, referring to the BrandCos marketing and sales staff, illustrates that:

*They get all the appreciation of BrandCos management whereas we are never mentioned. (RA2)*

Although it might be common that marketing and sales staff are explicitly praised for their engagement in the brand's or the products' success because of their generally greater public presence, not being mentioned in that respect adds to the feeling of the respondent that her work is not being acknowledged by BrandCos management. That fosters the perception of separation based on differently valued work especially in stressful situations. Another respondent from R&D regulatory affairs describes that as follows:

*For us the shit had hit the fan and they celebrated themselves at that expensive fancy-schmancy party. (RA3)*

With that sentence the respondent refers to a situation when her work for LabelCos was extremely challenging with regards to amount and tight deadlines. That coincided with a BrandCos' incentive for BrandCos marketing and sales staff and premium customers. A movie of that incentive was afterwards published on the BrandCos' intranet. For the informant that created the impression that BrandCos,

i.e. the departments working exclusively for BrandCos, spends money at the expense of those who are not working exclusively for BrandCos. The latter have to work while the former can celebrate. Although such concurrency of situations might be coincidental and potentially not being aimed at by management, these examples suggest that general management's actions are at least careless. In any case these actions oppose what management expects to be valid throughout the entire organisation. Internally there is no uniformity but rather segregation. That segregation seems to be based on different levels of association with either of the two strategies.

Adding to the impression that such separation between BrandCos and LabelCos is intentional is the fact that differences between the two are easily visible from the outside, for visitors and staff alike. The following description of the layout and interior of the buildings illustrate that.

#### **4.2.1.4 Layout of the buildings: Visible differences**

Looking at the visible elements relating to BrandCos or LabelCos, artefacts (Schein, 1990) the internally enacted status difference is mirrored in the outward directed presentation of the two. One example is the appearance of the two websites (see data section 4.1.1): BrandCos representing expertise and luxury, LabelCos being matter of fact and representing cost efficacy. Another example is the layout of the buildings as illustrated in the following.

The organisation's general management and the staff of most departments dealing exclusively with BrandCos enter the building via the main entrance while staff working in production and regulatory affairs as well as LabelCos' staff use a side entrance to a backward building. That building, also called the "LabelCos tower" because LabelCos is situated on the top floor of that building, houses parts of production and the offices of the staff of R&D regulatory affairs. It was originally planned and built as a storage and production building. Consequently, the layout is very functional, with a plainly tiled staircase, steps of irregular height and of rather low depth, with walls painted dark grey and lacking any decoration. In the staircase like in the offices the smell of raw materials and partly finished goods is noticeable.

The toilet facilities used by the office staff are old and in need of renovation. That creates the impression that staff working in that building are of lesser importance compared to those working in the main building. One might deduce that management just does not care and no longer enacts the cultural value of the responsibility towards the staff. – The dark grey colour of the staircase can be of concern due to safety reasons: as the steps are not well lit it increases the risk for accidents.

Different from the lower floors of the “LabelCos tower” the uppermost floor that was built about eight years ago as an extension to house the LabelCos staff is in a much better structural condition. That office floor appears much more modern with wooden-optic laminated flooring. The central meeting room is surrounded in a rectangle by the main corridor off which all offices open. Big windows and overhead roof-lights create a light, rather unemotional but functional atmosphere. That both an entrance hall as well as a front desk are lacking supports the overall impression of cost-efficiency that is impressed on the LabelCos website. Visitors to LabelCos arrive via an elevator that they leave directly into the main corridor. There is neither a reception hall nor a reception desk. Features and furniture are reduced to the absolute minimum. That stresses LabelCos’ cost awareness.

The main entrance of BrandCos’ main building serving also as entrance for BrandCos visitors stands in stark contrast to the two settings described above. The two outside walls are all glass; automatic sliding glass-doors lead into a reception hall. (Although already being impressive the reception hall was re-designed and re-furnished during the Christmas break end of 2016: new reception desk, new lighting.) The floor of the reception hall is of Italian blue-white marble; all furniture as well as the inside walls are white. The hall is indirectly lit with warm coloured light and decorated with flowers and product showcases displaying the most high-end product lines of the BrandCos assortment. A leather sofa close to one of the glass-walls awaits visitors, as does the friendly receptionist, who sits under the huge letters “BrandCos” behind a huge (now) individually manufactured curve-like front-desk. While waiting visitors can inform themselves about the company BrandCos and the BrandCos products as image and product movies are shown on a flat screen



TV being installed on the wall next to the main entrance. The impression created is one of modern, flamboyant luxury, more typical for a five-star hotel than for an office or production building. As one of the respondents puts it, “The new entrance hall is a statement.” (RA4).

There is reason to believe that such statement is deliberately made to impress visitors and to support BrandCos’ aspiration as a professional in the market of luxury cosmetics. It also intends to create and support the image of BrandCos being a strong brand, both outside and inside the organisation. On the one hand that obviously worked out, like the following examples demonstrate, but on the other hand it enlarges the difference between BrandCos – equalling a strong brand – and LabelCos – representing no brand at all.

#### **4.2.1.5 Strong brand versus no brand**

I found evidence for BrandCos being considered a strong brand and an existing image difference between cosmetic brand products and PLB cosmetics also outside of the organisation, i.e. during a visit of a raw material producer and during a job interview.

During a visit of a raw material producer I asked why they were visiting the company and selling directly and were not doing that via a specialised distributor. The latter would be reasonable based on raw material amount and turnover related to BrandCos. The explanation was that their distribution policy was not primarily based on turnover but on prestige. BrandCos representing a strong brand would therefore be a valued partner preferable to a PLB contract manufacturer. These although accounting for higher volume and turnover would be visited and delivered by the producer’s distributor.

In the course of a job interview that I lead during the research-phase the HR consultant in charge stated, “It is quite easy to find applicants that are interested in working for BrandCos. The brand is very strong and important. It has a very good reputation.” Consistently the job applicant explained why she had applied at BrandCos:

*I know the brand since my education as a beautician. There we had the opportunity to work with the BrandCos products. They are of very high standard. The name BrandCos is very important. It sounds like a melody. It is made in Germany and everything is done under one roof. That is very important for me.*

When asked about her opinion on PLB products she said:

*For me private label is strange. There is no connection with a brand. It is far less emotional. One has no say in the products. Me I could not stand behind the products like I can do behind brand products.*

Her statement is an example for the evaluation of Oliver, Schab, and Holweg (2007, p. 3725) that: “Products can be an expression of values, not just rational-instrumental solutions to particular problems.”

That young lady obviously believed in the brand values, e.g. expertise, brand leadership or responsibility, as espoused on the BrandCos website. Her case therefore suggests that BrandCos has successfully introduced true brand core values.

That BrandCos represents true core values is mirrored in the data from the interviews that unsurprisingly show a competition and imbalance of cultural values between BrandCos and LabelCos and personal values of the respondents. This is illustrated in more detail in the following section.

#### **4.2.2 Conflicting cultural values: Balancing acts to be performed**

Consistently the respondents of all departments involved with both market strategies emphasize the growing importance of the LabelCos business. They all describe LabelCos to determine their daily work with regards to amount and speed.

Particularly the respondents from R&D and QC experience their working days as to “always work under pressure from LabelCos” (RD1) and to have to “tune and accelerate our work processes according to LabelCos demands” (QC2) in order “to

beat the competitors” (QC1). Likewise, all respondents, independent of department affiliation, consistently estimate their work proportion to be “80% LabelCos and 20% BrandCos” (RA2). Such estimation, based mainly on individual perception, is verified by key figures from production and filling that were published in the organisation’s annual reports for 2014 and 2016. For amount of bulk produced as well as for pieces of products filled these figures reflect a proportion of 80% LabelCos to 20% BrandCos in 2014 and of 83% LabelCos to 17% BrandCos in 2016. The same reports show a high two-digit growth in turnover achieved with the PLB business of LabelCos. Therewith company figures confirm the judgement of the respondents and prove their perception right.

It is hardly surprising that such company and business development has an influence on the daily work of the staff. One respondent from QC describes that situation as, “We all have a big ‘L’ imprinted on our foreheads.” (QC2). Several respondents from production and R&D put that issue in a more negative way emphasising that “BrandCos always takes second place” (RD3) and that “we just slot BrandCos in” (RD4) in the daily working routine.

Such conflicts in the departments concerned with both strategies are caused by the customer orientation of the PLB business of LabelCos that meanwhile determines the BrandCos processes. As one respondent from LabelCos explains:

*Our customers determine what to do. Because when we are not able to deliver we have to live with the fact that another supplier will step in.*

*(LC1)*

To prevent losing business the processes of BrandCos in R&D, QC and production are tuned according to LabelCos requirements, suggesting an imbalance of power between the PLB customer and LabelCos (via BrandCos) as a supplier.

Such imbalance of power fosters the prominence of imbalance of cultural values of BrandCos and those of LabelCos. With LabelCos’ values getting more prominent there is a growing gap between cultural and personal values leading to several balancing acts to be performed by the staff.

#### 4.2.2.1 Expertise/quality versus cost efficacy/speed

Due to the deeply anchored belief that there is a difference in status of BrandCos and LabelCos and of the corresponding products the respondents from production and QC are also convinced of an inherent quality difference between BrandCos' and LabelCos' products.

Accordingly respondents from QC state that LabelCos "is a different level, not as high-class as BrandCos" (QC2) and they justify that with, "for mass-market products deviations are not that important" (QC1). Similarly one respondent from production evaluates that "to make profit in the mass-market business one has to 'slim' the formula" (P1). – To explain that: deviations are differences between measured parameters and specified parameters; to slim a formula means to use less ingredients or to focus on low-cost ingredients.

It is hardly surprising that the respondents from QC and production are also convinced that BrandCos products should be produced and controlled with extraordinary diligence. For that group of respondents reality differs from their own expectations, which they articulate as follows:

*That doesn't meet the quality requirements of a BrandCos product as they are promoted. We perform too few and just sub-standard measurements. The test scope is just the same for BrandCos as for LabelCos products. (Q1)*

*We do not have the time to properly look after the products, to look into the machine and see what is happening. Those permanent special releases – that just shouldn't be. (P1)*

Consequently that group of respondents is disappointed because "it is not quality that counts but only mass-production and quantity" (QC2) and because "there is no difference between BrandCos and LabelCos" (QC1) and all products "are dealt with in the same way" (QC1).

Hence for those respondents the balancing act to be performed is the discrepancy between what BrandCos officially claims and promotes and the experienced

company and work reality. They regard such balancing act as a sign of the deterioration of the BrandCos core values of quality, expertise and the aspiration of leadership. QC2 gives an example:

*They fear not to meet the production and filling goals. Quantity got more important than quality. (QC2)*

On the one hand the employees in production and QC suffer under a permanent time-pressure from LabelCos because “we have to be quick and reach the goal for bulks and batches per day” (P1). They “don’t have the time to produce reproducible and accurately” (P2) because they “just cannot afford to stop a machine even though it is for BrandCos in order to reach the quantity goals for LabelCos” (QC2). On the other hand the respondents from these two departments can never meet their own quality expectations with regards to BrandCos because “everything has to be done quickly” (QC1), which results in “too many mistakes because of the high volume of work” (QC1). They therefore “just don’t live up to the BrandCos standards” (P1).

Such daily challenge of a goal conflict between quality and quantity and therewith risking to negatively influence the quality of the BrandCos products by tuning processes according to LabelCos’ demands is actually underlined by an external auditor in September 2016. After a five-day inspection of the BrandCos processes the external auditor states in his audit summary:

*You do not need to reach pharma-standard. But your processes, your test-scope, and your analytic standards should at least correspond to what you preach. Only then will you be able to really produce safe products of a high quality.*

A similar balancing act between quality and quantity or expertise and customer focus, i.e. selective market strategy and PLB strategy, is confirmed in R&D regulatory affairs.

#### 4.2.2.2 Expertise/quality versus customer focus

The balancing act described in R&D regulatory affairs is mainly concerned with time-pressure, the strong customer focus of LabelCos, and the respondents' own aspiration as experts in their field.

Albeit the principle tasks to be performed in R&D regulatory affairs as well as the respondents' responsibility are identical regardless of market strategy their expertise is differently received on BrandCos and on LabelCos side. This is mainly due to LabelCos' customer orientation, which one LabelCos respondent describes as:

*The customer is king. We can just try to give advice but in the end the customer decides what he wants. Our responsibility is to meet all his demands. (LC1)*

From the perspective of the R&D regulatory affairs' respondents this statement translates to, "LabelCos always tries to meet the customers' demands" (RA3), which means that "the LabelCos customers, and profit, always win" (RA1). Accordingly, for these respondents the daily work "is always make or break" (RA4). Consequently, they have to answer "every stupid question" (RA4) of the LabelCos customers, who "do not have any expertise and knowledge" (RA4). That causes them to believe that their expertise is not appreciated by LabelCos. They are rather "put under permanent pressure" (RA2) because "everything is of highest priority and has to be answered quickly" (RA2) and because "LabelCos determines our daily work" (RA3).

The respondents of R&D regulatory affairs conceive such determination of their work volume and work speed by LabelCos as "derogatory" (RA1) and as a lack of acknowledgement of their performance. This is even truer because "they do not believe us when we correct claims on the packaging" (RA2) and "we always have to justify our decisions" (RA1).

When working on BrandCos products the respondents feel more autonomous:

*I can decide when to correct the texts within a certain time-frame, we are consulted on subjects like claim substantiation, and nobody yells at you on the phone. (RA4)*

In summary the staff in R&D regulatory affairs perform the balancing act of being pushed and expected to step in and take charge whilst being challenged by LabelCos. For them LabelCos' customer focus outweighs acknowledgement of their expertise on BrandCos part.

In R&D regulatory affairs there is even more potential for conflict. Due to the location of their offices in the LabelCos tower they feel less valued by their employer, which pays in negatively on employer responsibility, as is illustrated in the next section.

#### **4.2.2.3 Employer responsibility: Falling by the wayside**

The previously described differences in building layout and the therewith-expressed difference in ranking or status (see data section 4.2.1.1) are noticed by the staff. Therefore, the R&D regulatory affairs employees feel less appreciated and valued by the organisation's management.

For that group the company values published in the official guiding principles (BrandCos website, posters in the main building) with regards to the concept of "appreciation", i.e. fairness, respect and recognition, are not at all enacted. Almost all of the respondents from that group refer directly to a deterioration of these values that they also describe to have existed:

*Appreciation and our culture of caring for the staff fall by the wayside. It's discriminating. (RA1).*

The respondents give different examples for the perception of being discriminated, which all refer to the layout of the company buildings. One respondent explains:

*Production underneath, everything rattles, you feel like sitting on an airport. (RA4)*

Another one criticises:

*And when I compare – that’s what makes it stark! In the main buildings everything is spic-and-span. There are terrific pictures hanging on the walls. Here the toilets are old and there they redo that expensive marble floor. (RA2)*

Being located in the “LabelCos tower” leads to a perception of stigmatisation and degradation. That perception relates to the actual layout of the building as well as to the internal implication of the name, which is synonymous for a lower status:

*She thought I was a LabelCos person as I am sitting in the LabelCos tower but I am not. (RA3)*

Due to the location of their offices the R&D regulatory affairs group is allocated to LabelCos and there-by lowered in perceived ranking.

Also from the perspective of LabelCos staff cultural values like responsibility for the staff or appreciation and recognition are differently enacted within the organisation and not uniformly distributed. This is mainly due to differences between the contracts of BrandCos and the contracts of LabelCos, which are due to economic reasons. Via reducing overhead costs management always attempted to keep LabelCos competitive in the very price sensitive mass-market.

Moreover, whereas BrandCos is associated with the corresponding industrial trade union (IG BCE) LabelCos is not bound by any collective agreement. Therefore, BrandCos has a works council and follows with its contracts in wide parts the collective agreement of the German chemical industry whereas LabelCos does not. Accordingly, all LabelCos contracts are individually negotiated and differences between staff of LabelCos and BrandCos staff are obvious for the LabelCos staff. (The differences between contracts are not known by BrandCos staff as in Germany



contracts or wages are usually not talked about.) LabelCos staff can compare their contracts with the IG BCE agreements, which one of the respondents referred to:

*We don't have a works council, no flexible working hours. [...] There is nothing like extra hours, no compensation with extra days off, like at BrandCos. Our fixed salary covers each minute we work. (LC1)*

Consequently, LabelCos respondents differentiate that “we do not have much in common with the BrandCos-world” (LC2).

That both worlds actually have more in common than the LabelCos staff assume can be seen from data that points towards a certain change in management focus from appreciation for the staff efforts and responsibility towards the employees – original BrandCos values – towards profit and cost efficacy – inherently LabelCos values.

Such change can be deduced from the fact that BrandCos partially abandoned the agreements of the German chemical industry with regards to the standard weekly working time in January 2016. The stipulated 37.5-hour work per week was increased to 40-hours working time. The longer working hours apply for all staff at BrandCos. Management's justification was to ensure LabelCos' competitiveness after the implementation of a statutory minimum wage in Germany. As most of the filling orders for bottles for the PLB business goes to subcontractors that government action increased the costs on LabelCos-side. That made it more difficult for LabelCos to maintain its prices for the PLB customers. In reality the increase of working hours at BrandCos meant a cut of wages as it was done without recompense. Therewith BrandCos staff were compelled to compensate for rising expenditures at LabelCos.

That did not go unrecognised by the staff as one respondent analysed:

*One feels that the employees are not important, what is important is the increase in turnover. What do I make of the celebration of breaking*

*the 100 million-turnover-barrier just when we were informed about that increase in working hours without compensation? (QC2)*

The noticeable shift in focus from a culture that is more employee-targeted towards a culture that adheres more to quantifiable targets leads to a growing detachment of long-term staff from the parent company.

The statement, “I don’t think that BrandCos is still the company I used to work for” (RD1) summarises what almost all respondents expressed when I asked them to describe the organisation and its development since they entered it. When asked to specify that the respondents consistently refer to values like social concern, i.e. responsibility for the staff, or family values like trust and fairness or togetherness. They unanimously describe a loss of these values in favour of cost efficacy and process orientation due to the growing importance of the PLB business.

Through the example of family-oriented values the next section illustrates the change from an employee-focused culture to a more figure-focused culture in more detail.

#### **4.2.2.4 Family values: There is no longer the BrandCos family**

From the respondents’ perspective in particular values like trust, respect or togetherness got lost due to a growing influence and time-pressure of the LabelCos business. Despite those values being espoused on BrandCos’ website the respondents describe that they are no longer enacted within the organisation.

For the respondents the current organisational “motto is: one does not make any mistake” (RA2). Consequently, they exhibit that the organisation’s culture has shifted towards a “blame culture” (RD4) lacking trust and togetherness:

*We are not allowed to make any mistakes. If something goes wrong we have to justify ourselves. (RA1)*

*It’s all about lacking trust. They always imply that you do something on purpose; that you do not do your job properly. (RD3)*

Due to short timings mistakes are not used as a means to learn and to develop but rather regarded as reduction of momentum of the PLB business:

*Every lab-batch for LabelCos has to be to the point. We just have one trial, and then we have to sample. (RD2)*

As a consequence of the perceived change of cultural values from 'openness and learning' to a 'culture of zero mistakes' some respondents express their fear to do something wrong:

*I always fear to make mistakes. That they think I am a bad developer. (RD2)*

*For me it's always like 'oh my god, don't let it be my fault. In the end I am there all alone with that mistake. (RD1)*

*It is not about solving the problem but all about finding the one responsible. Everybody blames the other department. It's no longer looking for the whole but only to blame somebody. In the end it's always me getting the short end of the stick. (QC1)*

According to the respondents, mistakes lead to a certain kind of punishment. That can be e.g. a loss of credit, meaning trust in one's work quality. It can also be a loss of relatedness, so that one is no longer belonging to a certain group, for instance the group of "good developers", or it can be conflict with other groups of employees, when putting the blame on a particular person. Consequently, "the family has gone" (RD6).

Apart from the described shift towards a blame-culture there is more evidence for the deterioration of a family-oriented culture. Respondents from R&D give examples:

*We were like a big family. We always knew when new staff had been hired. They were shown around and were introduced to everybody. Now I get internal mails from people I do not even know. (RA4)*

*When the owner family came you could feel that your work was appreciated, they knew you and your role in the company. (RD2)*

That information can best be summarised with the words of a respondent from QC:

*We lose our sense of we. (QC2)*

Therefore, the respondents feel that “there is no longer the BrandCos family” (RD1) and from their point of view “the staff is just not important, all that counts is turnover and profit.” (RA1).

When asked for clarification one respondent from R&D regulatory affairs points out:

*We are only functions and initials, like you were a number not a human being. (RA4).*

The respondent goes on reporting:

*It's always like: XYZ made that decision. You could at least refer to Mr. and Mrs. and address the employees properly. (RA4)*

Here the respondent describes to feel humiliated by the intensive use of a three-letter code that is assigned to each employee when entering the organisation. That code is constituted from the initials and one additional letter of the surname. It is used as identifier in IT, as reference in meeting protocols and from some of the staff also to address people in emails.

The data suggests that all respondents, independent of length of company affiliation (five years being the shortest available in the departments of interest for the research), identify strongly with values attributed to a family-like culture. Therefore, they all exhibit disappointment due to the illustrated depersonalisation and perceived lack of appreciation.

Such disappointment is also expressed on the level of department managers. On that hierarchical level I got information like, “I am missing the appreciation for my work since quite a while” (DM2), “he [*the direct superior*] always knows better”

(DM1), or “I’d like to cross-out the words transparency, appreciation and trust from the guidelines” (DM3).

Further supporting the general experience of disappointment due to an imbalance of personal and cultural values is the information I got with regards to the organisation’s latest vision and mission statement. That relates to its content as well as to its originating process as illustrated in the following section.

#### **4.2.2.5 Vision and mission: I no longer feel connected**

More conflict between what is published on behalf of respect, openness, appreciation and what the respondents perceive to be reality is uncovered in the interviews when I asked about the respondents’ opinion on the organisation’s comprehensive mission and vision statement. To me that part of the interviews was in particular interesting as some of the respondents were initially involved in the formulation of that statement. (The exact wording can be found in section 4.1.2.2.)

Employees volunteered to participate in the development of the vision and mission statement. Final participants were exclusively BrandCos staff. The group of volunteers developed their consensus version during several meetings in 2014. That version got first revised by the executive committee – me being a member. It was then revised by the three CEOs and finalised by the organisation’s administrative board end of 2014. Information of the executive committee about the final version followed beginning of 2015. In January 2016 (no mistake) the latest version was officially presented to the workforce and then published on the BrandCos website. It was moreover printed on posters in BrandCos’ layout that are since then displayed throughout the company’s premises.

Asked about the reasons for volunteering to participate in the development of the vision and mission statement I found the motive of identification or involvement. Accordingly, these respondents state that, “I wanted to play an active role” (QC2), “I had hope to change something” (RA1) as well as, “I highly identify with BrandCos. I wanted to bring in my ideas to be a part of it.” (RD5). Such positive view is contrasted by explanations to not participate, “experience shows that these are only nice sentences on paper” (RD4), which “nobody adheres to” (RD3).

Consequently, the non-participants describe the statements as “rubbishy” (RD4) or “useless” (RA4). They emphasize their belief that “it is just for the image, because it sells” (RD3), or “in everyday work, when money and sales figures count, all good resolutions are completely thrown into the wind” (RD1). The respondents of the non-participant group moreover state “decorating the walls with it is not enough” (RD4) and mission and vision “have to be lived and adhered to top-down” (RD3). Moreover, due to the fact that “nobody from LabelCos was involved in the team” (RD5), and that “the BrandCos rose is just not our logo” (LC2) the “definitely valuable statements” (RD4) are perceived to be applicable “only for one half of the organisation. Just for BrandCos.” (RA3).

Despite their originally positive view on the mission and vision statements the respondents who participated in the development of the statements also express their disagreement and disappointment. That is based on the time-span between development and publishing of the guidelines as well as on the influence of the organisation’s management on the final wording. One respondent illustrates that as follows:

*We all shared the same ideas and values despite our mixed team. But after all those revisions, there is nothing left. All our input, our emotions, our passion, everything has been swept away. (RD5)*

Another participant describes:

*I waited for publication and nothing and again nothing. You no longer bother. And then it was January. I no longer feel connected.” (QC2)*

And a third participant reports,

*Between the first meeting and publication it took more than two years. Many things happened. And all the polishing; the coolness; the lack of emotions; therefore: It’s no longer authentic. (RA1)*

On the basis of the originating process of the vision and mission statement it is hardly surprising that those who participated in its formulation seem to feel even

more disappointed. Having just experienced a big gap between what management espouses and what it enacts these respondents no longer believe in the existence of shared values like the family company, togetherness, or respect.

### **4.2.3 Staff perspective resumed**

The analysis of the data presented in the former part can be summarized as follows. From the perspective of staff working for both strategies BrandCos and LabelCos strategies demand different cultural values. Those different cultural values are partly conflicting, so that staff perceive to work for two separate companies. As staff identify more with the cultural values of their employer, i.e. BrandCos, such conflict of values demands them to perform permanent balancing acts between fit and misfit of cultural and personal values. Moreover, staff working for both strategies (under BrandCos contract) depict that BrandCos' values as espoused by management are gradually changing in favour of LabelCos' values.

Figure 15 is a schematic representation of the former sections. It illustrates the interpretation of the data from staff perspective. Due to the strong customer focus, i.e. the attempt to stay competitive on a price-sensitive and fast-moving market, the LabelCos business determines all operational processes and the respondent's daily work. The necessity of customer and speed-oriented mindsets competes against their personal quality and brand orientation. Increasing speed due to LabelCos provokes mistakes and reduces product quality for both strategies. As there is no open error-culture such mistakes do not lead to learnings but rather to more pressure, which fosters a blame-culture. Hence, from the staff perspective, the prevalence of LabelCos' is at the expense of BrandCos' original values. Quality and innovation are impaired. BrandCos' leadership position is at risk, the foundation for its aspiration of leadership is being lost. Meanwhile family values like trust or a team spirit or valuation of the employees are replaced by competition and fear. Because the respondents fear that trend to continue such fear amplifies conflict due to increasing value incongruence.

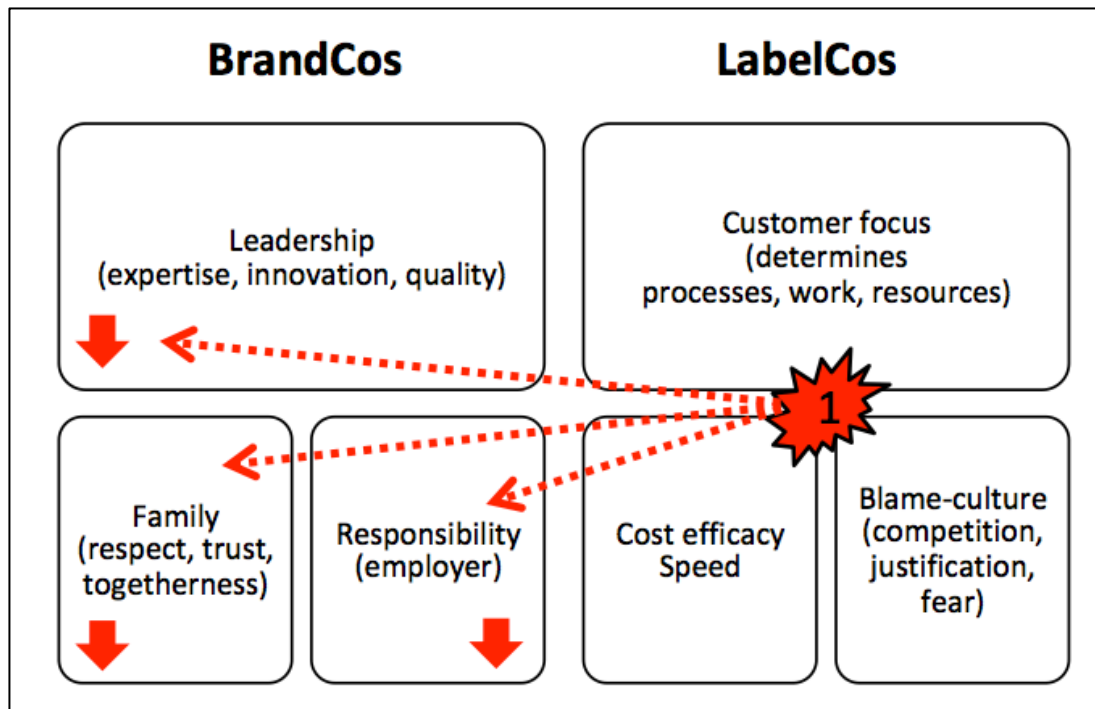


Figure 15 Staff perspective on culture (by the author)

1 = all LabelCos' values impact BrandCos' values (dotted arrows); Downwards pointing arrows illustrate value deterioration.

Another aspect of value incongruence in that special example is the cultivated difference in status between the two strategies, or the two parts of the organisation. That adds to conflict because staff working for both strategies perceive and experience a certain loss of prestige when working for the lesser-valued strategy.

For my research questions that implies that both loss of prestige (RQ2) and value incongruence (RQ1) leads to increasing dissatisfaction at work therewith negatively impacting work motivation (RQ3). Further aspects of work motivation on shop floor level are detailed in the following part.



### **4.3 Work motivation: Explanations of the employees**

As I illustrated in the literature review motivation to work is a complex and multi-factorial subject. Such complexity is confirmed in the data formed with the respondents relating to their motivation to work. Almost all factors potentially influencing motivation that I identified with the literature review appeared in the data.

As the issues identified for supporting or frustrating motivation to work are all covered by the theoretical framework of SDT (R. M. Ryan & Deci, 2000) I grouped the in-vivo codes on work motivators/de-motivators to themes that I labelled according to that framework. Therewith I got a distinction between external motivators, i.e. rewards, and issues supporting the fulfilment of psychological needs; fulfilment of which leads to more self-motivation. (The terms intrinsic motivation and self-motivation are used synonymously as questions of personal importance and of personal interest are often indiscernible.)

In the following the final theme passages on motivation developed from the data are presented. For better being able to contrast motivating and demotivating factors I decided to present motivators and corresponding de-motivators together.

Table 10 gives an overview of how the data has been transformed into themes and the headings under which I present it in the following.

Starting with the exploration of extrinsic motivators I will then depict what supports and what hinders the fulfilment of psychological needs. That includes the generally perceived impact of time-pressure on work motivation, which the respondents attribute to the growing influence of LabelCos. It also includes the evaluation of how the fulfilment of the psychological needs provides the chance for self-motivation.

Final themes	Adapted codes for headlines	In-vivo codes
Extrinsic regulation	Extrinsic motivation	
	Job security	Job security
	Material rewards and personal development in the company Appreciation	Rewards Personal development in the company complement for good work
Psychological needs Need for autonomy	Intrinsic motivation: fulfilment of psychological needs The need for autonomy	
	Creativity and participation	Creativity To bring in own ideas
Lack of autonomy	Self-determined way or working The burdens of the dual strategy	self-determined way of working Time pressure: To slave away/get rid of it No pleasure to work
	The need for competence Life-long learning	permanent learning Job significance
Need for competence	Success and pride Lack of success	I am proud to be an expert Lack of appreciation of work/trust Time pressure: mistakes
	The need for relatedness	BrandCos is my company It is my product Proud to work on luxury products I don't want to work for LabelCos I no longer feel connected
Lack of recognition of competence		
Need for relatedness		
Loss of relatedness		

Table 10 Data analysis result: data on motivation relating to themes presented (by the author)

### 4.3.1 Extrinsic motivation: Rewards

Rewards (or extrinsic motivators) that were mentioned by the respondents have either material focus: material reward, personal development in the company or job security, or social focus: approval from others. What is regarded as a reward and what therewith accounts as extrinsic motivator is related to the individual.

#### **Job security**

The only extrinsic motivator mentioned in each group of respondents, i.e. departments, is job security, which therefore seems to be a central motivator for work in the current case.

Such importance of job security is explicable as a job generally contributes to a family's income. Therewith it provides security and ensures a certain standard of living. The region around the BrandCos site does not provide many comparable jobs neither in cosmetics nor in other branches belonging to the chemical industry. Therefore, keeping the job is very important to the respondents. That explains why, even when obviously not being content with certain work-related circumstances, the respondents do not just quit their job.

The following statement supports that proposition:

*It's better than having no job. There's nothing else in the surroundings where I could work. (QC1)*

Job security is the reason why the respondents cope with having to work for LabelCos even though they experience barriers (4.2.1.1) and balancing acts to be performed (4.2.2). As "BrandCos is the heart and LabelCos is the purse" (QC2), which, apart to a high identification with BrandCos, translates to "LabelCos finances BrandCos" (RA4), it is obvious for the respondents that "without LabelCos the organisation would be less well-off" (RD1). Therefore, the general opinion is that "our jobs depend on LabelCos" (P1), which makes working for LabelCos acceptable to the respondents.

### **Material rewards and personal development in the company**

Different from job security, which is likewise important in all departments, material rewards seem to be most salient in QC. Other than in QC none of the respondents from the other departments mentioned a higher salary to increase their motivation to work. This might be typical for the German culture, where, according to my 26 years' experience in the business world, talking about earnings is 'something that is simply not done'. It might also be due to my double role. Particularly the respondents from R&D might have refrained from mentioning money because that might have implied negotiating a higher salary with their direct superior.

However also the respondents from QC give only indirect reference to money. They articulate their opinion on money as reward as follows:

*Everybody is happy about a higher salary. I always showed that I wanted to do and achieve more, but it was never rewarded. (QC2)*

*Performance is not rewarded – neither with regards to salary nor with regards to position. (QC1)*

Both statements simultaneously point to personal development in the company as an aspect supporting work motivation. Personal advancement is also mentioned in production:

*My apprenticeship was not enough. I wanted to get more responsibility. (P1)*

*I want to take on more challenging duties. (P2)*

The respondents from R&D do not define personal advancement as a work motivator. That might be also due to my double role as the R&D respondents might think that mentioning such issue to me, as their direct superior, could really impact their responsibility. Another explanation might be that the R&D respondents already have responsibility due to their job functions and that for them appreciation of their performance is the more important motivator.

## **Appreciation**

The information from the respondents from R&D actually reveals that their focus is on that aspect as the extrinsic regulator. Unanimously they exhibit that appreciation of their work or of themselves rewards them and motivates them to work.

As a consequence a lack of appreciation negatively influences their motivation to work:

*Nobody appreciates our work. No matter how hard we try, from LabelCos we never get a thank you. That is very disappointing. (RA4)*

*We are not regarded as being important. It's not that I want praise all the time but I'd like feedback and some appreciation. (RD1)*

*Feedback would be nice. We feel as not being recognized at all. (RA2)*

That seems to be true also in QC. There the respondents “really wish that my performance was appreciated” (QC1) because “positive feedback is what I need” (QC2).

Significantly the respondents from production do not specify approval from others to be an external regulator of their motivation to work. Such difference between the departments with regards to approval versus personal advancement might also be gender rather than department related. I base that interpretation on the fact that all employees, and consequently all the respondents in the study, from production are male. By contrast all but one of the other respondents are female. That is because the majority of the employees in R&D and QC are female.

My interpretation is further supported by a remark of that other male respondent. He commented on recognition and approval from others at work:

*I do not need that. For me that is just not important.<sup>5</sup>*

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<sup>5</sup> I deliberately did not add a reference to the person who stated that, as doing so would uncover the respondent's identity.

If approval from others was task, role or department related one would expect a different answer in that approval from others would have a similar significance for him like for his female colleagues.

Apart from different types of rewards as work motivators I found evidence that the fulfilment of the three basic psychological needs depicted in SDT (Deci et al., 1989) are motivators for work in the current case. All respondents referred to aspects relating to autonomy, competence, and relatedness, to motivate them. They moreover pointed out that a lack of the fulfilment of those needs reduces their motivation to work. Comparable to the individual preference for certain rewards the importance of each psychological need differs between the individual respondents and accordingly between the departments. Likewise, do the factors leading to the fulfilment of the psychological needs, which also seems to be depending on the individual.

The following part illustrates factors influencing the fulfilment of psychological needs. It moreover exhibits how and why that might increase or frustrate work motivation in a dual strategy environment.

### **4.3.2 Intrinsic motivation: Fulfilment of psychological needs**

#### **4.3.2.1 The need for autonomy**

Working autonomously and having responsibility, i.e. fostering the need for autonomy, is important as a motivator in all departments. What differs is what the respondents attribute to working autonomously and being responsible.

#### **Creativity and participation**

For the staff working in the R&D laboratory the need for autonomy is best fulfilled when they have the chance to be creative, when they are responsible for creating a product on their own, and when they can fully determine their tasks. Being involved in the product concepts makes them work with high self-motivation:

*I want to use my skills and my creativity. (RD2)*

*I like to use my thoughts and creativity, to participate in the briefings.  
That increases my responsibility for the product. (RD3)*

Therefore the respondents from the R&D laboratory exhibit a difference in the fulfilment of their need for autonomy between the two strategies. When working for BrandCos – the selective market strategy – the respondents experience a higher involvement and a larger option for creativity than when working on LabelCos products.

Working on BrandCos projects allows the employees to participate to large extends in the creation of the product concepts. They are involved in looking for trends and scientific developments. They choose the product base, the active ingredients that are intended to carry the product story, and they are involved in briefings for perfume oils. It means having an influence on the design of the final product and to “bring in own ideas” (RD1).

When working on LabelCos products the research part, being the creative part, is lacking. The work is all about implementation of the PLB customers’ ideas. The tasks involved when working on LabelCos products are limited to the operations done at the laboratory bench, i.e. batch production and sampling. For the PLB products of LabelCos the R&D laboratory employees get “precise specifications and defined ingredients and amounts of ingredients to be used. You have to take 1% of this and 2% of that” (RD3). There is only little scope of influence for the developer.

Love (2001, p. 12) described that difference between development and implementation in his case sample of developing PLB products:

The product development stage frequently involves a handover from the more creative end of the R&D department into those focused on commercialisation, the product developers, the implementers. [...] Members of the research department, particularly the champion of the idea and concept need to continue as part of the NPD [*New Product Development*] team to shortcut any problems.

Transferring that description to my research case it means that for BrandCos products the employees in R&D are the “champions of the idea and concept” whereas for LabelCos products they are “the implementers” and “focused on commercialisation”. Psychologically that is a big difference for a product developer and it is directly related to enjoyment of work and intrinsic motivation.

That can be seen when the respondents describe their daily work. For them working on LabelCos products is more or less “just mixing and sampling and whipping things up” (RD4) where “you just have to follow the others’ input and the customers’ rules” (RD3). All respondents unanimously exhibit that their work for LabelCos “leaves no room for own ideas” (RD1) because “everything is predefined” (RD5). As “it is just implementation of given concepts” (RD6) the respondents agree that working on LabelCos products “is tiring and dull” (RD4).

Such kind of work is contrasted by work for BrandCos for which “you need creativity and skill” (RD6) which is “much more interesting and fun” (RD5). Consequently, the laboratory respondents are “more proud when working on BrandCos products” (RD2). They show higher motivation working on BrandCos products because “there are emotions in it” (RD4). A BrandCos product “is more my baby” (RD5). “It is a part of me. That’s cool” (RD6). Therefore, the R&D laboratory respondents experience their work for BrandCos to be “significantly different” (RD2) from their work for LabelCos. That difference leads to their perception “to always sit between two stools” (RD1), which impacts their motivation to work.

Consequently, the higher the amount of LabelCos related work in comparison with BrandCos related work, the more negative is its impact on the R&D laboratory respondent’s motivation to work. One respondent from R&D laboratory makes that very clear:

*Even if they praise the quality of my work I can't be motivated knowing that general management always expects more batches for LabelCos.*  
(RD2)



Other respondents from that group describe the impact of LabelCos as:

*I am feeling like a rubber band that is torn in opposing directions. (RD1)*

*Time pressure reduces creativity. (RD6)*

Such direct impact of the market strategy on work motivation via pleasure to work can only be seen in the R&D laboratory group.

In the current case it is related to the different task-scopes that working for either strategy includes. When the task-scope comprises creativity and allows personal influence, i.e. working for the selective-market strategy, it benefits the fulfilment of the needs for autonomy and competence. That leads to positive emotions (pride/fun) and high self-motivation to work. When the task-scope is reduced in terms of creativity and influence, i.e. working for the mass-market strategy, so is motivation to work.

Hence there is a direct interplay between work motivation and market strategy: selective market strategy influencing motivation positively, mass-market strategy influencing motivation negatively.

### **Self-determined way of working**

The fulfilment of the need for autonomy is also a motivator in R&D regulatory affairs and in QC. That can be seen from the respondents' confirmations that they like to work "autonomous" (RA1) and to "independently organise" (QC1) their work.

What supports the fulfilment of that need nevertheless differs. For the respondents from R&D regulatory affairs working autonomously comprises "taking decisions" (RA2) and "to accept responsibility by taking on duties in a self-reliant way" (RA3). In QC being autonomous at work means to decide on "the order in which to fulfil certain tasks" (QC2) as well as being "involved in the organisation of the workplace" (QC1).

That slight difference is mainly due to the nature of the work to be done. The work in QC depends on the rhythm of incoming samples. The kind of the sample

determines which measurements have to be executed and the number of samples determines the number of tests that have to be done. Decisions are determined by the results of the measurements: pass or not-pass. Hence the potential influence in QC is reduced to the sequence of measurements or to structuring the workplace. In contrast to that employees in R&D regulatory affairs do have a certain scope for decision-making. That is true e.g. for the formulation of statements, or the evaluation of claims. For cosmetic products the latter is primarily based on experience considering prevailing public understanding and not so much a question of being right or wrong.

The lack of opportunity to work in a self-determined way reduces the respondents' motivation to work. Comparable to the information from R&D laboratory the respondents from QC and R&D regulatory affairs state that LabelCos reduces such opportunity. They agree that the PLB strategy highly impacts their work with regards to workload and time pressure:

*Time pressure is enormous. It's like working on a galley. (RA1)*

*We just do what they from LabelCos tell us. It's like working at a conveyor belt. (RA2)*

*LabelCos customers always put us under pressure. It's more and more questions, demands for lists and information and always with deadlines. Everything is of highest priority. I can no longer determine my work - neither with regards to content nor with regards to timeframe. (RA3)*

*We have to slave away our work. It's more and more pressure due to the high amount of PLB products. You can't look left or right. (QC2)*

*I can't plan my work. I just want to get rid of the samples. (QC1)*

As that information was given related to issues hindering them in working autonomously the examples suggest that the impact of LabelCos on the daily work

due to the quantity of its products and production batches lowers the fulfilment of the respondents' need for autonomy and therewith their motivation for work.

Other than in R&D and QC the respondents from production do not refer to the fulfilment of the need for autonomy to be a motivator. The reason for that might be the strict process orientation of the production department. Process orientation in that case means that every task to be done is determined by the process it belongs to. The succession of tasks is pre-determined by the process and each task has an assigned time frame. Every process, e.g. product, machine, production batch, cleaning, retooling, is planned at a central planning unit. The employees in production have to strictly follow the process. People with a high need for autonomy might not choose that kind of career. According to the data primary motivators in production seem to be rewards and the need for competence.

To further evaluate the perception of growing pressure that all respondents relate to the impact of the mass-market strategy, which potentially might frustrate work motivation I asked the long-term employees to describe how their work has altered since they entered the company.

Six of the respondents could look back prior to adoption of the second market strategy. Unanimously these respondents describe a growing burden due to the LabelCos business. They believe that the second strategy meanwhile outweighs the original strategy, which is still depicted as the organisation's "core business" by management as depicted in section 4.1.4, leading to stress and lowering work motivation as illustrated in the next section.

### **The burdens of the dual strategy**

All respondents identify the PLB business of LabelCos to currently widely determine all processes at BrandCos reducing the "core business" to an almost peripheral matter.

The respondents who experienced the acquisition of LabelCos by BrandCos describe such determination to be the result of a process that started slowly and gained significant momentum during the last "four to five years" (RD3). According to the

R&D laboratory respondents “LabelCos started as a brand that was added to BrandCos” (RD4). In the laboratory “we took over and worked on a few of their [LabelCos] formulas” (RD3). After a short while “LabelCos disappeared. We thought ok, now we’ve absorbed it.” (RD4). Later “LabelCos got a separate sales force” (RD3) and “then LabelCos grew” (RD4).

After reappearance of LabelCos with a changed business strategy, which RD4 illustrates as, “it came back as a PLB product supplier” (RD4), the employees in the departments now dealing with both strategies felt the growing influence and importance of the LabelCos business. One respondent depicts, “from small and BrandCos the business developed into big and LabelCos.” (RD1). One respondent from production outlines, “production grew continuously. We bought new machines just for LabelCos” (P1). The other respondent from production confirms, “The business grew. New machines and planning tools were bought and implemented.” (P2).

The growing influence of LabelCos on BrandCos is also attested during the interview with a respondent from LabelCos:

*We now have people in the purchasing and the controlling departments at BrandCos, who work almost exclusively for us at LabelCos. (LC1)*

In retrospective the employees at BrandCos being concerned with the brand strategy as well as the PLB strategy compare the first years after the adoption of the PLB strategy with their current impression:

*We had more time to work on each single project. (RD4)*

*We worked only on one or two products at the same time. (RD3)*

*We could repeat batches and we could ensure the quality of our work. See if things were reproducible. Can you imagine that? Repeating a batch just for adjusting the pH-value? Unthinkable now. (RD1)*

With growing importance of LabelCos “research got much less, and sampling increased enormously” (RD4). In QC “pressure grew. We’ve to do much more things in parallel now” (QC2). Also, in R&D regulatory affairs the influence of the PLB business is confirmed:

*It’s much more in parallel now. (RA2)*

*Now I have to jump from one subject matter to the next. (RA4)*

All respondents perceive a higher pressure due to LabelCos. That reduces their chance to work in a self-determined more autonomous way. It leads to psychological stress and thus reduces their motivation to work. Especially in QC and in both R&D groups the respondents feel to be “torn apart” (RD2). That makes it difficult for them to perform, which also impacts the fulfilment of their need for competence as is depicted in the following section.

#### **4.3.2.2 The need for competence**

Apart from the fulfilment of the need for autonomy the fulfilment of the need for competence adds to work motivation in all departments included in my study. Issues supporting fulfilment of the need for competence in the current case are lifelong learning, higher involvement, and the feeling of success. The latter is also related to approval or acknowledgement from others depicting the interrelationship of potential motivators.

##### **Lifelong learning**

Learning increases personal skills and individual competence. That in turn allows taking on more challenging or more varied tasks. Therefore, having the opportunity to learn adds to the fulfilment of the need for competence and supports work motivation. The respondents from R&D laboratory outline that directly:

*R&D means to always learn something new. I like to try something new. That’s why I decided for R&D. (RD4)*

*I always learn from new findings in that area. And I can apply those in my developments. That’s important. (RD6)*

Analogous statements come from respondents from production, QC and R&D regulatory affairs. They explain that “regular training allows me to take on new, more challenging duties” (P1), which provides “more variety in my job” (QC2). That data suggests that the respondents regard learning to increase the significance of their jobs. Moreover, they believe that to enhance their chance of personal development in the organisation, which can be regarded as a reward for their efforts.

Accordingly, the respondents explain:

*I wanted to learn more to be able to do more. Now my tasks are much more complex that's very positive. (RA3)*

*I like to meet new challenges. (RD6)*

*I always tried to achieve more. I wanted the chance to get involved. (QC2)*

Higher involvement, more responsibility, or greater job significance all add to the feeling of success and pride, supporting the respondent's motivation to work.

### **Success and pride**

With regards to the feeling of success one respondent states:

*I know that I have a lot of experience and expertise. I know where to expect problems. And I can contribute to solving them. (QC1)*

Being successful allows the employees to be proud of their work. They feel that they are competent and therewith they are motivated to work. Consequently, respondents from all departments define the feeling of pride because they are able, or competent, to perform a task as a motivator for work:

*What motivates me is that I see meaning and purpose in my work. (RA3)*

*I am convinced that I am up to my tasks. That is what makes me proud.  
(RD6)*

*I am proud to be an expert on my job. (P1)*

*I am proud of what I learned over the years. (QC2)*

Therefore a lack of recognition of their competence (e.g. a lack of appreciation of their work; see “Extrinsic motivation: Rewards”), or a lack of trust in the results of their work negatively impacts the respondent’s motivation to work. Likewise, does everything that undermines their competence or their confidence to be able to perform, i.e. their self-efficacy. This is illustrated in the following section.

### **Lack of success**

For the respondents from R&D regulatory affairs there is a difference between LabelCos and BrandCos with regards to recognition of their competence. For them that leads to the daily balancing act that I already described in section 4.2.2. When the respondents from R&D regulatory affairs have to answer “every stupid question” (RA4) of the LabelCos customers, who “do not have any expertise and knowledge” (RA4) they work with less motivation. Pointing at LabelCos one respondent from R&D regulatory affairs explains:

*They don’t trust us. They always question our recommendations. For them the customer is always right. (RA2)*

For the respondents from QC the lack of success, i.e. lowering the fulfilment of the need for competence, is due to growing time-pressure caused by LabelCos. This is because they hold time-pressure responsible for an increasing risk of making mistakes. That challenges their competence in that it reduces their self-efficacy, i.e. the belief in their own performance:

*You make mistakes because you are permanently disturbed and constantly pulled away from your work. (QC2)*

*I make mistakes that wouldn't have happened in the past: that you release a bulk although not all parameters have been tested, because the others clamour for it to be released. That's what bothers me. Why do I make such mistakes? (QC1)*

For the R&D laboratory group the question of success supporting their need for competence is slightly more complex. Due to the difference in involvement in product creation they feel more successful or proud when developing a BrandCos product than when working on a LabelCos product (see 4.3.2). Furthermore, working in both ways in parallel demands high mental flexibility. This is because it demands constantly switching between creativity for BrandCos and the conveyor belt like work for LabelCos, i.e. aiming at two conflicting goals. One respondent illustrates that in the following way:

*That is again our daily balancing act of permanently flipping a switch and changing between two extremes. (RD3)*

Such balancing act, or goal conflict, makes the respondents feel that they can never do something right, impairing their self-efficacy. The following examples exhibit that:

*I cannot do both. I can just concentrate on one. It is impossible to use one's imagination and creativity in developing ideas for products and ingredients and simultaneously be quick and produce masses of lab batches. (RD1).*

*LabelCos is always cheap, cheap, cheap. And on the other side [BrandCos] expense is no object. (RD4)*

Not feeling competent to do proper work frustrates the respondents' motivation to work whereas increasing skills, taking up responsibility, or performing challenging tasks fosters the perception of being competent. That leads to positive emotions, e.g. pride, which can moderate motivation. If performance is impaired due to e.g.



excessive workload or conflicting goals that can lower the perception to be able to perform and therewith it can frustrate self-motivation to work.

In the current case the need for competence as well as the need for relatedness impact motivation via pride as a positive emotion as illustrated in the next section.

#### **4.3.2.3 The need for relatedness**

The fulfilment of the need for relatedness via aspects of identification differs in focus. Identification foci are either related to the brand (brand product), the company (employer), or to the work group the respondents belong to.

Focusing on the employer the respondents with a BrandCos contract all state that they belong to BrandCos. “I am a BrandCos person” (RD2) is a typical statement. Likewise, the employees working directly at LabelCos regard themselves as “LabelCos people” (LC1) using the general organisational jargon. In that case the contract determines the relation.

When asking for closer relations – I particularly asked the respondents to think of ‘we’ – they associate a certain department or work group:

*‘We’ means to be a member of the production team. (P1)*

*‘We’ means belonging to QC. (QC2)*

*First it is our regulatory team. Then it is R&D. (RA4)*

*Internally ‘we’ means R&D, it means ‘we in the lab’. Externally it means BrandCos. (RD6)*

With regards to the group the respondents moreover underline that good personal relations support their motivation to work:

*A good working atmosphere is motivating. (RD1)*

*We have an excellent R&D community. (RD6)*

*Teamwork is important. Communication between the departments. We have to pull on the same end of the rope. (P1)*

Belonging to a team that shows trust in their performance can even support intention to stay:

*I like the people who work here. That keeps me from quitting. (QC1)*

When “our superior backs us up” (RD5), when “she doesn’t look for the guilty party but for solutions” (RD4) the respondents from R&D enjoy “an open error culture” (RD4). They experience a “sense of togetherness” (RD3) that contributes to their personal identification with the work group, fostering the need for relatedness and therewith the respondents’ motivation to work.

In contrast a bad working atmosphere reduces the willingness for active cooperation, i.e. it reduces motivation as depicted in QC:

*You always get rapped over the knuckles – I just give no more input. (QC2)*

As working atmosphere can be related to facets of organisational culture that element supporting or frustrating motivation correlates culture with motivation.

Corresponding to their identification with BrandCos (brand/company) all respondents regardless of department affiliation report a higher motivation to work for the selective market strategy as compared to working for the mass-market strategy. The following statements from the interviews support that:

*I did not want to work for LabelCos. I do it because I have to. Even though it does not have such a high status and good image. It ensures my job. (RD1)*

*I am a BrandCos person, not a LabelCos person. (RD2)*

*One identifies with the BrandCos products. I am proud when I see them on the shelf. (P1)*

*I am proud to work on such luxury products. (Q2)*

*To me it is important to know if its BrandCos or LabelCos – it makes a difference. (P2)*

By branding the name BrandCos or the corresponding logo on the front façade next to the main entrance, in the entrance hall, on the electric working equipment in the laboratory, or on the work clothing in the laboratory and in operations: T-shirts, work suits, work coats, BrandCos successfully penetrated its main mission of excellence and leadership into the value system of the employees. Making them brand ambassadors:

*The first word my little daughter could read was BrandCos; because I have that printed on my work T-Shirt. BrandCos is my company. (P1)*

Due to the general belief that “BrandCos is luxury all are convinced that the products are superior to LabelCos products” (RD1) and the respondents feel more related to the brand products than to the private label products. That is particularly obvious in the RD laboratory group:

*For me as a product developer BrandCos is ranked much higher compared to LabelCos. (RD5)*

*BrandCos is a beauty professional, not just mass-market. I am more proud to create a BrandCos product. (RD6)*

When being related to the brand BrandCos the respondents feel proud whilst when working on LabelCos’ products they feel less valuable. One respondent recounts:

*Lately, when we passed a BrandCos beauty salon, my sister said: ‘And then you sell that sixpenny junk! That just doesn’t fit.’ That’s like a black sheep in the flock. Only that the black sheep leads the flock. (RA3)*

Consequently, having to work for LabelCos negatively influences the respondents’ work motivation, which results in openly admitted refusal. Accordingly, almost all respondents from R&D expressed not being motivated to work for LabelCos:

*I do not like to work on LabelCos, I prefer BrandCos. (RD2)*

*I do not want to work for LabelCos. (RD3)*

*I actually do not want to work on LabelCos. (RD5)*

*I do not want to do LabelCos. (RD4)*

*If you asked me if I wanted to work at LabelCos, I'd just say no. (RA3)*

Having to work for LabelCos not only reduces work motivation it moreover reduces identification with BrandCos as organisation or as employer. The respondents actually detach from BrandCos, feeling less related:

*I always felt a strong connection with BrandCos as my employer. That definitely changed during recent years. (QC2)*

*I no longer go to the organisation's parties. I just can no longer identify with it. (RD2)*

That might be due to the growing prevalence of LabelCos in their daily work. As they perceive LabelCos and their work for the mass-market strategy to be of lower value that leads to denial of working for LabelCos when they are outside the company:

*My aunt has been using BrandCos for years. She adores the products. If I told her that I am now working mainly on LabelCos products developing PLB products for Müller or dm she'd be very disappointed. My aunt is very proud that she could afford to buy BrandCos during all those years. I just won't tell her that I'm doing something different now. (RD1)*

*I always tell people that I work for BrandCos. I just don't mention LabelCos. (QC1)*

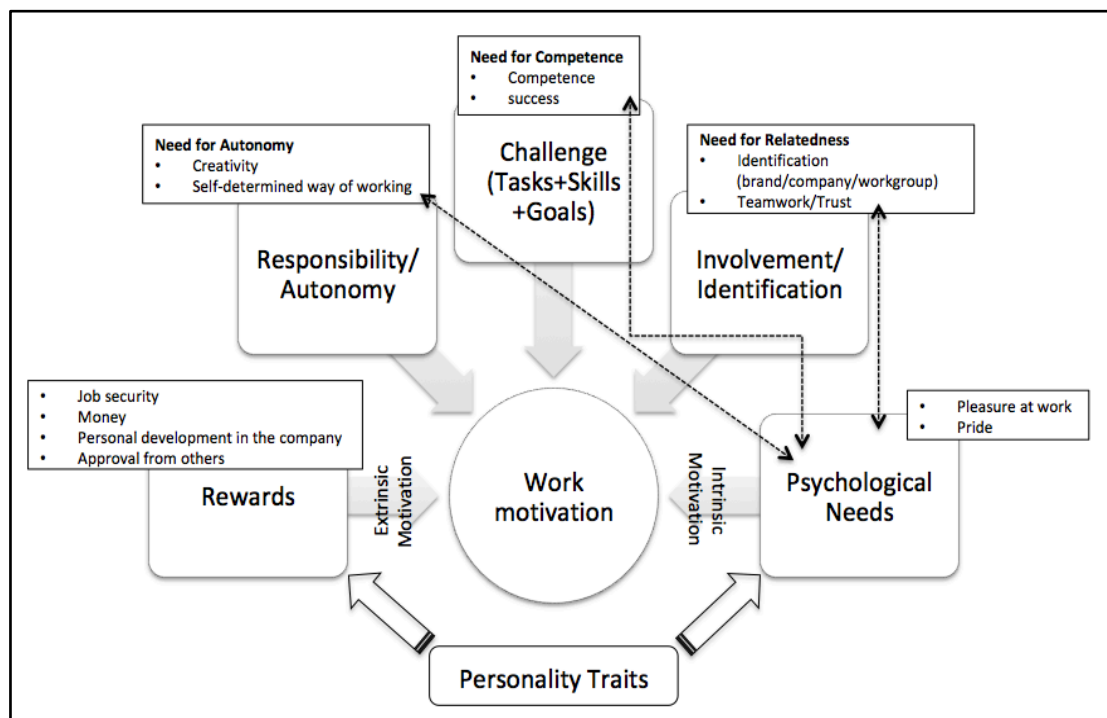
*I don't talk about the mass-market products. (P2)*

The respondents obviously try to hide their work for LabelCos because they fear their personal reputation to be impaired. Others, i.e. friends/family, could be disappointed, because the respondents might not meet their expectations. As a consequence, family and friends might no longer be proud of them or they might no longer respect them or their work.

### 4.3.3 Motivation resumed

As can be seen interpreted from the data on motivation, apart from extrinsic motivators, the major factors contributing to autonomous work motivation are the fulfilment of the needs for autonomy, competence and relatedness.

Accordingly, Figure 16 illustrates the correlation of the motivators developed and interpreted from the previously presented data in relation to the combination of work motivators identified from the literature. It is thus based on Figure 4.



**Figure 16 Correlation of work motivators from the current case and those identified in the literature review (by the author)**

**Dotted arrows relate psychological needs in general to the specific psychological needs.**

Codes and themes from the data are contained in the rectangles. Therein themes are printed in bold, codes follow bullet points. Motivators identified in the literature

review are shown in the squares with rounded edges. Rewards leading to extrinsic motivation in the current case are job security, money, advancement in the company, and approval from others. Psychological needs relate to autonomy, competence, and relatedness. Being responsible and autonomous at work, which in the current case concerns creativity and self-determined work, supports the need for autonomy. Challenge at work fosters the need for competence, and involvement or identification support the need for relatedness. Fulfilment of these psychological needs leads to positive emotions, like pleasure at work and pride. This supports self-motivation. Dissatisfaction of these needs in reverse frustrates motivation to work. As the identified work motivators are perceived to be better fulfilled when working for the brand, i.e. BrandCos, compared to working for the PLB business, i.e. LabelCos, motivation to work is generally higher for BrandCos compared to LabelCos.

On the one hand this is due to cultural reasons, i.e. things being done differently for the two strategies or working atmosphere being especially impaired by the PLB strategy. That relates culture to motivation and addresses RQ3 on why and how facets or organisational culture can affect employee motivation. Especially a tough culture like the 'blame culture' described in section 4.2.2.4 might limit work motivation due to limited appreciation and valuation of the staff.

As needs fulfilment of all three psychological needs is different depending on what strategy the respondents work for, it is also the actual strategy that impacts work motivation. Thus, the data on motivation can be interpreted with regards to motivational factors, i.e. addressing RQ2 (see Figure 16), with regards to a relation of culture and motivation (RQ3), and with regards to strategy and motivation (RQ4). All of which will be reflected on in chapter 5 in relation to the existing literature whilst drawing on my pre-understanding of the research context. That will finally narrow the gap identified in theoretical knowledge.

## 5 Relating questions to answers by means of data

The following chapter comprises my reflection of the themes developed from the data illustrated in the previous chapter with the intention to answer my research questions in the chosen research context. Therefore, I evaluate the data in relation to the existing theoretical knowledge from the literature while building upon my pre-understanding of the research setting. At the end of each evaluation I summarize the key arguments developed from the reflection on the data, i.e. *the answers to each research question, as a bulleted list in italics*. For finally painting the intended picture in the topic triad of market strategy, organisational culture and work motivation I follow the chronology of the research questions.

### 5.1 RQ1: “What facets of organisational culture are related to either or both of the strategies in a dual market strategy?”

The data shows as one consequence of the dual market strategy the danger that alternative cultural values develop for each of the two parts of the organisation. Table 9 drawn from the data shows clearly the way that these differences become apparent from the staff perspective. Comparing Table 9 with Table 11 these differences become foundational to the gap between management and staff perspectives and the lack of understanding between the two.

Table 11, drawn from the data, lists the themes developed for both perspectives, espoused by management and perceived to be enacted by the staff, in descending order of importance for each perspective. The first column shows the management perspective, the second column the staff perspective, which partly contrasts management’s view. This provides the basis for the discussion that follows.

	<b>Management perspective</b>	<b>Staff perspective</b>
<b>BrandCos</b> Pioneer in Professional Skincare	Leadership (expertise, innovation, quality)	Leadership (high status) – but loss of quality
	Family	Loss of Family – rather a blame culture is being established
	(Employer/Social) Responsibility	Lack of (employer) responsibility
<b>LabelCos</b> We understand the Retail World	Customer focus	Cost efficacy/speed
	Cost efficacy/speed	Customer focus
	Reliability/quality	Blame culture

**Table 11 Management and staff view on culture compared (by the author)**

Considering each strategy individually the corresponding facets of culture apparently fit, i.e. responsibility/family/leadership fits the selective market strategy of BrandCos and customer focus/efficacy fits the mass-market strategy of LabelCos. However, when looking at both strategies and the corresponding cultural values corporately these cultural values are (partly) conflicting. These conflicting cultural values therefore impact each other. Which means corporately – where they directly meet – they clash.

Although I intended to just use the culture types introduced by Cameron and Quinn (2006) for easier reference in this thesis, i.e. as a name-tag, the clash of cultures carved out from the data can already be sensed when looking at Figure 3. There clan culture, attributed to BrandCos, and market culture, attributed to LabelCos, are located in opposing corners. They can be regarded as two extremes on a scale. Whilst a clan culture is inward directed and emphasises the team a market culture is outward directed and emphasises competition (Cameron & Quinn, 2006). Thus, when opposing cultures come closely together, the model visualises a cultural clash.

The data that has been drawn on the differentiation of cultural values according to the two strategies leads to the following consideration of the way that these two cultures contribute to difficulty.



### **BrandCos culture**

From both perspectives, management and staff alike, cultural values originally attributed to BrandCos correspond to the brand values. They support the original strategy or the brand strategy. Consistently the values espoused (management view) or identified and preferred (staff view) for BrandCos are innovation and market leadership due to outstanding expertise and quality, family values like respect and trust, and a focus on social or employee responsibility, resembling a clan culture.

Such culture is espoused for BrandCos by BrandCos' management and confirmed as originally enacted cultural values of BrandCos by BrandCos staff. All depicted values of the original BrandCos culture foster the reputation of BrandCos as a family-like company, the name representing a strong brand both outside and inside the organisation. Management deliberately uses these organisational core values of BrandCos to strengthen the image of BrandCos as a strong brand. Looking at the example of the job applicant (see page 169) and the accounts of the employees in section 4.3.2 such management attempt obviously was successful.

BrandCos' successful internal and external brand building has led to a strong identification of the staff with the BrandCos brand. BrandCos staff have been socialised – or they have been chosen accordingly – to believe in the strength of the brand and in the brand strategy. Accordingly, the staff have adopted and internalised BrandCos' core values, as espoused by management, as their own. They identify with BrandCos as a brand and as a company.

That corresponds to the finding of Baumgarth and Schmidt (2010) that building a highly valued brand supports internal brand commitment which then becomes an important driver of the brand. My finding moreover mirrors Urde (2009, p. 631), who concluded: "Core values are rooted. True core values are mind-sets and part of the corporate culture. A value-driven corporate brand finds its strength, source, and foundation in the organisation."

### **LabelCos culture**

Facets of organisational culture espoused (management view) and enacted (staff view) corresponding to the organisation's second market strategy, i.e. LabelCos' PLB strategy targeting the cosmetic mass-market, are cost efficacy and speed together with a high customer focus, resembling a market culture.

Despite their congruent view on customer focus, cost efficacy and speed management and staff perspectives deviate from each other with regards to reliability and quality. Whereas management attributes reliability and quality orientation to the LabelCos culture (see 0) that aspect is missing from the staff perspective. On the contrary the staff defines the strong process orientation (cost efficacy/speed) and the high customer orientation of LabelCos to prevail all other values and thus to counteract quality and reliability. That goes against goal achievement, i.e. to be reliable and to deliver good quality. It moreover compromises external positioning of LabelCos. Thus staff picture a growing pressure and fear imposed by management leading to the creation of a blame culture (see 4.2.2).

As the cultural values attributed to LabelCos are perceived to gain in importance there is concern of a deterioration of expertise and quality also for the BrandCos brand impairing its leadership position. Staff working for both strategies worry about a loss of quality of the BrandCos products and they fear impending damage to the brand image and its external positioning.

One of the key issues identified in the data is about maintaining the necessary balance between the different perspectives of culture.

### **Integration, differentiation and fragmentation perspectives of culture**

From the (official) management perspective, as depicted primarily in the 2014 strategy paper, the different facets of organisational culture relating to either of the two strategies amalgamate to form a comprehensive unified organisational culture throughout the whole organisation. That being typical for the integration perspective on culture (Martin, 2002), which is oriented towards an organisation-wide consensus. By promoting and stressing an integration perspective on

organisational culture management attempts to demonstrate and to enforce a unified organisation, i.e. BrandCos and LabelCos to be one joint company. Such attempt demonstrates management's belief that an organisation's culture is something an organisation has and that therefore is manageable.

Management of culture, as stated in the HR strategy, is attempted via enforcement of coercive measures to align individual and organisational goals and values with the aim to stipulate amalgamation of cultural values throughout the organisation (see data section 4.1.4.2). In the current case the intended coercive measures for the implementation of a corporate culture resemble the approach of managing by objectives: setting goals (job descriptions), providing feedback (performance reviews) and rewarding the achievement of goals (bonus related to company performance).

However general management's actions suggest a more differentiated view on culture on that hierarchical level. In contrast to recommendations from theory to authentically enact organisational values and goals to guide the employees and to facilitate success (Hoffman et al., 2011) general management (at times) does not act consistently. That appears to be the result of the particular dual strategy followed in the researched case, which demands different mind-sets throughout the company, i.e. on all hierarchical levels.

The division of CEO roles facilitates different mind-sets on general management level. A division according to market strategy and therewith (cultural) values and prestige – one CEO being primarily responsible for LabelCos and another exclusively for BrandCos – implies competition and incongruence of goals and values between the two roles.

Such division of CEO roles was introduced in the context of succession arrangements. It followed from goal and value incongruence of the two strategies in order to facilitate the assumption of responsibilities, one of which being to represent the particular strategy or (part of the) company. However, that particular division of roles also promotes goal incongruence potentially concerned with role identification. Moreover, the combination of CEO roles – one person being

responsible for LabelCos and concurrently for BrandCos' operational departments – implies conflict of goals and values in one role leading to incongruent messages send out to the departments that work for both strategies. Whilst a unified culture is espoused it is not enacted. Rather differences between BrandCos and LabelCos are emphasized: e.g. websites, artefacts, celebrations, or CEOs' statements (see data section 4.2.1.3). That opposes the attempt to unify the organisation by officially stressing a unified culture. Distinction versus unification appears to be an unresolvable contradiction in the current case at the points where the conflicting cultures directly encounter.

Therefore, corresponding to previous studies (Harris & Ogbonna, 1998a; Martin, 2002), there is a more differentiated view on culture at the shop floor level in the current case. Employees working for both strategies refer to a conflict of both strategies and the attributed, and therefore different, facets of culture. Some (at some times) also hold a more fragmented view, i.e. culture to change according to LabelCos customers, i.e. to be more situational. Along occupational lines, i.e. in the R&D department, staff emphasize alignment and commonalities within their working group(s). That points towards the integration perspective to be the preferred, or home perspective (Martin, 2002), of these employees.

This applies to the other respondents working for both strategies as well considering the way these employees emphasize a differentiated culture to exist due to the dual strategy. Because the employees identify strongly with the cultural values attributed to their preferred strategy, i.e. BrandCos' clan-like culture, they almost physically feel those values to deteriorate due to a growing dominance of the more market culture-like values attributed to LabelCos. For them it is togetherness versus competition, trust versus finger-pointing, quality versus quantity, luxury (professional) versus cheap (mass-market), with the mass-market part taking over. As they cannot identify with that they wish for the clan culture they attribute to BrandCos and that they highly value to take over again or at least to remain dominant in their closer work environment, i.e. the departments they work in. Although differentiation between BrandCos and LabelCos prevails in the

departments working for both strategies integration of the original clan culture is desired.

The discussion of the data on organisational culture has established a number of key summary findings for RQ1:

- *The two strategies are clearly differentiated by differing cultural values (see data sections 4.1 and 0). Corporately these values interfere with each other so that the market culture-like values influence the clan culture-like values negatively (see data section 4.2.2).*
- *As management itself does not consequently enact what it demands there is no amalgamation of cultures to a single corporate culture (see data sections 4.2.1.3 and 4.2.2).*
- *In the departments working for both strategies there is rather a layering of cultural values, with the market culture-like values overlaying the clan culture-like values, thus emphasising their significance (see data section 4.2.2).*

After having addressed RQ1 by exploring and illustrating facets of organisational culture related to a dual market strategy the following section deals specifically with work motivation in a dual strategy environment and provides the answer for RQ2.

## **5.2 RQ2: “What are the motivating or demotivating factors in organisational units concerned with dual market strategies?”**

Work motivation in organisational units of the case organisation that are concerned with both market strategies is levered by all factors that I identified to potentially influence motivation to work in the underlying literature review (see Figure 4). These are mainly concerned with individual psychological needs: autonomy, competence, relatedness, with the fulfillment of these needs serving as internal incentives leading to higher autonomous or intrinsic motivation to work. Accordingly the data supports the applicability of SDT (Deci et al., 1989) as a theory of motivation in a work environment.

The importance of each of the identified factors for leveraging work motivation differs according to individual preference, as do the particular elements regarded as external motivators and those leading to the fulfilment of one of the psychological needs. Hence interpersonal differences, or preferences also with regards to career choice, can be explained by differences in personality traits.

Table 12 provides an overview of the factors that I identified in the data to lever motivation in the current case. These factors are grouped according to the main motivators identified in SDT (Deci et al., 1989). Accordingly, groups derived from SDT are shown in the top rows and the corresponding themes derived from the data of my research is listed in the bottom row.

External motivators	Psychological needs		
	Autonomy	Competence	Relatedness
<ul style="list-style-type: none"> <li>• job security, money</li> <li>• personal development in the company</li> <li>• approval from others</li> </ul>	<ul style="list-style-type: none"> <li>• creativity</li> <li>• self-determined way of working → pleasure</li> </ul>	<ul style="list-style-type: none"> <li>• having skills to fulfil a task</li> <li>• recognition of competence → success, pride</li> </ul>	<ul style="list-style-type: none"> <li>• teamwork and trust</li> <li>• identification with the brand and BrandCos → prestige, pride</li> </ul>

**Table 12 Motivating and de-motivating factors in a dual strategy environment (by the author)**  
 The factors are motivators when existing. When lacking these factors frustrate motivation.

The data that has been drawn on motivation leads to the following consideration of alternate motivational influences.

**External motivators**

External motivators, or rewards, identified in the current research are job security, money, personal development in the company, or approval from others. The external motivators can be clustered according to organisational unit, i.e. job, with approval from others being potentially more gender than job related. That depicts that rewards have to fit to individual personal preferences to be suitable to support motivation, supporting the conclusion of Srivastava (2013, p. 57) that: “[...] incentive programs should not be ‘one-size’ fits all and ideally should be highly

tailored to the respective functional areas and even to peoples' specific styles and expectations.”

The data moreover depicts that job security is the main external motivator (see data section 4.3.1). That might be related to the regional economic structure of the employment area around the case organisation. As there are only limited opportunities to change the employer while remaining in the same or at least in the chemical industry a secure job ensuring a secure income is very important to ensure a living.

### **Need for autonomy**

The need for autonomy in the current case can be satisfied by creativity as well as by a self-determined way of working (see data section 4.3.2.1). Whereas creativity, i.e. being involved in the conceptual creation of a product and infusing that process with own ideas, is exclusively important in R&D laboratory and might be the main reason for choosing that kind of job, self-determined work is also important in R&D regulatory affairs and QC. In the latter two departments tasks to be fulfilled do not inherently rely on creativity. Main characteristics of these kinds of jobs are adherence to rules and following strict procedures. Due to such job characteristics a self-determined way of working is an option for experiencing certain autonomy in such a more strictly regulated field of work (see data section 4.3.2.1).

### **Need for competence**

In the current case the need for competence can be fulfilled via enhancing a person's skills for taking on more challenging or varied tasks. Cherian and Jacob (2013) described that the perception of being competent to fulfill a task adds to self-efficacy, as does the acknowledgement of a person's competence by others, which is important for employee performance. Being able to perform then supports the fulfillment of the need for competence (see data section 4.3.2.2), both factors thus positively influencing the other, leading to higher intrinsic motivation to work.

In the current case such acknowledgement is perceived either via verbal appraisal or via working on higher valued products. The preferred element in that regard depends on the respective baseline (see data section 4.3.2.2). That means that in

jobs or departments where the task scope is already varied, like in both parts of R&D, recognition of competence via acknowledgement of performance prevails in importance. Whereas staff working in departments with a lower task variety, QC or production, attempt to add to their skills to be able to take over more challenging and more varied tasks. Therewith the data supports R. M. Ryan and Deci (2000) who proposed that there are different ways to fulfil the need for competence, which depend on the respective environment (circumstances) and on personal preferences.

### **Need for relatedness**

Aspects influencing the need for relatedness are different foci of identification together with a good working atmosphere. The data shows that in the current case foci of identification are either the direct workgroup or the original employer, i.e. BrandCos, or the brand BrandCos.

With regards to the workgroup this is explicable due to the close day-to-day contact with the direct colleagues. With regards to the employer or the brand the strong exhibited identification is due to a high congruence of personal values and core values of the brand, which represent a strong and highly valued image, picturing that these core values are rooted in the BrandCos workforce. Urde (2009) found that such deep belief in the brand's core values supports the strength of the brand outside and inside an organisation. Internal brand strength leads to higher commitment and passion in the workforce, which is mirrored in the data of the current case (see data section 4.3.2.3).

Accordingly, staff working for both strategies work with higher motivation on BrandCos' projects because they take greater pride in it. That relation, pride due to congruence of personal values and beliefs with cultural and brand values leading to work motivation has been described by LePla (2013, p. 19):

Companies that integrate brand distinctiveness into the culture and use it to guide employee action have a head start on employee motivation. The simple truth is that people want to work at places where what they do resonates deeply with their beliefs and goals.



A good working atmosphere is attributed to an atmosphere of trust, where teamwork is supported and the individual is encouraged. That includes supportive leadership and a positive error culture, being typical for a clan-culture. Correspondingly the data depicts that the question of relatedness as a need to be fulfilled in order to enable more self-motivated work in particular relates aspects of organisational culture, strategy and work motivation (see data section 4.3.2.3).

The above discussion of the data on motivation has established a number of key summary findings for RQ2:

- *All psychological needs covered by SDT are levers of work motivation in a dual strategy environment. Fulfilment of these needs supports autonomous work motivation. When these needs are not fulfilled that frustrates work motivation (see data sections 4.3.2, 4.3.2.1, 4.3.2.2 and 4.3.2.3).*
  - *Job content and self-determination are important for the need for autonomy (see data section 4.3.2.1).*
  - *Being able to fulfil a demanding task and to meet one's goals, and such competence being acknowledged, serve the need for competence (see data section 4.3.2.2).*
  - *Identification, trust and prestige foster the need for relatedness (see data section 4.3.2.3).*
- *Depending on interpersonal differences external motivation is due to different rewards, foci being either monetary, i.e. primarily job security, or social, i.e. personal acknowledgement or acknowledgement of performance (see data section 4.3.1).*

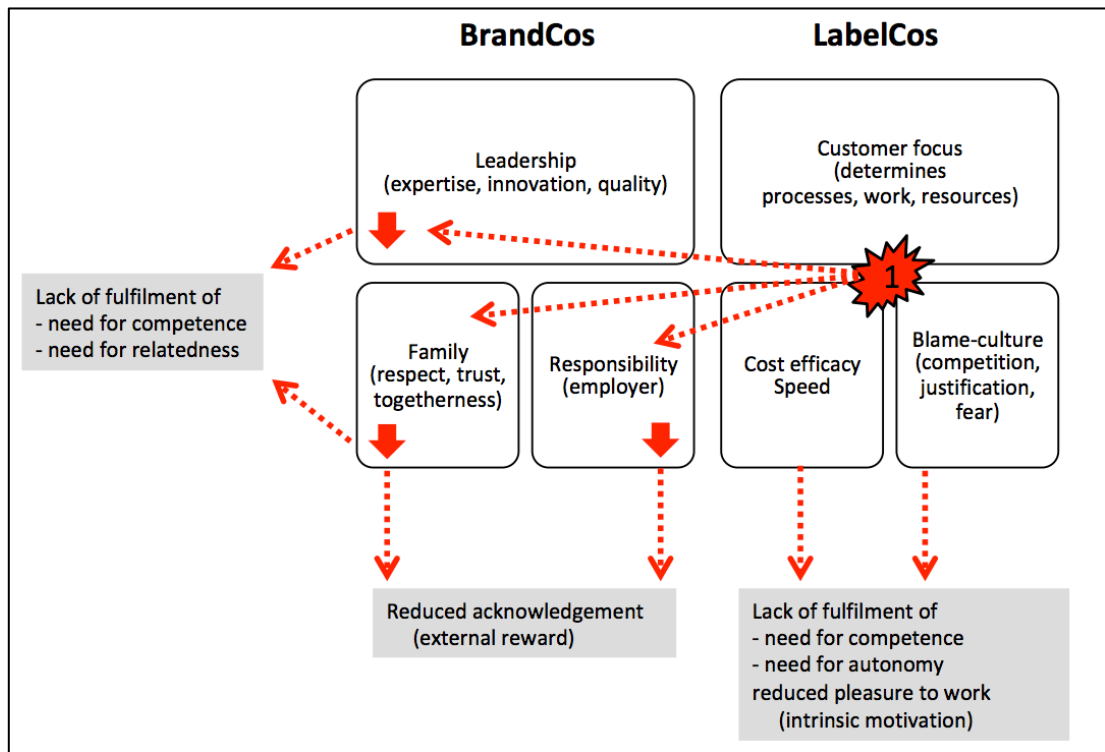
After having addressed RQ2 by exploring facets of work motivation in a dual strategy environment RQ3 addresses the way that the three aspects of the organisation – strategy, cultural values and work motivation – can be considered together.

### **5.3 RQ3: “Why and how can the identified facets of organisational culture that are related to either or both strategic orientations affect employee motivation?”**

The data shows that a consequence of the dual strategy is tension within the departments working for both strategies with regards to organisational culture and motivation.

Facets of culture attributed to LabelCos lead to a deterioration of facets of culture related to BrandCos, which is explained in data section 4.2.3. That leads to a reduced fulfilment of psychological needs as well as to fewer external rewards, i.e. acknowledgement. Moreover, (organisational culture of) LabelCos directly reduces needs fulfilment, which is detailed in section 4.3.2. Due to the growing importance of the mass-market or private label strategy it widely determines daily work via workload. Such pressure and conflict due to workload and determination of the respondent’s daily work by others impairs the needs for autonomy and for competence as task scopes change and risk of errors increases (see data sections 4.3.2.1 and 4.3.2.2).

The second strategy moreover impairs the need for relatedness, as the major part of work no longer resonates with the personal values of the staff (see data section 4.3.2.3). Finally pressure and conflict due to the second strategy reduce overall pleasure to work. That is illustrated in the data presented in the sections on “The burdens of the dual strategy”, “Lack of success” and in section 4.3.2.3. These relations of facets of culture of both strategies as well as their impact on work motivators is illustrated in Figure 17, which is an extension of Figure 15.



**Figure 17 Culture, strategy and motivation related from staff perspective (by the author)**  
**1 = all LabelCos' values impact BrandCos' values; Dotted arrows: factors influencing on others; Downwards pointing solid arrows: value deterioration.**

As the second strategy – the PLB strategy – impairs all potential work motivators it is that strategy that is the major factor frustrating work motivation. That is due to a change in strategic focus together with a gradual cultural change, which is further explained in the following sections.

### **Loss of identity – cultural change**

Due to the growing importance of the mass-market or private label strategy a more people centred organisational culture recedes in favour for a primarily performance centred culture. That directly affects the rewards system pushing non-monetary rewards like recognition or approval into the background. Such development moreover leads to permanent conflict for the staff.

A key issue in that regard is the high congruence of the personal values of the staff with the softer cultural values related to BrandCos together with the mismatch of their personal values with the performance oriented values of LabelCos. For the staff working for both strategies LabelCos' values increasingly outweigh BrandCos' values. That drives the formation of a gap between cultural values enacted and

personal values of the staff, which leads to a permanent balancing act to be performed by the staff having to work to satisfy both strategies consequently fostering dissatisfaction in that group of employees.

In the current case it is therefore predominantly the “anchorage of the brand in the hearts and minds of the workforce” (Baumgarth & Schmidt, 2010, p. 1257) that causes the described gap. Due to the high congruence of personal values with those of the brand the respondents are highly motivated to work for the brand. Due to their high level of identification with the brand BrandCos, the brand or the brand’s values being part of the employees’ identity, the employees cannot reorient themselves and switch to identify with LabelCos.

Consequently, there is no identification, no emotional relation and no self-motivation to work. Therefore, the same identification that increases motivation to work for the one strategy, the brand or the selective market strategy, lowers the employees’ motivation to work for the other, the PLB or the mass-market strategy. The gradual change in strategic focus and in dominance of cultural values thus leads to conflict due to value rejection, which finally reduces motivation to work.

Thus it can be concluded that if two strategies entail different or, like in the case organisation, conflicting cultural values it will be difficult to find both sets of values concurrently mirrored in the personal values of the same person. Consequently staff having to work for both strategies describe a growing detachment from their company.

Such detachment reduces staff’s general motivation to work. Work is mainly done due to external motivation and behavioural compliance as can be concluded from sections 4.3.1 and 4.3.2.3.

#### **Loss of status – change in strategic focus**

Another aspect leading to conflict seems to be specific for the current case and that particular dual strategy. The staff employed at BrandCos have either internalised the specific brand values and the corresponding original cultural values of the company BrandCos as their own personal values or their personal values already

fitted when they entered the company. Such deep belief in the brand values represents the findings of Urde et al. (2013) that a strong brand image is deeply rooted in the mind-sets of the staff. Such values being rooted in the mind-sets of the staff established a status difference of the two strategies, of the products related to the strategies, of the parts of the company representing the strategies, and finally of the people working for these strategies.

Like for the formerly illustrated issue of loss of identity due to a cultural change it is again the “anchorage of the brand in the hearts and minds of the workforce” (Baumgarth & Schmidt, 2010, p. 1257) that creates such status difference between the two strategies. The brand, or BrandCos is highly valued. LabelCos not representing a brand is not valued but rather rejected. Such perception of status difference is deeply anchored in the basic assumptions of all members of BrandCos. It explains the strong identification of the staff employed at BrandCos with BrandCos and the dismissal of everything related to LabelCos as inferior. – Something that is obviously not valid for the staff employed at LabelCos, who identify strongly with LabelCos’, as proudly stated by LC1, “I do have direct customer contact. I am directly responsible for managing everything for meeting the customers’ demands.” Suggesting a different mind-set of LabelCos staff. They actively chose LabelCos as their employer therefore working with a valid psychological contract (Rousseau, 1996).

Due to the enacted status difference between BrandCos and LabelCos the BrandCos’ staff that have to work for both strategies cannot identify with LabelCos. They perceive to work in a two-tier culture and they have difficulty to engage in the balancing act to have to serve two differently ranked masters. Having to do so, increasingly having to do so, culminating in predominantly having to do so, interferes with their original psychological contract as can be seen for example from sections 4.2.1.5, 4.3.2.1, or 4.3.2.3.

The experienced status difference therefore leads to different levels of motivation to work for either of the two strategies. Difficulties are likely to increase with growing importance of the strategy that is less valued. This is because people might

feel to be deprived of privilege: the privilege to work for a strategy that is attributed with a prestigious status.

The above discussion of the data on the triple themes of strategy, values and motivation has established a number of key summary findings for RQ3:

- *There is a high brand orientation in the BrandCos workforce, deriving from a close match of personal values, cultural values, and brand values and from the high status of the brand inside and outside the company (see data section 4.2.1).*
- *BrandCos' status is contrasted by the low status of LabelCos, together with cultural values being incompatible with the personal values of the BrandCos' staff, which leads to tension in the departments working for both strategies lowering their motivation to work (see data sections 4.2.1, 4.2.2, and 4.3).*
- *In particular having to work for the mass-market strategy deprives these BrandCos' employees of privilege and due to value incongruence, these lose their identity when working for LabelCos (see data sections 4.3.2.2 and 4.3.2.3).*
- *Therefore such value incongruence and impairment of status reduces these employees' identification with the organisation as such leading to frustration of motivation to work in general (see data sections 4.2.2.4, 4.2.2.5, 4.3.2.2, and 4.3.2.3).*

*My observation in practise, that R&D employees work differently motivated for the two strategies, which initially led to my research, is initially being caused by status differences. Status, or prestige, appears to be the key issue connecting strategy with employee motivation to work that I identified with my research.*

These two particular issues discussed for answering RQ3, loss of identity and loss of status, lead directly to answering RQ4.

#### **5.4 RQ4: “Is it possible for employees to be equally motivated to work for both of the two strategies?”**

The data, depicted in chapter 4, shows that a consequence of following the dual strategy is the tension that exists between the two parts of the business and which is particularly palpable in the department having to work for both.

This raises the issue of whether it is ever possible to equalise the two interests. And the simple and short answer to RQ4 is “no”.

To elucidate that further: in the current case the respondents do not work primarily due to monetary rewards, like job security or money – both being the same regardless of strategy they work for. On the contrary external reward is primarily recognition and acknowledgement, which is lower when working for LabelCos. Moreover, the respondents are substantially autonomously motivated, and autonomous motivation is impaired when working for LabelCos.

Thus the employees having to work for both strategies cannot work equally motivated for both of the two strategies. Whereas staff work with high autonomous motivation for the original brand strategy of BrandCos they work for the PLB strategy of LabelCos mainly because they are compelled to do so.

As the employees identify with the brand’s values, and take pride in belonging to the brand and in representing the brand outside the company they work with high motivation while supporting the brand. Because belonging to the privileged group is of major importance to the respondents they feel compelled to conceal their membership in less privileged groups, i.e. working for someone or something different than the brand, in that case LabelCos (see data section 4.3.2.3). That almost naturally results in different levels of motivation to work for either of the two strategies. When having to work for LabelCos work motivation demands external motivators, and as recognition and acknowledgement are lower when working for LabelCos, job security is the major motivator. For keeping the job staff behaviour complies with what is expected of them, i.e. due to “resigned compliance” (Ogbonna and Harris (1998, p. 285).

That kind of conflict caused by a dual strategy might on the one hand be due to the particular size and structure of the organisation. A strict separation of workforces according to strategy, like in the literature examples of L'Oréal, Volkswagen or Lufthansa (see page 32 of this thesis), seems to be impossible due to the workforce being limited in number. On the other hand, conflict is due to the very particular dual strategy, which is based on conflicting value systems. This is true with regards to cultural values but most important with regards to status and reputation of the brand, i.e. the brand's values. Because brand status and the image of BrandCos to be superior than LabelCos is fostered by the organisation's general management (see data sections 4.1.1, 4.2.1.3, and 4.2.1.4) such conflict might only be diminished when separating workforce and workspace according to strategy. That means when employees work just for one strategy and when these employees moreover are located in (at least) different buildings.

For the staff of the R&D laboratory, who have a natural preference for more creative types of work, working with equal motivation for both strategies is impossible, or even likely to be detrimental, because the PLB strategy lacks the creative part of their work. Thus, for that group, job characteristics – task scope – also influence work motivation. That finding was not unexpected, as I obviously knew about the R&D staff's preferences and the difference in task scopes required for each strategy. To recollect this is in principle just weighing and mixing, i.e. implementation, for LabelCos contrasted by research on concepts, materials, or products as well as having outside contacts for creating product ideas and concepts, i.e. ownership, beyond implementation for BrandCos. Nevertheless, I was surprised that such difference in task scope only partly explained my observations in practise and that the questions of identity and status played a major role, like for the other groups of respondents.

In the current case that particular dual strategy lowers work motivation as well as identification with the organisation in general. That appears to be primarily because the second strategy simultaneously reduces the fulfilment of all three psychological needs defined by SDT (Deci et al., 1989). Due to the growing importance of the mass-market or private label strategy and the imposed pressure on the staff they



can no longer meet their expectations of working autonomously. Having experienced a time when they could fulfil mass-market strategy related tasks easily besides their work in their original task area of the selective market strategy, the mass-market business now widely determines their daily workload.

Working under (time) pressure moreover impairs the fulfilment of the employees' need for competence as amount of work and required speed increase and likewise risk of errors. The staff can no longer meet their expectations with regards to quality of their work and with regards to meeting the brand's standards. That shows that staff' and organisational goals are diverging.

The changing focus towards the mass-market strategy additionally impairs the staff's need for relatedness, as the major part of work no longer resonates with their personal values. Together with that change in strategic focus cultural values shift towards those of the second strategy. A more people centred organisational culture (clan culture) recedes in favour for a primarily performance centred culture (market culture). That impacts staff's identification with their employer. The staff lose (parts of) their identity and they lose emotional connection.

Such simultaneous impairment of all three of the psychological needs has a strong negative impact on satisfaction at work and work motivation. Therewith the findings are exemplary for the main prediction of SDT (Deci, 1996) that the lack of fulfilment of psychological needs frustrates self-motivation.

The above discussion condensing and reflecting on the data presented in chapter 4 has established a number of key summary findings for RQ4:

- *The employees work with high autonomous motivation for the brand strategy, either due to job content or due to issues of competence and pride/prestige. As working for the PLB strategy is different with regards to autonomy, competence and pride/prestige it frustrates their work motivation.*

- *Having to work for the second, i.e. the PLB strategy, moreover interferes with the employees' identity and it impairs their emotional connection with the organisation.*
- *As a consequence, the employees cannot be equally motivated to work for the two strategies.*

*That the employees work with less motivation for the PLB strategy is a key issue because strategic focus and related values already have changed from brand to PLB in the departments concerned with the dual strategy. The consequence from this is the general decrease of work motivation and organisational identification of the employees that have to work simultaneously for both of the two strategies.*

These answers to the research questions are summarized in Figure 18. There the research questions are also related to the underlying topics that informed the research. RQ1 related strategy to culture, RQ2 addressed motivation, RQ3 combined culture with motivation, and RQ4 specifically narrowed the gap between strategy and motivation also including aspects of organisational culture. Accordingly, research questions and summarized answers are displayed close to the topics informing the research to show how they contributed to knowledge.

After having outlined and explained how and why a dual market strategy impacts on employee motivation, involving facets of organisational culture, the following chapter identifies on my thesis's contribution to theory, illustrating the key findings, and to practise, providing recommendations.

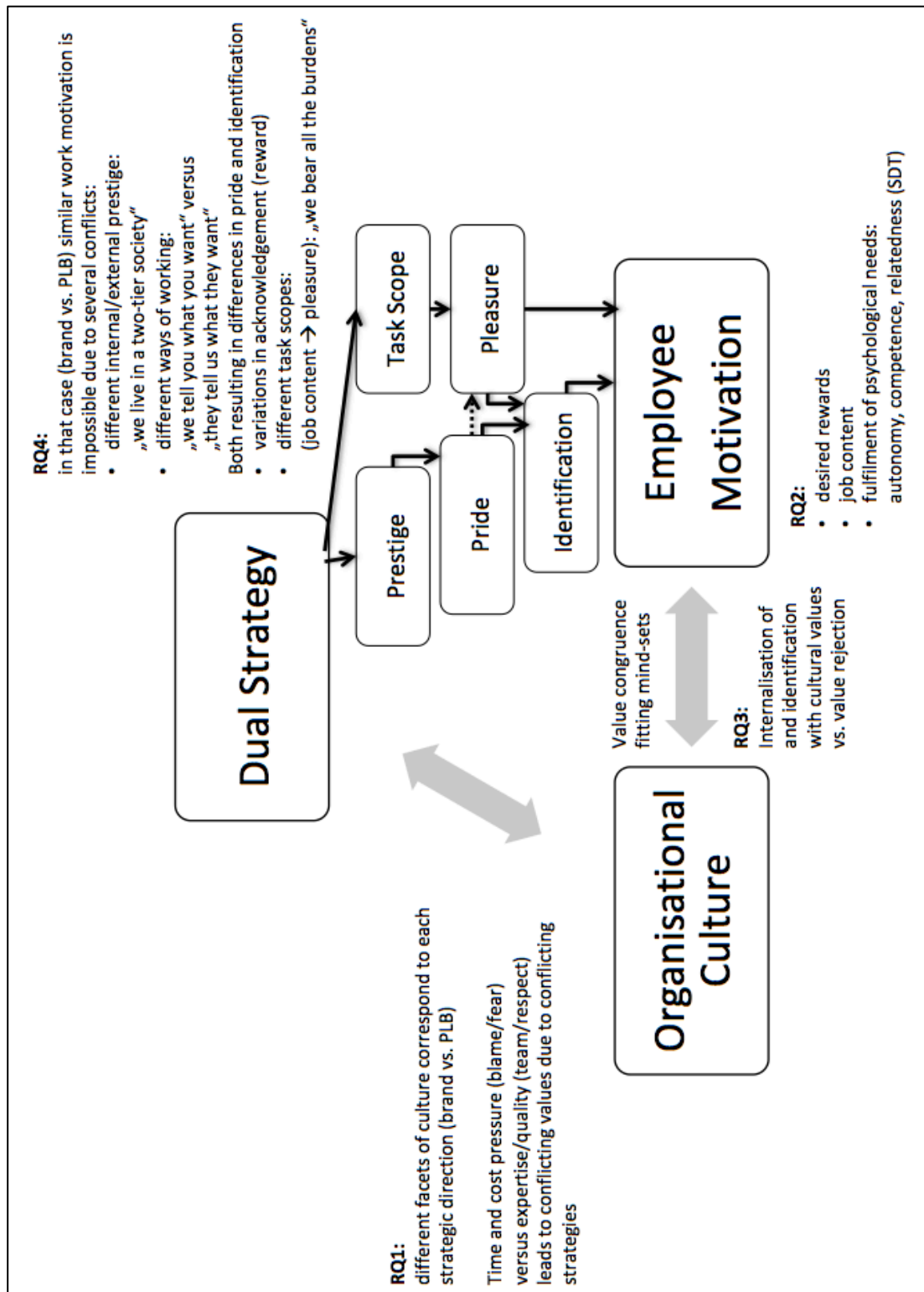


Figure 18 Research questions answered for the current case narrowing the literature gap (by the author)

## 6 Conclusion and recommendations

This chapter comprises my conclusions drawn from the research together with recommendations for the case organisation. Following such illustration of my contribution to theory and practise the chapter concludes with reflections on the limitations of the current research and propositions for subsequent research.

I started the research with the aim to illuminate the influence of a dual market strategy on employee motivation. Because of the lack of existing knowledge in the overlapping issue area of market strategy and employee motivation I sought to either find direct links or to employ facets of organisational culture as bridging elements. As the underlying literature review identified more particular questions with regards to competing market strategies and size limitations of the organisation, I sought to answer these using the example of a German SME that operates in the personal care industry with two competing strategies, selective market strategy versus mass-market strategy, and competing value disciplines, product leadership versus operational excellence. I approached the research from an insider perspective. Based on my experience in the research setting I considered the perceptions of the dual strategy and the therewith-related issues of organisational culture of those employees having to work to satisfy both strategies. By evaluating such perceptions against the backdrop of the employees' personal motivators to work I narrowed the gap in existing knowledge in the issue area of market strategy and work motivation.

The data-driven research identified competing cultural values related to the two market strategies. These are in particular aspirations of leadership and expertise, family values and responsibility towards the employees for the brand strategy (product leadership) and cost efficacy, speed and customer focus for the PLB strategy (operational excellence). As work motivators the research found different external rewards as well as the fulfilment of the psychological needs for autonomy, competence, and relatedness in terms of identification with the brand. The most important external motivator is job security. The most important aspect with

regards to all psychological needs is identification with the brand leading to positive emotions, i.e. pride, leading to self-motivation. Impairment of the needs related motivators due to the PLB strategy and the entailed imbalance of organisation cultural values and personal values frustrates self-motivation to work and, more importantly, identification with and feeling of relatedness to the brand-part of the organisation: "I just can no longer identify with it." (RD2)

## **6.1 Contribution to knowledge**

The contribution of this research to theory building is that it narrowed the gap in existing knowledge at the intersection of market strategy, employee motivation, and organisational culture (see Figure 1).

The research confirmed tension leading to conflict in a dual strategy environment with regards to employee motivation: allocation of resources, matters of governance, and matters of value congruence. As a new finding the research identified the aspect of prestige. The research has shown that all of these aspects impaired the fulfilment of the basic psychological needs defined by SDT (Gagné & Deci, 2005), which are autonomy, competence, and relatedness, and that when these are impaired self-motivation to work is reduced. This research took a different approach to the main studies that have preceded it by following a qualitative approach. This made it possible to make major contributions to theory.

### **Key Contribution**

The key contribution of the study drawn from the data and the reflexion that followed is the positive correlation of the first strategy (BrandCos) with work motivation as well as with identification with the organisation, and conversely the negative correlation of the second strategy (LabelCos) with work motivation and organisational identification. If both are present simultaneously it reduces work motivation and organisational identification in general. That means the higher the amount of work to be done for the less motivating strategy the more does that frustrate general motivation to work, and the higher the impact of the less

motivating strategy the more does that reduce identification with the brand and the organisation.

A simplified way to illustrate that is given in Figure 19. It shows motivation to work on a sliding scale between work for the first strategy – BrandCos, representing the brand – and work for the second strategy – LabelCos, representing the private label business. The more the slide moves towards BrandCos the more work motivation increases, the more the slide moves towards LabelCos the more motivation to work decreases in favour for demotivation to work.

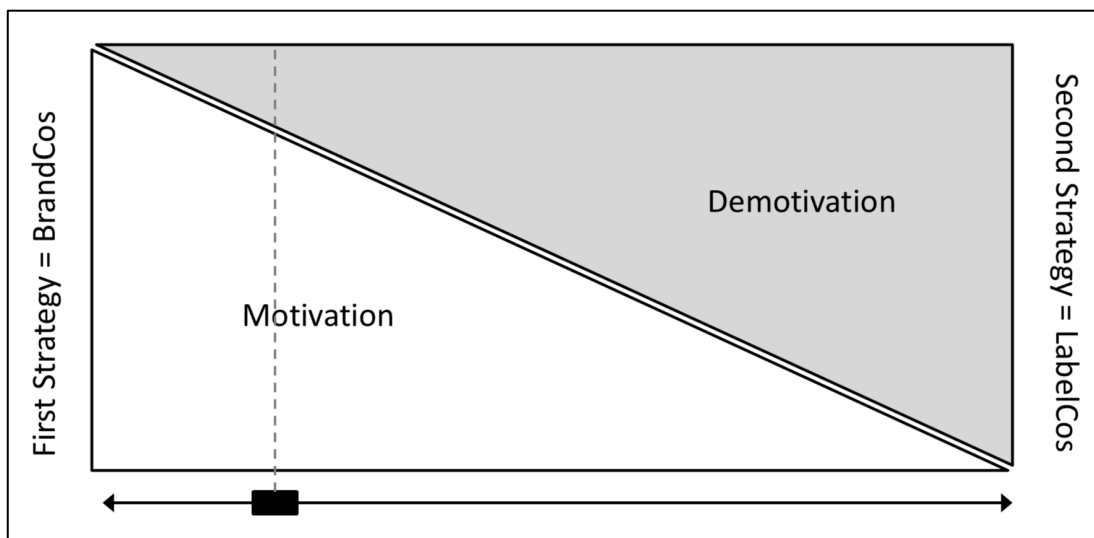
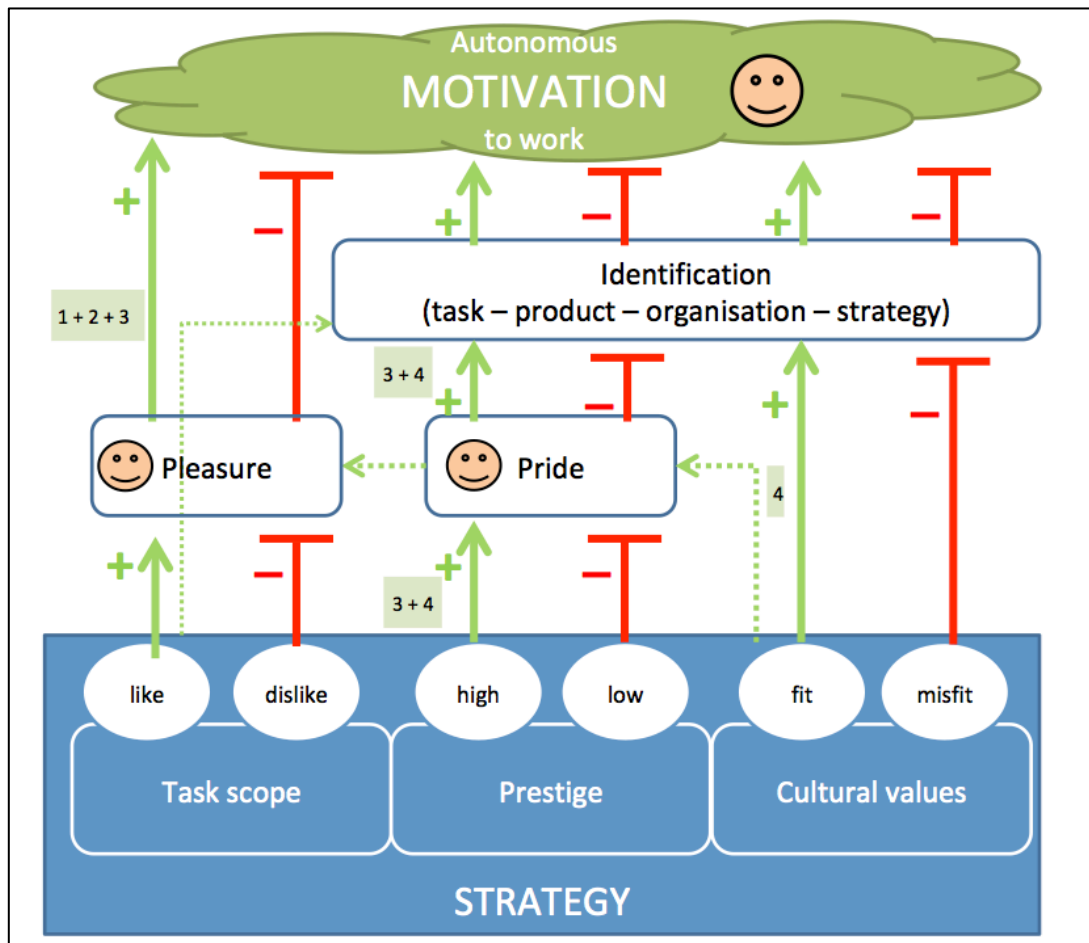


Figure 19 Different strategies influencing motivation to work differently (by the author)

That simplified model can be further particularized to a model explaining the complex interplay of strategy and employee motivation based on the current research. This is shown in Figure 20 and further described below.



**Figure 20 Key finding: Correlation of strategy and work motivation (by the author)**  
 1: intrinsic motivation; Fulfilment of need for: 2 = autonomy, 3 = competence, 4 = relatedness  
 Green arrows = support, red lines = blockage, dotted arrows = indirect support

The foundation of that model is a companies' strategy. Following from the data and its interpretation issues a strategy comprises that influence motivation to work on shop floor level are task scope, prestige, and cultural values. Hence the model also comprises organisational culture. Task scope, i.e. tasks to be performed, can either be liked or disliked. Prestige related to the strategy can either be high or low. Cultural values can either fit or misfit to personal values of the employees. Following the green lines leads to the next levels: Liking a task scope benefits pleasure. Working for a strategy that is related to prestige leads to pride to work for that strategy, entailing identification with the strategy/the product/the organisation. Correlation of cultural and personal values leads to identification with the strategy/the organisation. All factors positively enforce each other and finally lead to autonomous motivation to work, i.e. the level shown on top of the diagram. Following the red lines means following major demotivating aspects, these being

the opposites of the motivating aspects: dislike of a task scope, low prestige, and/or misfit of values. If these are present the development of pleasure, pride or identification is blocked, the second level is not reached. As a consequence, there is no autonomous motivation to work. If the negative influence factors outweigh the positive influence factors that leads to negative reinforcement. That means if one strategy blocks the process, there is a negative impact on overall identification, and work motivation in general is reduced.

That finding is important for organisations in all business sectors because it bears several risks. For the employees it implies less satisfaction and commitment which can lead to dissatisfaction with the job, and – depending on personality – to psychological distress (Trépanier et al., 2013; Westover et al., 2010). For the organisation it implies a risk of e.g. higher illness-related absence rates, higher staff turnover and/or higher error rates and impairment of produced quality. In the long-run that can imply lower productivity or higher costs and potentially lower competitiveness for the organisation (Achim et al., 2013; Kroon et al., 2013).

Further elaboration of that key contribution confirms and adds important considerations to current knowledge. The first of these is about the ties between strategy and motivation that was shown to comprise several facets:

*No. 1*

The association between strategy and motivation can be explained with the conflict potentials inherent in such dual strategy deduced from the literature review: competition for resources and questions of governance of processes (Gomez-Arias & Bello-Acebron, 2008; Hyman et al., 2010). The current research particularly exhibited that the more one strategy prevails in a dual strategy environment the more it determines the amount of work and the work processes in all areas concerned with the dual strategy.

The research more over demonstrated that when such strategy demands strict adherence to deadlines it induces significant time-pressure. Time-pressure reduces the opportunity to work in a more autonomous way. That limits the fulfilment of the need for autonomy hence lowering motivation. Time-pressure together with



cost-efficacy bears the risk to reduce accuracy and to increase the risks for error. That increases work-related stress and dissatisfaction. It can moreover impact the perception of personal competence therewith frustrating motivation.

Whereas such relations might be more prominent the smaller the organisation due to a limited workforce, because people have to do more things in parallel, and limited resources, e.g. monitoring equipment, so that measurements cannot be done on time, the second element that directly relates strategy to motivation might have a broader scope.

#### *No. 2*

The second element associating strategy with work motivation concerns intrinsic motivation. The current research exhibited that pleasure to work when working for one strategy can differ from pleasure to work when working for the other strategy, i.e. it can vary depending on strategy.

When the different strategies involved comprise different task scopes and when people feel more pleasure to perform the task scope associated with one strategy than having to work for the other strategy does frustrate their intrinsic motivation to work. This is because they are deprived of the feeling of pleasure. Hence the more they have to work for that less “pleasurable” strategy the more that impairs their general work motivation. Likewise impaired is their identification with the organisation that “forces” them to work. That finding resonates with the literature depicting that passion for work is important for job satisfaction and organisational commitment (Westover et al., 2010).

Such relation is also explicable applying the Self Determination Theory (SDT) (Gagné & Deci, 2005) framework because different tasks benefit the fulfilment of the needs for autonomy and competence differently. An example is a task that comprises creativity and allows personal influence. Such task can benefit the fulfilment of the needs for autonomy and competence. That leads to positive emotions and higher self-motivation to work.

*No. 3*

With regards to task scope, in particular the difference within one profession (product development) between two strategies, the current research differentiates from the work of Vough (2012). She concluded that work characteristics distinguish professions but not organisations within a field. The current study indicated that work characteristics, i.e. task scopes, of the same profession can also distinguish organisations or parts of an organisation, i.e. due to strategic requirements. While certain tasks within one profession might be required when working for one strategy these might not be required from the same profession when working for another strategy. That means task scopes of the same profession might differ between organisations or business units, when these follow different strategies. That can be one reason for different levels of work motivation in those (parts of an) organisation(s).

*No. 4*

“BrandCos is a beauty professional, not just mass-market” (RD6). That statement from the current research leads to an explanation for an association between strategy and motivation that appears to be specific in case a dual strategy includes elements of highly diverging status or prestige. If that is the case strategy influences motivation via strategy-related prestige. The current study demonstrated that pride to be related to a privileged or prestigious group (of people) supports self-motivation to work. By intertwining the findings of Bartels et al. (2007) and LePla (2013) the current research added a very particular new aspect to current knowledge: Perceived external prestige increases identification with the organisation (Bartels et al., 2007). That adds to motivation to work for or in that specific organisation. This is because the organisations’ prestigious image complies with the values and beliefs of the employees (LePla, 2013).

*No. 5*

The current research moreover expands on the findings of Cornelissen et al. (2007). It showed that when working for one strategy is prestigious it is likely that the employees agree with it and identify with the related goals and the corresponding values. The organisation’s values and goals then inform the beliefs and values of the

employees. Supporting the need for relatedness, i.e. being related to something prestigious, such value and goal congruence adds to self-motivation. Conversely when having to work for a strategy regarded as being less prestigious agreement with goals and belief in values are non-existent; relatedness is rejected, and self-motivation is reduced. As having to work simultaneously for highly diverging strategies negatively influences work motivation a division of workforce according to strategy should be preferred to increase the chance of a fit between person and strategy therewith providing a more motivating work environment.

By finding evidence for direct links between strategy and work motivation (No. 1 – No. 5) the current research narrowed the gap that previously existed in theoretical knowledge between these two issues.

The second consideration is about the influence of strategy on motivation moderated by organisational culture.

“A change in values often negatively undermines peoples’ sense of identity” (Smollan & Sayers, 2009, p. 445). That quote is symptomatic for an explanation of the identified association between market strategy and motivation involving organisational culture as connecting element because it leads to the question of value congruence. That was shown to comprise several facets:

*No. 6*

In-line with the literature that suggests value congruence to be a pre-requisite for organisational identification (Bellou, 2009; Kristof-Brown et al., 2005; Vough, 2012) the current research proved that such congruence influences motivation to work for a certain strategy, direction depending on the degree of congruence. This might be due to the emotional bonds that a strong value alignment can create (King & Grace, 2008). Therefore, value congruence fosters motivation whereas in-congruent values lead to lower motivation up to limited contribution and neglect (Bellou, 2009; B. Ryan, 2005).

*No. 7*

Furthermore, the current research confirmed the literature depicting the difficulty to change culture and to achieve a change in personal values and attitudes (de Chernatony & Cottam, 2008; Harris & Metallinos, 2002; Ogbonna & Harris, 1998) especially by just ordering cultural change (Kristof-Brown et al., 2005). The current research showed that such change is particularly difficult in case that management's messages are mixed, e.g. due to a lack of acknowledgement of conflicting cultural values or of competing strategies and conflicting goals. The research exhibited that if the possibility that these resonate differently in the workforce is not considered but rather ignored that fosters the perception to "always sit between two stools". That documents that ambiguous management messages lead to confusion on shop floor level. Therewith the current research confirmed the predictions of Hoffman et al. (2011), who demand unambiguous messages to ensure motivation.

*No. 8*

With regards to strategic implications the current research contrasts the view of Güntert (2015) in that it demonstrated that what fosters work motivation is not primarily understanding a strategy but rather acceptance of that strategy. That requires to not just understand the goals but rather genuine acceptance of these goals and the accompanying cultural elements. With that aspect discovered the current research points towards the concept of Smircich (1983), who proposed culture to be taken as a root metaphor. In that case an organisation and its culture are expressions of shared meanings that exist through human interaction. That demands consensus, i.e. acceptance. Thus, the current research was able show that culture is something an organisation is.

Thus, just understanding the cultural requirements of a strategy, or the strategy as such, might lead to what Ogbonna and Harris (1998, p. 285) called "resigned compliance", which is neither a sign of genuine acceptance of cultural assumptions nor of conformity with those. In case of "resigned compliance" employees work less out of self-motivation but more due to external regulation. – "Our jobs depend on LabelCos." (P1) depicts that. – Therewith the current research verified the theoretical prediction of Eaton and Kilby (2015, p. 4): "If people are not aligned with

the right values, beliefs, and behaviors that support the new strategy, they will be working against themselves and the company”.

Figure 21 serves as an overview of the former explanations to literally illustrate where the current research added to theoretical knowledge. It confirmed the values level of organisational culture to be a bridge between the other two topics: when different strategies follow different goals, when that entails conflicting cultural values, i.e. causes a cultural clash where both strategies/cultures directly meet, these cultural values either fit to the personal values of the employees or they do not fit leading to value rejection. Then that reduces motivation to work. When there is a fit of cultural and personal values that leads to identification with the values and to work motivation. Hence working simultaneously and equally motivated for both of a dual strategy in case these entail conflicting cultural values is impossible.

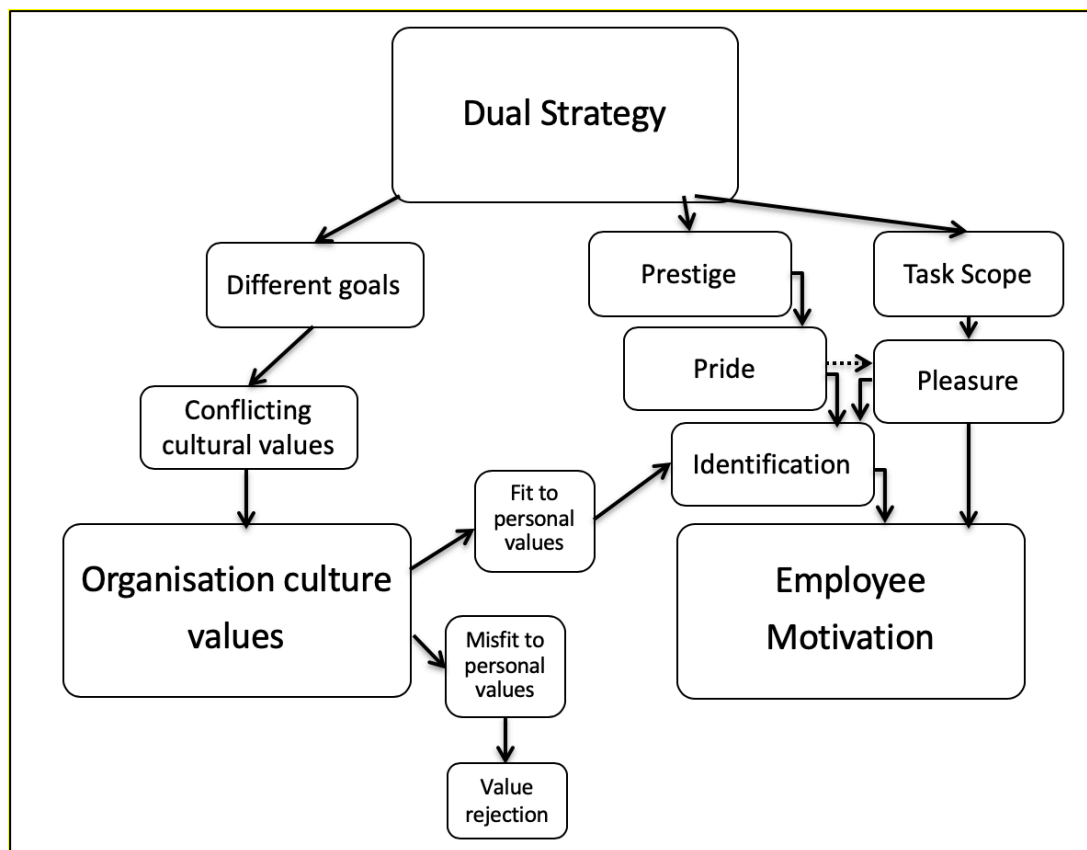


Figure 21 Contributions to knowledge – literature gap narrowed (by the author)

More importantly my research particularly narrowed the knowledge gap between market strategy and employee motivation. It was able to directly link these two concepts. It did so by carving out task scope, pleasure to work, inherent prestige,

there-with related pride, which also benefits pleasure (dotted arrow), and identification of the employees as connecting elements.

The current research particularly contributed to theoretical knowledge in the personal care industry in Germany, which is a field not being widely researched so far.

## **6.2 Contribution to practise and recommendations**

The current research illustrated several challenges to be met in practise in an SME operating in a dual strategy environment. These challenges originate from differences in task scopes involved, discrepancy in strategic goals and prestige, and conflicting cultural values. The latter is despite the ostensible fit of facets of organisational culture to the particular strategic directions. A root cause for such discrepancies can be seen in the centralised organisational structure of an organisation with limited resources and the division of responsibility according to strategy in general management. In an organisation of such structure certain departments and staff are concurrently involved in both strategies while general management's attention is on one each, entailing a risk of disregarding the existence of the other leading to tensions in the departments concerned. That leads to address the key role of such organisation's management.

When such tensions are present, and in the event that management recognizes and wishes to address them, a number of tactics can be employed at the level of strategic leadership. These include:

### *Attune strategic focus and goals*

Due to the centralised structure of an organisation with several organisational units working for both strategies these competing strategies cannot be pursued independently. For both strategies to be successful and to use all opportunities these must be geared to each other. Otherwise there is competition for resources as predicted in the literature (Gomez-Arias & Bello-Acebron, 2008; Roitzsch et al., 2012).

Moreover, a specific organisational structure comprising two differently focused positions in general management representing one of the two strategies each allows them to pursue competing strategic goals independently from each other. That fosters competition top-down as the competing goals that management follow inevitably impart the goals of the respective subordinate departments therewith interfering with each other.

Challenges with regards to focus and priority are inherent in such characterised organisation (Hoffman et al., 2011). That was already predicted by Mintzberg (1973, p. 51): “[...] no centralized organization is big enough for two entrepreneurs. Sooner or later one must make a bold, unexpected move that interferes with the other.”

Interference with the other’s strategic goals consequently reduces opportunities potentially provided by a more decentralized organisation where goals and priorities can be followed by each subunit according to the subunit’s clearly defined strategy (see the examples of L’Oréal, VOLKSWAGEN or Lufthansa in section 2.2.1.1). When management follows competing strategic goals not actively prioritizing between the goals and the strategies, as in the current case, that fosters conflict and competition unresolvable at shop floor level.

#### *Address drifting apart of cultural values*

Following from such inattentiveness to competition inside the organisation caused by the competing strategies is management’s compelled integrative view on organisational culture. That bears additional challenge because it leads to a lack of acknowledgement of the existence of different moreover incompatible cultural values corresponding to each strategy. This means that staff working for both strategies either accept or reject certain cultural values leading to varied motivation to work. Management’s attempt to unify culture and the organisation moreover disregards the impact of gradual cultural change on the staff working for both strategies.

In the researched case family values like a sense of we-ness or fair partnership corresponding to the first strategy (BrandCos), which eased employee identification and motivation (de Chernatony & Cottam, 2008; Kroon et al., 2013), are gradually

replaced. They are replaced by a culture oriented towards quantifiable targets more fitting to the second strategy (LabelCos). That suggests a departure from a typical clan-like culture towards a more market-type culture, where competition, adherence to quantifiable goals and a strong customer focus prevail (Cameron & Quinn, 2006). Such departure is inevitably perceptible in the business units working for both strategies leading to confusion and rejection.

The cultural change follows a change of business focus from one market strategy towards the second market strategy that gradually becomes the core business for central functional units of the organisation. There it creates a gap between cultural values of the first strategy, still being espoused and resonating in the staff, and the enacted cultural values of the second strategy being rejected by the staff working for both strategies. These consequently lose part of their personal identity.

*Don't foster prestige differences*

Such gap in values has particular relevance when it involves a loss of prestige and status for the staff. Like in the current case that means departing from working on prestigious brand products towards simply working on no-name products. When such change in focus entailing a change in status and culture is not actively considered and addressed the impact of a dual strategy on the staff is underestimated and emotions are neglected. Especially when implying and enacting status differences themselves management fosters the perceptions of personal performance not being acknowledged and of being deprived of privileges when working on the no-name products. That risks motivation and overall performance due to a lack of fulfilment of the needs for competence and relatedness.

Whilst acknowledging that these underlying conflicts might not be resolved under the given circumstances, when there is no agreement of adaptations on strategic leadership level, i.e. strategic foci, business environment, resources, and organisational structure remaining basically the same, there are still opportunities of better integration of market strategy and employee motivation. The following recommendations are therefore meant to outline such opportunities. Deduced from the findings they aim at feasible ways to provide a more motivating work



environment in the case organisation by attenuating challenges impacting negatively on motivation. Although not drawing directly on theory or models of HRM, as this was out of the scope of the current research, these recommendations comprise HRM practises like recruiting or employee involvement (Armstrong & Taylor, 2014) in the light of the case organisation's strategy and culture.

#### *Equal treatment*

Acknowledging the existence and importance of the second strategy by the organisation's management and thereby carrying that in all parts of the organisation can help to alleviate differentiation between two classes of products, segregation of two parts of one organisation, and separation of two classes of people. That requires management to not enact differences themselves but to actively value both parts of the organisation equally and not to explicitly focus on the differences.

One requirement for more equal treatment is a comparable working environment for all groups of employees, which requires providing similar equipment – technical, furnishing – as well as a more homogeneous design of premises, e.g. offices. Moreover, creation of a certain understanding of the two strategies could be aimed at already during the initial training phase of all new employees, particularly those employed for working solely for the strategy ostensibly being attributed with higher prestige. Informing them in detail about the second strategy – aims/share of turnover/share of profit – and including few days training in that part of the organisation are just examples.

Incorporating aspects of both strategies in the official vision and mission statement or displaying product examples of both strategies in dedicated areas of the buildings can be a way to communicate the achievements of both strategies throughout the organisation. Admitting and acknowledging the results of all efforts from two perspectives rather than just one might build the basis for motivation to work for the second strategy while being proud to work for the first strategy (Westover et al., 2010).

### *Harmonisation of goals*

Using growth opportunities with the second strategy in the given organisational structure entails a change in business focus in the departments working for both strategies. Such change has to be openly addressed, goals have to be harmonized and priorities have to be set top-down, i.e. by general management, to guide the staff. Otherwise competition and conflict will remain and opportunities might be missed. That is true with regards to competition for resources as well as with regards to reciprocal expectations between the organisation and the staff, pointing to the importance of the psychological contract (Anderson, 1998; Rousseau, 1996).

For allowing such adaptation of business focus attention to organisation cultural requirements is important, leading to the following further recommendations:

### *Staff involvement*

Acknowledging that “a change in values often negatively undermines peoples’ sense of identity” (Smollan & Sayers, 2009, p. 445) should lead to consequently and consistently, i.e. regularly and timely, involve the staff in organisational developments and in any case consider potential value incongruence. Preventing the employees from losing their identity can help to increase their willingness to accept change (Harris & Ogbonna, 1998b; Smollan & Sayers, 2009). Whilst recommendation no. 1 might be supportive in that respect recruiting also is a central issue (Hallowell et al., 2002; Schein, 1990) if an alteration of organisational culture is aimed at.

### *Targeted recruiting*

Via recruiting people whose personal values and assumptions are already more “compatible” with those of the second strategy, them potentially being multipliers within the organisation (Hallowell et al., 2002), the long-term and step-by-step process of cultural transformation might be facilitated.

Even if attenuating attitudes towards modified cultural values can at best be a long-term process recruiting remains a central issue in several other aspects. It increases manpower potentially reducing competition for resources. Moreover, it increases opportunities with regards to task scope as well as conflicting values and status

differences. The reason is that recruiting can provide the opportunity for separation of workforces following the example of the case organisation's sales-people as depicted in the following.

In departments where different strategies also require different task scopes division of task areas according to strategy and recruiting people with matching personal preferences should foster overall job satisfaction and motivation to work. For the current case that implies recruiting 'implementers' rather than 'developers' in R&D in the future. It also means being transparent with regards to business focus and personal work focus in the recruiting process to potentially find people with preferences and mind-sets suitable for the second strategy.

Whilst that can help to provide a more motivating work environment supporting employee satisfaction and identification with the organisation (de Chernatony & Cottam, 2008; Smollan & Sayers, 2009; Westover et al., 2010) the very first recommendation of equal treatment remains crucial even if workforces can be divided. If status differences remain enacted division of workforces not only has to be task-wise but also location-wise to achieve full separation and to reduce conflict by minimising contact points.

All the above recommendations are acknowledged to be at two levels. The first level assumes the commitment to and implementation of significant changes in leadership and management. The second level acknowledges the difficulty of such changes but nevertheless offers scope for improvement.

### **6.3 Limitations and suggestions for future research**

As already exhibited in section 3.4 there are limitations due to my double role as researcher and practitioner. As I intended in-depth understanding the findings consequently are primarily valid for the case organisation and particularly for the researched departments, i.e. those that have to work to satisfy both strategies. Although the conclusions and recommendations are not meant to be generalizable, these may nevertheless (partially) be transferable to other cases. This is because

questions of disagreement between different goals, different markets, different departments, different directors, or different interest in general are likely to be issues that any organisation faces. That could be confirmed via further research suggested as follows.

As the study depicted a particular challenge due to status differences of the strategies involved further research could be done to follow up on that issue in several ways. First the research could be repeated in the case organisation focussing on those employees that are exclusively working for the PLB strategy, i.e. the LabelCos staff, to see if a potentially experienced lower status influences their work motivation. Second the research could be repeated in similarly structured organisations following dual strategies. That could be done in the same industrial sector by a different researcher as my particular role as professional in the current case organisation prevents me from getting access to potential competitors. The research could also be extended on similarly structured organisations in other industrial sectors and also in other countries. That would give insight into multiple cases as well as into potential environmental influences, which might benefit theory with regards to industry effects (Gordon, 1991; Pioch & Gerhard, 2014) and influences of country culture (Gamble, 2003; Hallowell et al., 2002).

Further research could include multi-brand organisations. That would allow exploring if similar challenges occur even if branches are separated in case the brands are potentially perceived to be differently prestigious. Such research could also cover branched organisations targeting the two different markets, i.e. selective market with brand products and mass-market with PLB products, in strictly separated business units. Therewith the scope of the research could be broadened with regards to size and structure of organisations operating with multiple strategies in different industrial sectors. Such research would also inform the question posed by Yarbrough et al. (2011) if culture or more structural elements allow multi-business organisations to successfully follow different market strategies.

Moreover, research could be conducted in organisations, similarly structured as the case organisation, following a dual-strategy approach comprising less competing

strategies. That might be the case in organisations following a selective market strategy with their own strong brand while being contract manufacturers for other (strong) brands.

To look further into the question if competing strategic goals and cultural values can be reconciled, a question that was brought up by Martin (2002), it might be useful to add an action research element (Gummesson, 2017) to the current study. Introducing cultural and managerial adaptations as exhibited in section 6.2 and repetition of the study afterwards, potentially with a more longitudinal design, would provide insight if reconciliation is attainable in the researched environment. Due to the constraints of the scope of a DBA such approach was impossible for the current research.

Notwithstanding the exhibited limitations of the current research and the illustrated benefits of further research I believe that my research has illuminated potentially competing aspects of strategy and culture that both influence work motivation in the current research sector. It has confirmed and added significant new elements to theory, particularly in newly linking market strategy with employee motivation, and it provided insights for practise. Therewith I managed to paint a fuller picture in the triad of culture, strategy, and motivation by narrowing the knowledge gap in the overlapping issue area of these three topics.

## 7 Personal reflections on my DBA journey

Acknowledging the personal component of the current research I decided to finish the thesis with my very personal reflections on my DBA journey focussing on my personal development.

What is the motivation for somebody coming from a totally different background – the natural sciences – to attempt a doctorate in business administration as a part-timer and in a foreign language? Albeit that might be a research topic on its own, I can only answer that question from my perspective.

When I decided to set off on the journey towards the DBA I did this because it provided an option to get to a doctoral title as a part-timer and to enhance my knowledge on relationships between individuals in the business context. Getting such title in my original field as a biologist that would not have been possible. This is for once because I had left that scientific route more than 20 years ago in favour for management in a totally different area. Therefore, I had missed all of the last decades' technical and scientific progress in the field of molecular biology. Second working for a doctorate in the natural sciences is impossible if you are not actually working in that field, i.e. if you cannot combine your professional investigations with your research for the thesis. Therefore, the DBA programme seemed to be perfectly suited, even more so because it provided the option to combine theory with practise. My employer agreed to let me do my research in the organisation I work for as, from the management perspective the research might help to find a solution to an organisational challenge: to restructure a department for better performance and better fit to the organisation's dual strategy. With regards to the foreign language I regarded that as a challenge but not as a real obstacle.

With my 20 years' experience in the business world I obviously started the journey towards the DBA with a managerial background looking at the world from a positivist/realist perspective aiming to find the theoretical foundation for restructuring a department for better performance in a dual strategy environment.

Quite early in the module phase I read the recommended books of Schön (1983), McGregor (2006) and Schein (1980). The therein-covered issues of reflection-in-action, of Theory X and Y, and of organisational culture and psychology were totally new to me from a theoretical perspective, but they rang a bell. I got doubts that my way to look at things was the one and only. My doubts led me reconsider the content of my research. It should not be about organisational structures. It should be about understanding the behaviour of people, i.e. the motivation to work, in relation to the dual strategy context, looking at organisational culture as moderator. I moreover sensed that my positivist view of the world would not suffice to approach such a topic. I accepted that Max Weber's (1864-1920) concept of "Verstehen" (German for "understanding") is what really matters when doing research with and on people. There is nothing measurable. One can only get to an understanding by interpreting behaviour of people in its context (Gummesson, 2000; Moses & Knutsen, 2012).

For me that was a real mind-change. It was something reaching down to my fundamental assumptions because all my (professional) life I had followed the positivist road. Having accepted that, I consequently left the realist path that I had been following my whole life at that fork in the road in favour of the interpretivist path. On that path I walked on looking for the influence of an SME's dual market strategy on organisational culture and therewith on such strategy's influence on the work motivation of employees that have to work to satisfy both strategies.

Following that path and particularly doing the research in the organisation I work for also made the current research much more than just a theoretical study. Due to my deep and long-term involvement in the case organisation the current research was a very personal case to me. Learning about the respondents' experiences in the organisation always meant to be reminded of my own daily challenges in my professional life and to compare their story with mine. Thus, keeping the necessary distance and staying reflective was a constant challenge during the research process. That applied for the work I did on the thesis as well as for my professional role in coaching the R&D employees. Whilst learning about the respondents' view on the organisation enabled me to go little steps for providing an environment in

R&D that were better suitable to enable work motivation there, I had also to accept that I could not change the whole system.

Apart from accepting that I could not change the organisation my double role of researcher and practitioner in the same organisation had another implication that was probably the most burdensome and challenging part of the DBA journey. That role meant that during the whole journey there was no period of time that I could get away from work and stand back from it. Every minute of the last years was dedicated to matters concerning the organisation. It was always there, during my working hours at the organisation, during the research phase, and when finally writing the thesis. And when I was not actually working on that subject it was still on my mind. Psychologically that was tremendously strenuous.

Despite all challenges the research provided me with valuable and sometimes unexpected insights. When I started my fieldwork I had assumed that different employee behaviour, in that case different motivation to work, would mainly be related to different tasks to perform for one of the two strategies. Thus, I thought that the R&D laboratory group, where people are either the master of the idea (for the brand) or just the implementer (for the PLB products) was the only department where differences in motivation to work for either of the two strategies were to be found. Different tasks, I assumed, would differently motivate people, as would different levels of involvement in the conceptual creation of the product. I was well aware that the product developer does not just develop a product but that she rather creates or gives birth to a baby. From my experience it is that creative part, to bring something as highly emotional into being as a cosmetic product, is the major reason for choosing to become a product developer in that very specific industry. Thus, I expected the R&D laboratory group to show higher motivation when working for the brand compared to when working for private label. Thus, the data formed merely confirmed my assumptions.

Following that same line of thought I had not expected to find a difference in work motivation for either strategy in any of the other groups related with both strategy. This was because the general tasks to be performed in R&D regulatory affairs, QC



and production are exactly the same for any product, i.e. for either strategy. Because these activities do not require any involvement in the “creation” of the products I had expected engagement and identification with the product to be the same for every product being produced or checked independent of strategic orientation. Therefore, I had initially not intended to include any of these groups. My supervisors made me broaden my perspective and thus helped me to gain valuable insights, which were moreover unexpected for me. For me it was surprising to learn that all respondents explained to be more motivated to work on the brand products compared to working on the PLB products. Obviously strategic orientation does matter for everybody working for both strategies in that particular case. That is despite the obvious success of the PLB business. When looking at the enormous product amount and impressive product variety being developed and produced each year for LabelCos that is definitely something everybody involved should be able to take pride in – if it was not for perceived prestige differences and value congruence.

In that particular case the question of motivation to work for the brand versus working for private label is either about internalisation of brand values and accepting them as personal values or a matter of choosing to work for the brand due to brand values resonating with personal values. It is therefore a matter of perfect match of the personal values of the individuals with the original cultural values of the organisation and the therein-mirrored values of the brand. Therewith the current case confirms predictions in the literature that motivation to work is a matter of value congruence and emotional connection. “If the brand has positive values, employees will feel a deeper connection with the organisation.” (Sparrow, 2014, p. 43). “The simple truth is that people want to work at places where what they do resonates deeply with their beliefs and goals.” (LePla, 2013, p. 19). – The current example shows that this is true vice versa.

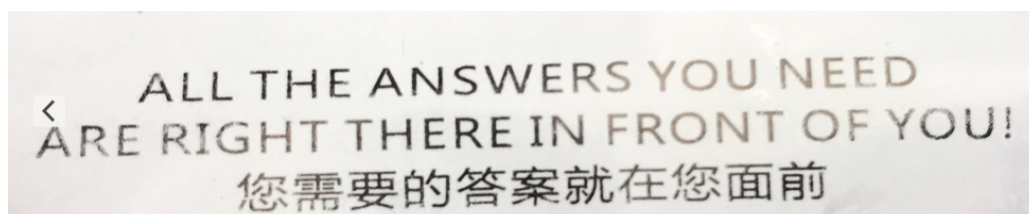
Apart from understanding the complex ways in which strategy, organisational culture, and employee motivation intertwine via different value systems in the case organisation my research brought new theoretical insides. I found evidence for a direct influence of market strategy and employee motivation based on one of two

identified requirements. It is in case the strategy demands different tasks to be performed or/and in case strategy related prestige-differences are involved. Using a metaphor from my personal communication with Professor Michael Fass and Professor Gerald Watts during one of the DBA teaching courses, I believe these aspects as well as more confirmatory findings in a specific industrial segment to be the tiny grain of sand that my DBA journey added to knowledge. It is thus my contribution to theory.

While that might not be much in comparison to the gigantic sand dunes of knowledge being already out there and still waiting to be discovered it means a lot to me. The DBA journey added new perspectives to the way I can look at the world, which already changed the way I work as a practitioner. By adding self-reflection and reflection on other people's perspectives to my repertoire, I got more open for other ways of interpretation and I can now accept that different people perceive the same things in a different way (Alvesson & Sköldbberg, 2009; Moon, 2004). That will support my efforts as a practitioner and hopefully guide me well on my further career journey.

Summing all up, what I have realized during the last almost four years is that my DBA journey was its own reward. The actual being on route was the most important part of it all. For me it opened up new fields of knowledge, provided me with new insights, and helped me discover areas of deeper understanding as well as perspectives that I would never have noticed had I not set off on that journey in the first place.

Somehow that echoes the words I found lately in that little fortune cookie:



Finding answers and assembling them to a fuller picture will hopefully become easier when looking at matters from different perspectives.

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# Annex 1 Example page literature summary table

Journal	Author	Year	Aim	Location	sample size	Industry	data collection	Company strategy	Organizational culture	Motivation	Employee performance	Identification	Findings
Journal of Occupational and Organizational Psychology, Jun 2004; 77,	Rolf van Dick; Wagner, Ulrich; Stellmacher, Jost; Christ, Oliver	2004	To demonstrate the existence of different foci of identification and different dimensions which are separable	Germany	515 + 233 + 358	Teachers + teacher + bank accountants	questionnaire			x		x	According to SIT (Social Identity Theory) an individual can identify with his own career (personal level), with different subunits in his organization (group level) or with the organization as a whole (multiple foci). Identification can influence a person's cognitions, emotions and behaviours. 3 dimensions of social identity can be distinguished: 1. Cognitive: I know that I am a member of a group, 2. Emotional/affective: I like to be a member of a group, 3. Value: there is a value given to that group from the inside or outside There is a connection between identification and team climate
Journal of Occupational and Organizational Psychology, Jun 2005	Rolf Van Dick; Wagner, Ulrich; Stellmacher, Jost; Christ, Oliver	2005	Category salience and organizational identification	Germany	464	Teacher	questionnaire			x		x	Identification is more strongly with what is more salient, i.e. if the school type is made salient identification with the school is high, if the professional group is made salient identification with the occupation (to be a teacher) is more salient
Journal of Managerial Psychology	Rolf van Dick	2009	Group membership salience and task performance	Germany		teachers	Quasi experiment			x		x	Managers can increase group performance by focusing on group members' perceptions of their groups as important and salient.
Journal of Applied Psychology	Edwards, Cable	2009	To develop and test a theoretical model that integrates 4 key explanations of value congruence effects, which are framed in terms of communication, predictability, interpersonal attraction, and trust	US	4 companies, 997 employees	Water treatment agencies	Survey			x		x	Our results show that individual and organizational values have relationships with the mediators that vary in form and magnitude, and some mediators are much more viable than others as explanations of value congruence effects. <ul style="list-style-type: none"> <li>• Q&amp;A: study points to trust as the most viable explanation, followed by communication and attraction.</li> <li>• effects of value congruence can be attributed to the ease of communication among people with shared values</li> <li>• For example, given that trust carried much of the relationship between value congruence and outcomes, managers might consider investing in initiatives that focus directly on increasing trust. Such initiatives could include clarifying reasons behind decisions made in the organization, holding frequent question-and-answer sessions between employees and senior management, and ensuring that performance management processes are fair (Mayer &amp; Davis, 1999). Likewise, our results indicate that communication is partly responsible for value congruence effects. Accordingly, managers could achieve some of the benefits of value congruence by ensuring that organizational communication is regular, open, and consistent</li> </ul>
Organization Studies 1991, 12/2: 191-207	Goll, Zeitz	1991	To develop a survey instrument measuring these dimensions that could be administered to corporate managers in a wide variety of companies.	US	200	Manufacturing	survey		x				They developed a survey to measure the most salient organizational ideologies (the explicit and publicly expressed beliefs and values of an organization's key decision makers) as leadership shapes strategy and the strategic process reflects the beliefs and values of an inner circle of managers. Dimensions of ideology that are theoretically possible are: individualism, social responsibility, government involvement, risk-taking, organicity, technocracy, participation, coercion (pressure on employees that resist management policy), orientation to profit; here salient are progressive decision-making, social responsibility and organicity

## Annex 2 Literature review: NVivo codes

### Culture

- organizational culture creation
- organisational culture definitions
- organisational culture influences on / of
  - culture and company strategy
  - culture and psychological stress
  - culture and effectiveness-performance
- organisational culture management
- organisational culture measuring instruments

### Motivation

- motivation definitions
- motivation theories
- work motivation
  - de-motivational factors
  - motivational factors

### Strategy

- strategy definitions
- strategy making
  - active choice
  - adaptation - learning - emerging
- strategy requires fit
  - among company's activities
  - with company culture
- strategy - types of strategic orientation
  - brand / market
  - dual strategy
  - value disciplines / positioning / market segmentation

## Annex 3 Informed consent form



### **The adoption of a SME dual market strategy and its influence on organizational culture: The case of employee motivation**

Lieber Teilnehmer/liebe Teilnehmerin

Vielen Dank, dass Du Dich bereit erklärt hast, an meiner o.g. Studie, zur Erlangung des DBA (Doctorate of Business Administration) teilzunehmen. Das Ziel der Studie, ist es herauszuarbeiten,

- a) welche Aspekte unserer Organisationskultur von unserer unterschiedlichen Marktstrategien (Mass-Market, selektiver Markt) abhängig sind
- b) welcher dieser Aspekte eher motivierend und welche eher demotivierend auf die Mitarbeiter wirken, die mit beiden Marktstrategien zu tun haben
- c) zu erörtern, ob es eine Verbindung zwischen den Aspekten der Organisationskultur und den motivierenden/demotivierenden Faktoren gibt und zu erläutern, warum diese die Mitarbeitermotivation beeinflussen können.
- d) Welche Möglichkeiten es geben könnte, um die Mitarbeitermotivation gleichbleibend zu erhalten.

Dies soll in einer qualitativen Herangehensweise vorwiegend über Interviews erfolgen. Die Teilnahme ist freiwillig und die Daten werden nur mit Deiner ausdrücklichen Erlaubnis verwendet werden. Alle Daten werden anonymisiert und nur in dieser Form aufbewahrt und verwendet. Die Daten werden ausschließlich auf meinem privaten PC aufbewahrt, zu dem nur ich Zugriff habe. Alle Interviewdaten werden nur zum Zwecke der Doktorarbeit aufbewahrt und nach Erlangen des Titels gelöscht und zerstört werden. In der Arbeit bzw. in möglichen anderen Veröffentlichungen wird kein Teilnehmer per Namen identifizierbar sein.

Die Arbeit wurde durch die University of Gloucestershire freigegeben. Um hier zu belegen, dass die Teilnehmer eingewilligt haben, möchte ich Dich bitten, das anliegende Formblatt auszufüllen und unterschrieben zurückzugeben.

Vielen herzlichen Dank

### Informed consent form

Title of the Project: The adoption of a SME dual market strategy and its influence on organizational culture: The case of employee motivation

Researcher Andrea Weber

Ich verstehe, dass gebeten wurde, an einer Studie teilzunehmen	Ja	Nein
Ich habe den anliegenden Informationsbrief gelesen	Ja	Nein
Ich verstehe das Ziel der Studie und Nutzen sowie Risiken der Teilnahme.	Ja	Nein
Ich verstehe, dass ich jederzeit Fragen zum Thema stellen darf	Ja	Nein
Ich verstehe, dass ich jederzeit meine Teilnahme beenden und mein Einverständnis zur Teilnahme zurückziehen kann.	Ja	Nein
Ich verstehe, dass die Daten vertraulich behandelt werden und wer Zugang zu den Daten haben wird.	Ja	Nein

### Ich nehme an der Studie teil

Name (Druckbuchstaben):

Unterschrift

**Translation of the letter and the consent form:**

Dear participant

Thank you for volunteering to take part in the current study and therewith to support my DBA (Doctorate of Business Administration) project. The purpose of the study is to

- a) explore what aspects of the company’s organisational culture are related to either of the two market strategies (mass-market, selective market)
- b) explore what issues support or frustrate your motivation to work
- c) explore if certain aspects of organisational culture that are strategy specific can support or frustrate work motivation and if so to explain why.
- d) evaluate potential ways to retain work motivation equally for both strategies.

This shall be attempted in personal one-to-one interviews. Your participation in the interview is voluntary. Your information given in the interview will be used only with your explicit consent and permission. That data as well as your personal data is made anonymous. Your name will never be associated with the information given by you. All data will be stored in my personal private files at my home, only me having access to it. All interview data is stored for the sole purpose of the DBA thesis. It will be deleted and destroyed after completion of the DBA programme. When your information is referred to in the thesis or in other potential publications it will be codified to ensure confidentiality.

The study was accepted by the University of Gloucestershire. To document your voluntary participation I would like to ask you to fill in the attached form and return it to me signed.

Thank you very much for your support.

**Informed consent form**

Title of the Project:    The adoption of a SME dual market strategy and its influence on organizational culture: The case of employee motivation  
 Researcher                Andrea Weber

I understand that I was asked to participate in a study.	Yes	No
I confirm that I have read the information about the project as provided in the accompanying information sheet.	Yes	No
I understand the purpose of the study as well as the risks of participation.	Yes	No
I understand that I can ask questions about the project and my participation at any time.	Yes	No
I understand that I can withdraw from the study and withdraw my consent to use my information at any time.	Yes	No
I understand that my data is being dealt with confidentiality and who will have access to the data.	Yes	No

I voluntarily agree to participate in the study

Name (printed characters):  
 Signature



## Annex 4 Interview-guide

# Interview Guide

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### 1. Warm up

Wie lange arbeitest Du bereits in der Firma? (Since when are you working in the company?)

Was hat Dich bewogen, Dich dort zu bewerben? (What were the reasons to apply there?)

Was machte die Firma für Dich attraktiv?/Was macht Sie heute für Dich attraktiv?/Falls diesbezüglich Differenzen vorhanden sind, worin siehst Du die Gründe? (Why was the company attractive for you?/What makes it attractive for you today?/Are there any perceivable changes/differences and why?)

Was ist Dein beruflicher Hintergrund und was waren die Gründe, diesen Weg einzuschlagen? (What is your professional background and why did you choose that kind of career?)

### 2. Vision, Mission (Vision and Mission Statement)

Wie interpretierst Du die Aussagen? (How do you personally interpret these statements?)

Was sind Deine Empfindungen diesbezüglich?/Was spricht dich an, was nicht?/Was entspricht Deinen eigenen Werten, was nicht? (What are your perceptions when you read it?/What do/don't you share?/What corresponds to your personal values, what does not?)

Was denkst Du trifft zu, was nicht? (What can be found in reality, what cannot be found?)

Wie empfindest Du die Aussagen bezüglich Deiner Arbeit, bezüglich BrandCos, bezüglich LabelCos? (How do you perceive the statements with regards to your work, to BrandCos, to LabelCos?)

Bist Du der Meinung, dass dies der richtige Weg ist? (Do you think this is the right way for the future?)

Was würdest Du ändern, wenn Du es könntest? (What in the statement/in the company would you change if you could?)

### 3. Firma und Aufgaben (Company and tasks)

Beschreibe die Firma und Deine Funktion in der Firma. (Please describe the company and your function in it)

- Was sind Deine Verantwortlichkeiten?/Was erwartet man von Dir? (What are your tasks, objective, responsibilities?)
- Bekommst Du alle notwendigen Informationen, um Deine Aufgaben erfüllen zu können? (Do you get all necessary information to fulfil your tasks?)

Beschreibe einen normalen Tagesablauf/die tägliche Arbeitsweise. (Please describe an ordinary working day/your daily working routine)

- Was daran macht Dir Spaß, was eher nicht? (What do you like, what do you not like?)
- Was motiviert Dich? Wie würdest Du Deine Erfolgskriterien beschreiben? (What is your personal motivation to do your job? How do you evaluate/measure your success?)
- Was ist für Dich eine Belohnung für einen gut gemachten Job?/Wie wird in der Firma belohnt? – Wie wertest Du das? (What do you perceive as rewards?/How is generally rewarded in the company?/How do you interpret that?)
- Hast Du den Eindruck, Du kannst selbst entscheiden, was und wie Du es machst? (Do you feel to be able to decide for yourself about your work/tasks and how to do it?)
- Hast Du den Eindruck, Du hast einen Einfluss auf Entscheidungen, die Deinen Bereich betreffen? – Wie werden Entscheidungen im Allgemeinen getroffen: Deinen Bereich betreffend, die Abteilung betreffend, die Firma betreffend? (Do you have any influence on decisions that influence your field of work?/How are decisions made, by whom that relate to your field of work, the department, the company?)
- Hast Du den Eindruck, Du kannst Ideen einbringen?/Werden diese gehört/umgesetzt? (Can you bring in your ideas?/Are they heard/implemented?)
- Bist Du gut in dem was Du tust?/Hast Du die Gelegenheit, das zu tun, was Du gut kannst? (Do you feel competent in your job?/Are you able to do what you can do best?)
- Was würdest Du an Deinen Aufgaben ändern, wenn Du es könntest? (What of your tasks would you change, how, why?)

## 1.1 Veränderungen (Changes over time)

Wie hat sich die Firma im Laufe der Zeit entwickelt? (Can you describe the changes in the company over time?)

Wie hat sich aus Deiner Sicht die Abteilung im Laufe der Zeit verändert? (How has the department changed?)

Wie hat sich Deine Arbeit/haben sich Deine Aufgaben im Laufe der Zeit entwickelt? (How has your job/the tasks you do changed?)

- Hast Du das Gefühl, bei den Veränderungen, die Dich direkt betreffen, einbezogen gewesen zu sein? (Have you been involved in changes that had an influence on you/your job?)
- Wurdest Du gefragt? (Have you been asked?)
- Hatte Deine Meinung einen Einfluss? (Was your opinion influential?)

Hast Du die Möglichkeit Neues zu lernen, Dich weiter zu entwickeln?/Wer gibt Dir die Möglichkeit? (Do you have the opportunity for personal development/for development in your job?/How provides these opportunities?)

## 4. Kommunikation und Miteinander (Communication and personal relations)

Mit wem kommunizierst Du?/Wo sind Deine Berührungspunkte/Nahtstellen? (With whom do you communicate?/Where are your professional interfaces?)

- Wie wird kommuniziert (welche Medien) und wie häufig? (How do you communicate?/How is generally communicated/which means in the company?)
- Gibt es Formalien? (Meetingregeln/Protokolle) (Are there any rules e.g. meeting rules/protocol rules?)
- Gibt es Regeln zur Kommunikation? (Wer mit wem?) (Are there any general rules on communication?)

Gibt es einen bestimmten Firmenjargon? (Is there a company jargon?)

- Wenn ja, wie empfindest Du das? (How do you perceive that?)

Beschreibe Deine Beziehung zu Kollegen, Vorgesetzten etc. (Please describe your personal relations to colleagues, superiors)

- Gibt es hier Unterschiede bzw. Gemeinsamkeiten? (Are there differences/similarities – changes over time?)
- Gibt es (regelmäßige) Feierlichkeiten? (Are there any company parties etc.)
- Gibt es einen privaten Austausch?/Wie wichtig ist Dir das? (Do you have any personal contacts?/Ist hat important for you and why?)
- Fühlst Du Dich persönlich aufgehoben/wertgeschätzt? (Do you feel personally valued in the company/the department/the work group?)

Sind Menschen und ihr Wohlbefinden hier wichtig? (Do you think people and their well-being is important in the company?)

Wenn Du an Team denkst, was ist für Dich das Team? (When you think of „team“ – who belongs to your team?)

## **5. Arbeitsumfeld (Company and workplace layout, equipment)**

Beschreibe die Firma bezüglich Gebäude, Räumlichkeiten, Layout. (Please describe the company with regards to layout, buildings, offices etc.) (Auffälligkeiten/Empfindungen) (What are your perceptions about it?)

Wie ist Dein persönliches Arbeitsumfeld? (Arbeitsplatz/technische Ausstattung etc.) (Please describe your working environment: office, equipement etc.)

- Fühlst Du Dich wohl in Deiner Umgebung? (Do you feel comfortable there?)
- Hast Du alle Hilfsmittel, die Du benötigst? (Are you well equipped, is something missing?)
- Würdest Du etwas ändern, wenn Du könntest? (What would you change if you could?)

## Annex 5 Example interview transcript

(translated by the author)

**Andrea:** Could you please tell me something about you. What is your professional background?

**RD1:** I am a chemical laboratory assistant. Directly after my apprenticeship I started working in the cosmetics industry. Currently I work here at BrandCos as a product developer.

**Andrea:** When did you start at BrandCos and why did you choose that company?

**RD1:** I started working at BrandCos in November 1996. I applied at BrandCos because the company was situated closer to my home and I always liked the products and the good reputation of the company. My colleagues were all very nice and welcoming. I always enjoyed working at BrandCos.

**Andrea:** What is your current position and how has that changed over time?

**RD1:** I started in quality control. Over the years I watched my colleagues in R&D and imagined working there. That was much more creative and varied compared to QC. Therefore, I applied at R&D as soon as there was an opportunity. I am working as a product developer since about 10 years now.

I was always proud to work at BrandCos. We focused very much on quality and professional work. Since some years the work, the company and the department have changed. It is much more quantity and speed. Pressure increased. LabelCos is getting more and more important. I do most of my work now for LabelCos. BrandCos is no longer important. Time-pressure is constantly growing and timing is more important than quality. What counts is no longer quality, how one performs, but to deliver batches to a certain point of time. It's all about number of

batches. That's difficult for me. I don't think that BrandCos is still the company I used to work for.

**Andrea:** Can you specify the changes a bit?

**RD1:** My work gets more and more controlled. Other people question my performance and the quality of my work. I have to document a lot for my own backup. There is no more trust. There is more control. Other departments watch us. They assess our work and judge it unjustly. That was definitely not the case when I started working here or working in R&D.

Don't get me wrong. I still like coming to work. But... I know that the company is thriving and everybody does everything so that it thrives even more. We are somewhat in-between. The small family-business that gave me support and security has gone. Now it's important to sharpen the elbows, to get on with it.

**Andrea:** What do you think of the new mission and vision statement?

**RD1:** It would be nice if it were like that. Family business is no longer true. There is no respect and trust and fairness. That changed a lot during the last years. It was different when the owner was still in the company. I always thought: 'She is the company.' That's totally gone. The people, the employees, are no longer important. That they feel well is no longer important. In everyday work, when money and sales figures count, all good resolutions are completely thrown into the wind.

**Andrea:** What do you mean by that?

**RD1:** I have the impression that, when there is a problem, then you are there all alone. There is no longer the BrandCos family. There is the pressure that every batch has to be to the point. For me it's always like 'oh my god, don't let it be my fault. In the end I am there all alone with that mistake. We are not allowed to make any mistakes. If something goes wrong you

have to justify yourself. I have to make up for batches that have to be repeated. I don't have any time. I have to do everything in parallel. Just to keep things running.

**Andrea:** Is there something else you would like to comment on?

**RD1:** Together. We did not develop the guidelines and values together. There is togetherness in R&D and we all in our department can rely on our competence. There is a strong team spirit. We work together and help each other. We know we can make it. In R&D I find the guidelines enacted. But it definitely does not apply for the organisation. It was true for BrandCos in the beginning, but now and for the rest, for the other departments and LabelCos?

**Andrea:** You mentioned pressure. Where does the pressure come from particularly?

**RD1:** From LabelCos and from QC. They don't ask why we do what we do. They do not see the volume of our work. There's always a certain upbraiding. But I have to decide what is most important by myself and I have to do that very quickly. We always work under pressure from LabelCos.

There was less speed when LabelCos was less important. Less pressure, less things at once. We could repeat batches and we could ensure the quality of our work. See if things were reproducible. Can you imagine that? Repeating a batch just for adjusting the pH? Unthinkable now. – Now it's like: you do that, 100% performance, sharp, you do the next thing, 100% performance, sharp. There's no break, no time. For LabelCos we just do what they tell us. It's like working at a conveyor belt. We are measured against throughput. With the growing amount of work values like fairness and togetherness were lost. It grew much too quickly. It's like constantly running a race, everybody runs alone, quickly.

And then, when you do LabelCos, you hear 'you just do what they say. You don't have to think'. But I always think. Products have to be stable. We always take a high risk for LabelCos, you have to assess that in advance. For LabelCos we have to react quickly. We always have to finish three lab batches a day - at all costs. That's what counts for LabelCos. I did not want to work for LabelCos. I do it because I have to. Even though it does not have such a high status and good image. It ensures my job.

**Andrea:** What kind of work would you prefer? What about rewards?

**RD1:** I'd prefer less work like working through a list. LabelCos leaves no room for own ideas. I prefer more influence. Like when working for BrandCos. A product developer has a say in what to do. One can choose active ingredients, decide on base formulas, one can bring in own ideas. That's the kind of work I like. For that you get appreciation. That's nice. When we do LabelCos we are not regarded as being important. It's not that I want praise all the time but I'd like feedback and appreciation. I know that I can meet the challenges, and appreciation for that would be very nice. And a good working atmosphere is motivating.

But most of all I like when I can do something on my own. Without pressure. It's only when I have my own projects for BrandCos that I can decide what to do and when to do it. That's good. Otherwise it would even be more stressful.

When I shall just work, I can do that. But I cannot do both. I can just concentrate on one. It is impossible to use one's imagination and creativity in developing ideas for products and ingredients and simultaneously be quick and produce masses of lab batches. I am feeling like a rubber band that is torn in opposing directions. I go home happy when I know that I could use my expertise. When I did something on my own, when I had time to think and decide. How it is now it's to always sit between two stools. What shall I do, think or just hurry? Hurry up – without using the brain.



**Andrea:** What does “we” mean to you with regards to the company?

**RD1:** For me the lab is we. We all belong to one team. Everybody supports everybody. No doubt. That’s what I like about my work. The people, the team. That I can ask questions and get help. – That I can count on your support. Especially when something went wrong. You trust me. You stand behind me.

And then we is BrandCos. The brand, the products. I am still proud to work for BrandCos, when I see the products on the shelf.

**Andrea:** You mentioned a status difference between BrandCos and LabelCos products. What do you mean by that?

**RD1:** There is definitely a difference. BrandCos is luxury. All are convinced that the products are superior to LabelCos products.

For example, my aunt has been using BrandCos for years. She adores the products. If I told her that I am now working mainly on LabelCos products developing PLB products for Müller or dm she’d be very disappointed. My aunt is very proud that she could afford to buy BrandCos during all those years. I just won’t tell her that I’m doing something different now. Or my family. I prefer not tell anybody of my family that I work mostly for LabelCos.

I can understand that BrandCos does not want the customers to know about LabelCos. That thought of lower status transfers to the BrandCos people. I can understand that. But in the end BrandCos is financed by LabelCos. That’s something you are not allowed to express openly. Nobody wants to hear about that. But without LabelCos the organisation would be less well-off.

**Andrea:** Thank you very much for the interview. I highly appreciate your support.

## Annex 6 Example memos

### February 2017 - Memo after coding RD and RA interviews

The openness in the interviews and the getting to the core of the peoples values and assumptions is impressive.

All people sense a split between BrandCos and LabelCos. These are not the same and not really regarded as one company. This split seems to be harder to cope with for those employees who know it in a different way, who are there since the PLB business just started or was not that important (approx. 5-6 years ago). All feel a growing pressure and a loss of autonomy, self-determined work due to lack of time for the tasks; due to LabelCos high customer focus; "the customer is always right".

Most of the people like and value to work for BrandCos and they accept LabelCos as it adds to the overall success of the organisation. That provides a bit of safety, at least that is what is learned. Either you leave soon or you stay.

Emotional bondage to BrandCos seems to be higher in the lab compared to documentation, this might be due to the value of the products/higher involvement with the products, or due to the amount of their own creativity that has been put into the product. - I will have to follow up on that.

RA employees describe that they experience a lack of respect as well as a lack of appreciation. Most often from the LabelCos side but also from other departments of the BrandCos side. They do no longer feel or believe that they belong to one family. That experience is mainly due to the CEO's focus or the single superiors -> they celebrated, we had to work

For the next interviews I will start with the vision/mission part to look for how the people interpret that and to give that more focus.

### Further thoughts on vision and mission/management guidelines

Asked about that the respondents all state that the vision-mission statement is only for a part of the company; if at all then only for BrandCos. But even for that the passion and togetherness part is not true for them "we did not develop that together" -> no team/not one company/no involvement

Even those who were involved state that there is not much left of their input as everything has been polished to become very superficial and without emotionality. It does no longer include the employee/passion -> no real involvement?, no real family values?, no real valuation?

Moreover the period of time between working on the statement and publishing was too long. They no longer take it serious. -> loss of commitment on staff side

Is there commitment on management side? -> time gap might mean that such statement is not important

Are the guideline enacted?, is it enough to put the statements on poster? --> Look for that.

### March 2017 – Memo after interviewing QS1/QS2/P1

I had assumed that differences in the motivation to work for the brand or LabelCos would only be perceptible in R&D. Because there are differences with regards to felt status as well as tasks. Work for the brand includes the creative part of product research, contact with suppliers and involvement in the marketing concept, the laboratory work for LabelCos just comprises the parts of weighing, mixing, filling, sampling and stability stress tests. The creative part and deeper involvement with the concept, the active ingredients and the claims is missing.

I was quite astonished when I learned from QC and production that it makes a difference for them if they work on PLB products or on BrandCos products. I had not expected that because the involvement with the product is the same for each product, handling and measuring etc. are the same. Interesting was also the information in a meeting coming from the head of operations that BrandCos employees in the filling department did not understand why BrandCos products were filled externally and they had to fill PLB products instead. That they would want to work on BrandCos because it is "their" brand;

I think it has something to do with values: brand/personal/pride. They believe in what the brand is standing for: quality/exclusiveness/expertise/sophistication; therefore BrandCos products need special attention that only they can give? Pride? --> follow up on that

Problems due to a changing focus -> more work for LabelCos -> time pressure:

fear that quality of the brand is being reduced; they cannot pay enough attention to it; they do not test sufficiently -> deterioration of the brand? --> Is it?

working against personal values: high price = high quality; low price = low quality ("meeting the specification is not that important for PLB") -> that is interesting because PLB customers are very eager that their products are of high quality

feeling of not being acknowledged: high pressure, short timings, being determined by others; "nobody wants to hear what I have to say", "I do make mistakes because I do not have enough time, I hate that" -> question of acknowledgement/not meeting own expectations -> competence?

time pressure also reduces togetherness -> no team spirit -> "they" do make mistakes, "they" push me, "they" transfer responsibility to me -> relatedness?

The Employees deeply identify with BrandCos as a brand and the "old" values (togetherness/quality etc.) of the company - that are currently changing. Deep emotional involvement with the brand makes it difficult for them to work for the PLB business. In reality they seem not to accept that kind of strategy. The only aspect that makes them partially agree and helps them to work for PLB business is that it guarantees their jobs and pays their bills. The PLB business is more or less "a means to an end", externally regulated. As it is just that interfering with the deeply rooted values (core values) of the brand makes them feel bad. It reduces their internal motivation and leads to dissatisfaction. -> competence/pride?

## Annex 7 Example field notes

### 24th October 2016 Meeting between me and head of the CSA team

I asked for the short meeting following an email from CSA (October 20th) to the lab stating the following:

"Time and again we experience that our internal BrandCos test panel is biased when learning that the product is intended for BrandCos or for LabelCos from the labels of the test products. BrandCos instantly causes extremely high, sometimes exaggerated product performance expectations whereas expectations towards LabelCos product performance are low. To avoid such bias in the future we'd like to ask you to omit stating BrandCos or LabelCos on the product samples from now on. Formulation number and name suffice for identification during the tests."

The explanation given during the meeting was twofold: First the testpanel consisting of randomly chosen BrandCos employees would have lower expectations on product performance. That would lead to less critical assessments of LabelCos products, i.e. bias towards slightly better performance. Product assesemnt of BrandCos products would be gerenally very critical so that these products might never suffice the high expectations. Results of such tests would be contradictory to the tests performed by the CSA beauticians in the cabin who would compare the LabelCos products with BrandCos standards. LabelCos products showing poorer performance compared to BrandCos products. Test results would therefore not be reliable. Citation: "we have to turn a blind eye" on the performance of LabelCos products and "we cannot deliberately reduce our test standards". Moreover the external test panel would be eager to test BrandCos because they wanted to have BrandCos and would not be happy to test LabelCos. Learning that name on the product would dissappoint them and lead to a lower response rate. We agreed on skipping the "brand" beginning with the next tests in November.

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It is remarkable that a different name on a otherwise identical packaging can have such an impact - or that somebody expects that to have such an impact. Brand leading to high expectations, PLB being related to low expectations -> biased results. Return rates from external panels point to LabelCos being regarded as being inferior to BrandCos and to be of lesser value, relating value/price/image to performance. - Such results of the qualitative consumer acceptance tests are not confirmed in external instrumental measurements. There the test results show differences due to differences in formulation regardless of brand or PLB.

(Example field note, reflections in the last paragraph)

## 23rd November 2016 - Communication with staff from purchasing and LabelCos

As we had a project between the purchasing, R&D and LabelCos I had the chance to ask all parties involved about the results of the re-structuring of the purchasing department approx. 1 year ago. --> 2 purchasing employees moved their offices closer to LabelCos premises and are since then exclusively working on LabelCos projects (packaging).

### **Uniformly purchasing and LabelCos praised the results and the progress:**

purchasing employees have much better knowledge about customer requirements due to the close contact with LabelCos -> easier communication: spatial proximity/alignment of ideas on customer requirements/alignment of mind-sets

#### requirements from LabelCos point of view:

"The products are much cheaper compared to BrandCos, we can include less gadgets, have to concentrate on the essentials. But we are much quicker." (LC1)

"One needs a completely different mind-set to understand LabelCos. We are customer centred. You need to understand that to be able to work for us. The customer is in the center of our attention" (LC2)

*LabelCos has a different focus that might require different skills? -> negotiation or different attitudes -> bargaining / cost awareness or -> customer focus (not doing what I want but what the customer demands; that's different from BrandCos where the company dictates its customers what to buy ("sales rounds") and determines when and which product is being launched.*

#### pro's:

"The contact to LabelCos is much more direct now. Knowing what is demanded is easier, they can just show samples or easily meet. ... They can concentrate on the relevant suppliers, concentrate on higher volumes, on more simple variations. That makes negotiating much easier." (purchasing)

"They identified with LabelCos. They found their role at LabelCos. Since they are located here they fully integrated within the LabelCos team and they no longer think of BrandCos ....It took some time but now it works very well." (LC2)

#### con's:

"At first they felt uncomfortable .... They somehow felt to have lost status. LabelCos is regarded as less valuable from the BrandCos site. ... Because of the lower margins and the lower prices." (LC2)

"They lost contact with their purchasing colleagues. ... They felt degraded. ... They felt less valued and looked down upon. ... The colleagues doing BrandCos made fun of them like 'you are just doing LabelCos now' 'you are moving to the LabelCos tower'. That wasn't easy. ... And now it is not easy because of the spatial distance to the rest of the department. ... They are losing contact." (purchasing)

*That looks as if motivation to work for LabelCos is related to questions of identification -> team, work group (no longer think of BrandCos - my group is now a different one, I forget about the old one) or task (negotiation/bargaining)?*

*It could also be a question of acquaintance - the better I know someone I can understand him Lower status? Just from BrandCos perspective where that attitude seems to be profound - changing the perspective leads to find different success factors -> identification with the job, focussing on different goals?: I got the best price/I could shorten delivery time?*

(Example field note including coding stripes, thoughts/reflections are in italics.)

## Annex 8 Example for coding of secondary data

*Mission statement coded for family values:*

### MISSION

As a pioneer in professional skincare we create innovative precision formulas and expert solutions, made in Germany. They continue to be a source of inspiration for our partners and our customers – because we take an individual approach to beauty.

### GUIDELINES

We rely on our expertise, and we see the daily challenges we face as opportunities that we can boldly tackle by working together as a team. Our daily interactions are based on our shared understanding of the values of fairness, respect and openness which we have developed together and which determine our actions. Every one of us shares responsibility and contributes passionately to the success of the company. As a part of a family-owned company, we are already thinking about tomorrow today.

### VISION

BrandCos is a recognized scientific authority for innovative skincare and beauty maintenance. Worldwide we are renowned for the excellence of our products and treatments.

Kodierungsdichte  
Focus on Innovation&Market leadership – Expertise, Precision, quality (Domination)  
Focus on Family Values – Respect, Trust, Togetherness

*Mission statement coded for Innovation/Market leadership:*

### MISSION

As a pioneer in professional skincare we create innovative precision formulas and expert solutions, made in Germany. They continue to be a source of inspiration for our partners and our customers – because we take an individual approach to beauty.

### GUIDELINES

We rely on our expertise, and we see the daily challenges we face as opportunities that we can boldly tackle by working together as a team. Our daily interactions are based on our shared understanding of the values of fairness, respect and openness which we have developed together and which determine our actions. Every one of us shares responsibility and contributes passionately to the success of the company. As a part of a family-owned company, we are already thinking about tomorrow today.

### VISION

BrandCos is a recognized scientific authority for innovative skincare and beauty maintenance. Worldwide we are renowned for the excellence of our products and treatments.

Kodierungsdichte  
Focus on Innovation&Market leadership – Expertise, Precision, quality (Domination)

## Annex 9 List of primary (in-vivo) codes

- HISTORIC DEVELOPMENT
- GROWTH - MORE EMPLOYEES
- RITUALS
- JARGON - NOT PERSONAL
- BUILDINGS AND EQUIPMENT
- WORK ENVIRONMENT NOT SUITABLE
- BRANDCOS-LABELCOS ARE 2 COMPANIES
- BARRIERS
- WALLS
- CONFRONTATION-CONFLICT LABELCOS VS. BRANDCOS
- BRANDCOS PEOPLE DO NOT KNOW LABELCOS
- CUSTOMER AND SALES FIGURES DETERMINE THE BUSINESS
- LABELCOS FINANCES BRANDCOS
- LABELCOS - CHEAP, INFERIOR, LOWER STATUS, MASS MARKET
- LABELCOS - EVIL PEOPLE, PEOPLE OF LOWER STATUS
- BRANDCOS = PREMIUM PRODUCTS
- BRANDCOS MORE STABLE PRODUCTS
- DIFFERENT WAYS TO WORK
- BALANCING ACT
- BRANDCOS LAB-EMOTIONALITY
- BRANDCOS WITHOUT DEFINED PROCESSES
- BRANDCOS WITHOUT DECISIVENESS
- LABELCOS DETERMINES THE WORK-PROCESSES
- LABELCOS = QUICKLY, QUICKLY
- LABELCOS WORKS WITH SHAREPOINT LISTS
- GOAL CONFLICT QUALITY OR QUANTITY
- GOAL AMOUNT BULK PER DAY
- WORKING OVER HOURS
- GOAL AMOUNT OF PRODUCTS PER DAY
- GOAL HIGH MARGINS, CHEAP FORMULAS
- GOAL PRODUCE BIGGER BATCHES FOR MASS-MARKET
- GOAL REPRODUCIBLE PRODUCTION
- TO ATTEND TO THE PRODUCT
- PUBLIC IMAGE COMMUNICATED BY BRANDCOS
- TECHNIZATION
- CREATED IMAGE IS FAR TOO TECHNICAL
- CREATED IMAGE IS STRAIGHT - CLEAN - GREY - STERILE
- ONE IS TREATED BY MACHINES
- BRANDCOS – EMOTIONS
- LACK OF TRANSPARENCY
- MAILS AND WRITTEN MEMOS
- TELEPHONE
- ORAL COMMUNICATION IN MEETINGS
- NO MEETING PROTOCOLS
- LACK OF COMMUNICATION
- NO STATUS INFORMATION-COMMUNICATION
- COMPETENCE - PRIDE
- CREATIVITY
- JOB SECURITY
- JOB SIGNIFICANCE
- PERMANENT LEARNING
- REWARD - APPROVAL
- FEELING OF SUCCESS
- COMPLIMENT FOR GOOD WORK
- TEAMWORK
- TOGETHER
- TRUST
- OPEN ERROR CULTURE IN R&D
- IDENTIFICATION WITH THE COMPANY-BRAND BRANDCOS
- IDENTIFICATION WITH THE PRODUCT
- IT IS MY BABY - IT IS MY PROJECT
- PERSONAL DEVELOPMENT IN THE COMPANY
- PLEASURE AT WORK
- SELF-DETERMINED WAY OF WORKING
- TO BRING IN ONE'S OWN IDEAS
- TO ACHIEVE SOMETHING
- DE-MOTIVATION
- CONFLICT WITH OTHER DEPARTMENTS-TASK GROUPS
- WORKING AGAINST EACH OTHER
- LACK OF TRUST
- FRUSTRATION
- SUPERIOR OVERRULES
- WORK IS EXTERNALLY CONTROLLED
- TIME PRESSURE
- CONVEYOR BELT WORK
- WORKING ON A GALLEY
- SLAVING AWAY
- TO DO IN QUICK SUCCESSION
- WORKLOAD INCREASES
- ZERO MISTAKES
- ACCUSATION
- FINGER-POINTING
- NEED TO SELF-EXCULPATE
- FEAR
- RESPONSIBILITY
- FAMILY BUSINESS
- EMPLOYEES ARE NOT IMPORTANT
- HIGH SPENDING FOR PR
- GUIDELINES ARE JUST A CURTAIN
- MISSION – SENSE OF WELL-BEING IS MISSING
- MISSION-VISION ARE NOT ENACTED
- BRANDCOS - NO EQUAL TREATMENT OF DEPARTMENTS
- LACK OF POLITENESS
- STATEMENTS ARE ONLY FOR A PART OF THE COMPANY
- LACK OF APPRECIATION OF THEMSELVES
- LACK OF APPRECIATION OF WORK - BRANDCOS
- LACK OF APPRECIATION OF WORK - LABELCOS
- LACK OF RESPECT/FAIRNESS

## Annex 10 Sorting and grouping primary codes

### *Condensing and sorting the codes and adding the management view*

#### **a) Interviews = employee perspective:**

Historical view

- Historic Development/growth - more employees

Culture:

- Guidelines are just a curtain/Mission – sense of well-being is missing/Mission-Vision are not enacted/ Statements are only for a part of the company
- Family Business/employees are not important/Lack of politeness/lack of appreciation of themselves/ lack of appreciation of work – BrandCos/lack of appreciation of work – LabelCos/lack of respect/fairness
- Rituals/Jargon - not personal
- BrandCos-LabelCos are 2 companies/Barriers/walls/confrontation-conflict LabelCos vs. BrandCos/BrandCos people do not know LabelCos
- Different ways to work/Balancing Act
- LabelCos determines the work-processes/LabelCos = quickly, quickly/LabelCos works with Sharepoint lists
- BrandCos without defined processes/BrandCos without decisiveness/No meeting protocols/Lack of communication/no status information-communication/Lack of Transparency
- Customer and sales figures determine the business
- Goal conflict quality or quantity/Goal amount bulk per day/working over hours/Goal amount of products per day/Goal high margins, cheap formulas/Goal produce bigger batches for mass-market/Goal reproducible production/To attend to the product
- LabelCos - cheap, inferior, lower status, mass market/LabelCos - evil people, people of lower status
- BrandCos = premium products/BrandCos more stable products/BrandCos Lab-emotionality/BrandCos – Emotions
- Public image communicated by BrandCos/technization/created image is far too technical/created image is straight - clean - grey – sterile/one is treated by machines
- BrandCos - no equal treatment of departments/High spending for PR
- Buildings and Equipment/work environment not suitable

Motivational Factors

- Job Security/LabelCos finances BrandCos
- Reward – Approval/ compliment for good work/personal development in the company/to achieve something
- Creativity/to bring in one's own ideas
- self-determined way of working
- Job significance/Permanent Learning/competence - pride
- Teamwork/together/Trust/Open error culture in R&D
- Feeling of success/pleasure at work
- identification with the company-brand BrandCos
- identification with the product/It is my Baby - it is my project

De-Motivation

- Conflict with other departments-task groups/working against each other
- Lack of Trust/Work is externally controlled frustration/superior overrules
- Time Pressure/conveyor belt work/working on a galley/slaving away/to do in quick succession
- Workload increases/responsibility
- Zero mistakes/Accusation/Finger-pointing/Need to self-exculpate/Fear

#### **B) secondary data = management perspective**

BrandCos

- Family
- Innovation + Market leadership
- Sustainability

LabelCos

- Cost efficacy – speed
- Customer focus
- Reliability and quality



## Annex 11 Final themes with corresponding in-vivo codes

Themes and final codes	Corresponding In-vivo codes
<b>Staff View: Is that still my company - we are a two-tier society - culture enacted</b>	
Historical Development	Growth-more employees
Barriers between BrandCos & LabelCos	BrandCos-LabelCos are 2 companies/Barriers/walls/confrontation-conflict LabelCos vs. BrandCos/BrandCos people do not know LabelCos
<ul style="list-style-type: none"> <li>Balancing Act - different mind-sets required</li> </ul>	Different ways to work/Balancing Act
<ul style="list-style-type: none"> <li>Status differences</li> </ul>	BrandCos = premium products/BrandCos more stable products/BrandCos Lab-emotionality/BrandCos – Emotions LabelCos - cheap, inferior, lower status, mass market/LabelCos - evil people, people of lower status Buildings and Equipment/work environment not suitable
<ul style="list-style-type: none"> <li>Mission &amp; Vision statement</li> </ul>	Guidelines are just a curtain/Mission – sense of well-being is missing/Mission-Vision are not enacted/ Statements are only for a part of the company
BrandCos Culture	
<ul style="list-style-type: none"> <li>Loss of emotions</li> </ul>	Public image communicated by BrandCos/technization/created image is far too technical/created image is straight - clean - grey – sterile/one is treated by machines
<ul style="list-style-type: none"> <li>Loss of (social) responsibility</li> </ul>	Jargon - not personal/ employees are not important/Lack of politeness
<ul style="list-style-type: none"> <li>Loss of Expertise-quality</li> </ul>	BrandCos without defined processes/BrandCos without decisiveness/No meeting protocols/Lack of communication/no status information-communication/Lack of Transparency
<ul style="list-style-type: none"> <li>Loss of Family values</li> </ul>	BrandCos - no equal treatment of departments/High spending for PR/Rituals/ lack of appreciation of themselves/ lack of appreciation of work – BrandCos/lack of appreciation of work – LabelCos/lack of respect/fairness/Family Business
LabelCos	
<ul style="list-style-type: none"> <li>Cost efficacy - speed - goal conflict quality vs. quantity</li> </ul>	Goal amount bulk per day/working over hours/Goal amount of products per day/Goal high margins, cheap formulas/Goal produce bigger batches for mass-market/Goal reproducible production/To attend to the product/LabelCos determines the work-processes/LabelCos = quickly, quickly
<ul style="list-style-type: none"> <li>Customer focus - customer and sales figures determine the business</li> </ul>	Customer and sales figures determine the business
<ul style="list-style-type: none"> <li>reliability and quality - not enacted</li> </ul>	Goal conflict quality or quantity
<b>Staff View: We do bear all the burdens -- DEMOTIVATION</b>	
increasing time pressure	Time Pressure/conveyor belt work/working on a galley/slaving away/to do in quick succession/Workload increases/responsibility
psychological needs	
<ul style="list-style-type: none"> <li>lack of autonomy</li> </ul>	Superior overrules/frustration/work is controlled
<ul style="list-style-type: none"> <li>lack of recognition of competence</li> </ul>	Lack of Trust/Work is externally lack of appreciation of themselves/ lack of appreciation of work/lack of respect/fairness Zero mistakes/accusation/Finger-pointing/Need to self-exculpate/fear
<ul style="list-style-type: none"> <li>loss of relatedness</li> </ul>	Conflict with other departments-task groups/working against each other
<b>Staff View: What I appreciate – MOTIVATION</b>	
extrinsic regulation	Job Security/LabelCos finances BrandCos Reward/complement for good work personal development in the company/to achieve something
psychological needs	
<ul style="list-style-type: none"> <li>Need for autonomy</li> </ul>	Creativity/to bring in one's own ideas/self-determined way of working
<ul style="list-style-type: none"> <li>Need for competence</li> </ul>	Job significance/Permanent Learning/Competence
<ul style="list-style-type: none"> <li>Need for relatedness</li> </ul>	Teamwork/together/Trust/Open error culture in R&D
<ul style="list-style-type: none"> <li>Need satisfaction results in...</li> </ul>	identification with the company-brand BrandCos/identification with the product/It is my Baby - it is my project Feeling of success/pleasure at work/pride

Themes and final codes	Corresponding In-vivo codes
<b>Management View on Organisational Culture</b>	
<b>BrandCos</b>	
• Family values	family tradition, enthusiasm, indulgence
• Innovation + Market leadership	expertise, precision, quality, BrandCos world, Pioneer in Professional Skincare
• Sustainability	Sustainable, Social responsibility
<b>LabelCos</b>	
• cost efficacy - speed	Cost efficiency, efficient logistics, short reaction times
• customer focus - customized solutions	Customised solutions, We understand the Retail World
• reliability and quality	Reliable partner, outstanding quality, Iso certificates

## Annex 12 Themes, codes and examples of coded data

Themes and final codes	Corresponding In-vivo codes
Staff View: Is that still my company - we are a two-tier society - culture enacted	
Historical Development	Growth-more employees
Barriers between BrandCos & LabelCos	<ul style="list-style-type: none"> <li>BrandCos-LabelCos are 2 companies/Barriers/walls/confrontation-conflict LabelCos vs. BrandCos/BrandCos people do not know LabelCos</li> </ul>
Data coded therein	
<ul style="list-style-type: none"> <li>Fieldnote - Owner: Am Anfang hat man sich hier die Köpfe eingeschlagen. Nicht im Labor, aber im Vertrieb. Dies lief parallel gar nicht. Erst die Trennung der Vertriebsseinheiten und die Einstellung von Retail-Profis, bzw. Retail Orientierten brachte dort Besserung.</li> <li>RA1: Es gibt eine Konfrontation mit LabelCos. Irgendwie ist das auch nicht Eins. Das ist eigentlich wie zwei Firmen.</li> <li>RA2: Es wir immer getrennt. Wir predigen das Große und Ganze. Aber es gibt große Mauern zwischen BrandCos und LabelCos.</li> <li>RA3: Es gibt Mauern. Das gibt es echt die Konfrontation mit einer Anti-Partei. Die Auszubildenen, die sind ja am Anfang bei uns und ich weiß nicht, ob sie das schon wissen, das mit BrandCos und LabelCos. Die sagen da auch nichts. Und ich denke, die wissen es nicht. Ich hätte das gern am Anfang gewusst. Manche wissen ja gar nichts davon. BrandCos-Marketing, die wissen ja gar nichts von LabelCos. Irgendwie ist BrandCos-Konzern so wie die Titanic. Oben ist High-Class, unten ist LabelCos. Die unten arbeiten ja und oben die merken nichts davon.</li> <li>RA4: Bei LabelCos, die denken genau anders herum. Das ist schwer zu beschreiben. Denen man immer alles erklären muss. Da trifft man nur auf Unverständnis.</li> <li>RD1: X hat gesagt, wir müssen bei LabelCos ja nicht denken, wir müssen nur rühren. Dabei denken wir. Ich weiß, was ich kann. Aber das tut schon weh.</li> <li>RD3: Und von oben wird auch nicht gelebt, dass beides gleich ist - oder gleich wichtig. Der CEO kommt ins Meeting und sagt "Bei BrandCos feiern sie die Schönheit, wir feiern bei LabelCos den Erfolg". Wenn er nur hinter LabelCos steht, soll er doch nur da die Geschäftsführung machen. Er ist aber auch BrandCos. Also, man hat das Gefühl, dass da auch Unterschiede gepflegt werden.</li> <li>LC1: Ja. Wir haben auch keinen Tarifvertrag, keine Stempeluhr, keine Gleitzeit. Wir sind anders. Wir haben auch keinen Betriebsrat. Wir haben alle individuelle Verträge. Es steht zur Arbeitszeit z.B. Überstunden sind mit dem Gehalt abgegolten, auch im Assistenzbereich.</li> <li>LC2: Wir arbeiten einfach unterschiedlich. Da ist nichts Gemeinsames. Wir sind zum Beispiel viel schneller beim Umsetzen der neuesten Produkte. Außerdem haben die bei BrandCos die Nase hoch. Vor allem im Marketing. Da sieht man, dass wir nicht zusammengehören. Die passen einfach nicht zu uns. Wir haben mit der BrandCos-Welt nicht viel zu tun.</li> <li>Fieldnote - Company Celebration: Die GF unterscheidet zwischen BrandCos und LabelCos alleine durch die Begrüssung: Hallo BrandCos Leute und hallo LabelCos Leute. Wir sind eben NICHT alle die BrandCos-KG, wir sind BrandCos und LabelCos, was also sind die, die beides machen??</li> </ul>	
<ul style="list-style-type: none"> <li>Balancing Act - different mind-sets required</li> </ul>	<ul style="list-style-type: none"> <li>Different ways to work/Balancing Act</li> </ul>
Data coded therein	
<ul style="list-style-type: none"> <li>RD1: Jetzt sitze ich immer zwischen 2 Stühlen. Einmal kreativ, dann wieder schnell schnell.</li> <li>RD2: Die Kreativität und das Bewusste bekommt man bei LabelCos nicht mehr unter. Ich kann nicht auf Knopfdruck was leisten ... und jetzt muss ich denken, das geht nicht. Das ist kein ausgeglichener Rhythmus.</li> <li>RD3: Da sind wir wieder bei dem Punkt, dass BrandCos und LabelCos auseinander gehen und dass wir diesen Spagat machen müssen. Solche Extreme, wo dann irgendwo Du denkst, jetzt musst Du wieder komplett einen Schalter umlegen.</li> <li>RD5: Ich habe das Gefühl, die Trennung zwischen BrandCos und LabelCos wird immer größer.</li> </ul>	

**Kommentar [AW1]:** In the beginning, they broke their skulls. Not in the laboratory, but in sales. Both strategies just did not work out in parallel. Only the separation of the sales units of BrandCos and LabelCos and the hiring of retail-oriented people led to an improvement.

**Kommentar [AW2]:** There are barriers. They want a unified organisation but there are large barriers between the departments and BrandCos and LabelCos.

**Kommentar [AW3]:** Confrontation with an anti-party

**Kommentar [AW4]:** The trainees, they don't know either.

**Kommentar [AW5]:** Somehow the BrandCos group is like the Titanic. On-top there is BrandCos, the high-class, below there is LabelCos, the third class. The ones below work hard but the ones on top are not even aware of them

**Kommentar [AW6]:** She said that we don't need to thing. That we just stir and mix. But we do think. I know what I am capable of. But such utterances hurt.

**Kommentar [AW7]:** And the ones on top they do not even enact both parts to be equal or equally important. CEO3 comes to the meeting and says: 'At BrandCos they celebrate beauty, at LabelCos we celebrate success'. He just supports LabelCos. But he's supposed to be manager of the whole organisation. He's also BrandCos. Hence you get the impression that differences are fostered

**Kommentar [AW8]:** We don't have a works council, no flexible working hours. We all have our individually negotiated contracts with LabelCos.

**Kommentar [AW9]:** quick to respond to new things coming up

**Kommentar [AW10]:** them at BrandCos

**Kommentar [AW11]:** you can see that they do not belong to us

**Kommentar [AW12]:** we do not have much in common with the BrandCos-world

**Kommentar [AW13]:** to always sit between two stools

**Kommentar [AW14]:** That is again our daily balancing act of permanently flipping a switch and changing between two extremes.

Die Trennung der Arbeitsweise gibt es und die ist gravierend unterschiedlich.

- LC1:  
Wenn jetzt BrandCos Marketing auch für LabelCos arbeiten sollte, dann müsste man sie gut vorbereiten. Sonst fühlen sie sich herabgesetzt. Sie verlieren Privilegien. Sie können dann die Marke nicht mehr selbst führen, keine teuren Verpackungen entwickeln, keine Luxusprodukte mehr. Das ist ein Statusverlust.  
BrandCos und LabelCos ziehen an verschiedenen Enden des Seils. Das gibt Konflikte. Das passt nicht zusammen. Wir sind immer am Puls der Zeit und schnell. Sie sind teuer und was Besseres.
- LC2:  
Um LabelCos zu verstehen, braucht man eine völlig andere Einstellung.  
Wir sind kundenorientiert. Der Kunde entscheidet alles. Wir geben keine Produkte vor, auch nicht, was der Kunde kaufen muss.  
Man braucht für die verschiedenen Strategien völlig unterschiedliche Leute.  
BrandCos und LabelCos braucht Leute mit völlig verschiedenen Grundeinstellungen.

• Status differences

- BrandCos = premium products/BrandCos more stable products/BrandCos Lab-emotionality/BrandCos – Emotions
- LabelCos - cheap, inferior, lower status, mass market/LabelCos - evil people, people of lower status
- Buildings and Equipment/work environment not suitable

Data coded therein

- RA2:  
Bei BrandCos fördert man ja auch das Bild, dass die Produkte für den Supermarkt nicht so gut sein können, wie die von BrandCos. Man glaubt das hier auch.  
Die BrandCos Kunden, die Kosmetikerinnen, denen sagt man immer, dass wir hier nur für Massmarkt-Kunden abfüllen. Aber das stimmt nicht. Warum können wir nicht die Wahrheit sagen? Ich meine, ich mache ja beides. Da ist kein Unterschied in der Qualität meiner Arbeit.  
Warum kann ich nicht auf alles was ich mache stolz sein?  
BrandCos Marketing, die bekommen alle Anerkennung des Managements, wir werden niemals genannt. LabelCos, das sind irgendwie die Bösen.
- RA3:  
Und als ich hier neu angefangen habe. Da wusste ich ja nicht, was LabelCos ist. Ich dachte, das ist was Großes, was Böses, ein böser Mann.  
Und uns bemerkt man nicht.  
Für uns war die Kacke am Dampfen und die haben sich auf der Schicky-Micky Party gefeiert.  
Da merkst Du doch, dass da was nicht stimmt. Die GF will, dass BrandCos und LabelCos so eins ist, aber das passt nicht. Das hat einen völlig unterschiedlichen Stellenwert.  
Man bekommt immer das Gefühl, dass LabelCos nur Menschen zweiter Klasse sind.  
Irgendwie ist das wie auf der Titanic. Oben ist BrandCos, die Oberschicht, unten ist LabelCos, die dritte Klasse. Die unten arbeiten hart und die oben bekommen davon gar nichts mit.
- RA4:  
Bei LabelCos ist alles schwieriger, weil man da die Kunden extern sitzen hat, und das geht dann eigentlich auch immer noch über einen Mittelsmann, der dann dazwischen sitzt. Das ist eben ganz anders als bei BrandCos.
- RD1:  
Ich wollte auch nicht LabelCos machen, aber wenn es sein muss, dann mache ich das eben. Auch wenn es nicht einen so hohen Image-Stellenwert hat.
- RD2:  
Es ist emotionaler die BrandCos Produkte zu entwickeln. Die sind für den Entwickler viel mehr wert. Das ist halt Premium. Luxus, Emotion.
- RD3:  
Man wie, dass man im Prinzip am Labortisch dasselbe macht, aber gefühlsmäßig eigentlich nicht, irgendwie. Weil LabelCos sitzt da unten, BrandCos da oben.  
MT sagt, wir machen bei LabelCos keine Trends. Dabei beobachten wir ja immer alles ganz genau. Neue Produkte und Rohstoffe. Das kommt sowohl BrandCos als auch LabelCos zu Gute.
- RD4:  
Manchmal hat man das Gefühl, bei BrandCos spielen Geld- und Personenressource keine Rolle.  
Und bei LabelCos, gibt es das Geld nicht und alles ist zu teuer.
- RD6:  
Für mich als Entwickler hat LabelCos auf jeden Fall einen geringeren Stellenwert.  
BrandCos ist hochwertiger. Das ist der Profi in der Branche.
- P1:  
Und die BrandCos Produkte, die sind eben auch besser und stabiler als die LabelCos produkte. Da muss ja auch ein Unterschied sein, bei dem Preis.
- QS1:  
Auf der einen Seite wird gesagt, man soll nicht über LabelCos sprechen und man muss alles verstecken, also verheimlichen, bei Foto-Shootings zum Beispiel, aber auf der anderen Seite macht ja BrandCos nur noch einen kleinen Teil von dem aus was produziert wird und womit ich zu tun habe.

**Kommentar [AW15]:** When marketing employees of BrandCos shall also work on LabelCos projects they have to be prepared carefully for that. Otherwise they will feel deprived of privileges. [...] managing the brand, developing expensive packaging, working on luxurious products. They'd loose status.

**Kommentar [AW16]:** BrandCos and LabelCos pull at different ends of the same rope. That creates conflict.

**Kommentar [AW17]:** always in touch with the latest trends

**Kommentar [AW18]:** One needs a completely different mind-set to understand LabelCos. We are customer centred. The customer decides. We do not dictate products or what to purchase.

**Kommentar [AW19]:** BrandCos supports the image that supermarket cosmetics are not as good as BrandCos products. BrandCos is convinced that that is true. BrandCos customers, the beauticians, are told that we just fill for mass-market customers, but that is not true. Why can't we tell the truth? I mean I do the same work for both. There is no difference in the quality of my work.

**Kommentar [AW20]:** Why am I not allowed to be proud of all my work?

**Kommentar [AW21]:** They get all the appreciation of BrandCos management whereas we are never mentioned

**Kommentar [AW22]:** they are the bad guys

**Kommentar [AW23]:** I did not know what LabelCos was when I came. I thought it was a man, something big, but nobody told me. I would have preferred to know right from the start.

**Kommentar [AW24]:** For us the shit had hit the fan and they celebrated themselves at that expensive fancy-schmancy party

**Kommentar [AW25]:** LabelCos are second-class people

**Kommentar [AW26]:** Somehow the BrandCos group is like the Titanic. On-top there is BrandCos, the high-class, below there is LabelCos, the third class. The ones below work hard but the ones on top are not even aware of them.

**Kommentar [AW27]:** I do it [LabelCos] because I have to. Even though it does not have such a high status and good image.

**Kommentar [AW28]:** actively monitor the market of products and raw materials

**Kommentar [AW29]:** LabelCos is of minor value. BrandCos is superior

**Kommentar [AW30]:** On the one hand they say that we shall not talk about LabelCos and we have to hide everything, e.g. for photo-shootings, but on the other hand BrandCos makes only a small part of our overall production and my daily work.

<ul style="list-style-type: none"> <li>• QS2: Der andere Teil der Firma, der macht ja eher die Sachen, die schnell sein müssen. Da kann man ja nicht so viel Qualität erwarten. Das hat einen anderen Level, nicht so hochklassig wie wir bei BrandCos.</li> <li>• Fieldnote – Meeting BrandCos MT with R&amp;D MT1: Das Zeug, dass Ihr da für LabelCos macht. Das ist doch nur ein 2,50€ Crème, das kann man mit uns ja nicht vergleichen. Das ist nichts für uns. Das ist ja schon im Waschmittel angekommen. Das ist eine Idee für Private Label. MT2: Bei LabelCos könnt Ihr doch eh nichts Vernünftiges rein tun. Das ist billig, Massmarket. Ihr macht ja eh nur Private Label. Da wisst Ihr ja nicht was gerade Trend ist.</li> <li>• RA2: Bei uns an den Toiletten da ist oben am Fenster ein Loch. Das hab ich gemeldet, aber nichts tut sich. Es zieht ein, es ist laut. Und immer die Gerüche aus der Produktion. Wartum tut man hier nicht mal was. Und wenn ich dann vergleiche, das ist, was es dann ausmacht. Im Hauptgebäude ist alles tip-top. Tolle Bilder an der Wand. Hier sind die Toiletten useilig und da wollen sie den teuren Marmorboden rausreißen.</li> <li>• RA4: Und unter Dir die Produktion. Es rappelt es und rüttelt. Du fühlst Dich wie am Flughafen. Das ist einfach nicht schön hier. Der neue Eingang ist schon ein Statement.</li> </ul>	
• Mission & Vision statement	• Guidelines are just a curtain/Mission – sense of well-being is missing/Mission-Vision are not enacted/ Statements are only for a part of the company
BrandCos Culture	
• Loss of emotions	• Public image communicated by BrandCos/technization/created image is far too technical/created image is straight - clean - grey – sterile/one is treated by machines
• Loss of (social) responsibility	• Jargon - not personal/ employees are not important/Lack of politeness
• Loss of Expertise-quality	• BrandCos without defined processes/BrandCos without decisiveness/No meeting protocols/Lack of communication/no status information-communication/Lack of Transparency
• Loss of Family values	• BrandCos - no equal treatment of departments/High spending for PR/ Rituals/ lack of appreciation of themselves/ lack of appreciation of work – BrandCos/lack of appreciation of work – LabelCos/lack of respect/fairness/Family Business
LabelCos	
• Cost efficacy - speed - goal conflict quality vs. quantity	• Goal amount bulk per day/working over hours/Goal amount of products per day/Goal high margins, cheap formulas/Goal produce bigger batches for mass-market/Goal reproducible production/To attend to the product/LabelCos determines the work-processes/LabelCos = quickly, quickly
• Customer focus - customer and sales figures determine the business	• Customer and sales figures determine the business
• reliability and quality - not enacted	• Goal conflict quality or quantity
Staff View: We do bear all the burdens -- DEMOTIVATION	
increasing time pressure	• Time Pressure/conveyor belt work/working on a galley/slaving away/to do in quick succession/Workload increases/responsibility
psychological needs	
• lack of autonomy	Superior overrules/frustration/work is controlled
• lack of recognition of competence	• Lack of Trust/Work is externally lack of appreciation of themselves/ lack of appreciation of work/lack of respect/fairness • Zero mistakes/accusation/Finger-pointing/Need to self-exculpate/fear
• loss of relatedness	• Conflict with other departments-task groups/working against each other

Kommentar [AW31]: the other part of the company that is a different level, not as high-class as us

Kommentar [AW32]: That's only a 2,50 € cream, you can't compare that with us

Kommentar [AW33]: your ideas fit PLB but not us

Kommentar [AW34]: You can't put anything of value in that cheap stuff anyway

Kommentar [AW35]: you are mostly just doing PLB

Kommentar [AW36]: And when I compare - that's what makes it stark! In the main buildings everything is spic-and-span. There are terrific pictures hanging on the walls. Here the toilets are old and there they redo that expensive marble floor.

Kommentar [AW37]: Production underneath, everything rattles, you feel like sitting on an airport

Kommentar [AW38]: The new entrance hall is a statement

Staff View: What I appreciate -- MOTIVATION

extrinsic regulation

- Job Security/LabelCos finances BrandCos
- Reward/complement for good work
- personal development in the company/to achieve something

Data coded therein

- RA4: BrandCos ist ein sicheres, zuverlässiges, familiär geführtes Unternehmen und somit ein attraktiver Arbeitgeber. BrandCos ist immer, auch durch die Töchterfirmen, ein wachsendes Unternehmen gewesen, was ich als Arbeitnehmer als sehr beruhigend empfinde, weil mir dies Sicherheit in Bezug auf meinen Arbeitsplatz gibt. Weil ich jetzt auch die Bedeutung von LabelCos kenne. Bei mir kommt das ganz klar an. Ohne LabelCos würden wir auch wirtschaftlich nicht so gut dastehen. Das ist ganz klar rüber gekommen. LabelCos finanziert BrandCos.
- RD1: Die Firma ist auf Erfolgskurs. BrandCos geht es gut und soll es noch besser gehen. BrandCos wird ja letztendlich durch LabelCos finanziert. Ohne LabelCos wäre die Firma viel schlechter dran.
- RD3: Der Standort Aachen ist für mich extrem wichtig. Wobei ich durchaus sehe, das LabelCos Umsatz bringt, Arbeitsplätze bringt. Wenn ich mir überlege, hätten wir LabelCos nicht, wie viele Leute wären wir dann. Wie viele Leute in der Produktion, Abfüllung...das ist mir durchaus bewusst, und so gesehen war das schon eine gute Idee, ein 2. Standbein aufzubauen
- P1: Auf jeden Fall. Wir waren zuerst 9 in der Produktion, als ich Teamleiter wurde, waren wir 14 und jetzt sind wir schon 18 Personen. Jeder weiß, dass auch sein Arbeitsplatz von LabelCos abhängt. Das ist hier sehr wichtig.
- QC1: Das ist in jedem Fall besser als keinen Job zu haben. Hier herum gibt es nichts anderes.
- QC2: BrandCos ist aber für mich das Herz des Ganzen, und LabelCos ist das Portmonaie. Ohne LabelCos wäre BrandCos nicht, was wir heute sind, LabelCos wäre aber ohne BrandCos auch nicht das geworden was sie sind.
- P1: Meine Ausbildung habe ich 1994 abgeschlossen und bin dann Gruppenleiter der Herstellung geworden. Bis 1999 habe ich meinen Betriebswirt angefangen und bin gleichzeitig Teamleiter der gesamten Produktion geworden. Dort habe ich das Personal geführt, mich um HV gekümmert und Verbesserungen eingeführt. Meine Ausbildung war mir nie genug. Ich wollte immer mehr Verantwortung übernehmen.
- P2: Immer nur dieselben Aufgaben machen. Ich möchte schon mehr Herausforderung, auch andere Aufgaben. Ich würde gerne etwas erreichen.
- QC2: Mein Bestreben war es schon immer hier im Betrieb, über 30 Jahre, mich weiter zu entwickeln. Ich habe in der Abfüllung angefangen und durch Leistung gezeigt, dass ich weiter kommen möchte. Ich wurde Maschinenführerin, bin in die Inprozesskontrolle gerutscht, dadurch in die QS. Und habe immer versucht, weiter zu kommen, was ich auch immer wieder gesagt und gezeigt habe.
- QC1: Man honoriert die Leistung nicht hinsichtlich Position und Finanziellem. Das ist sehr undankbar. Ich würde mir schon wünschen, dass man meine Leistung anerkennt.
- QC2: Und eine höhere Entlohnung, darüber freut sich jeder. Ich hab' immer wieder gezeigt, dass ich mehr machen und mehr erreichen wollte. Das wurde nie belohnt. Im Endeffekt ist es frustrierend wenn man immer wieder fragt, was man tun kann, um weiter zu kommen. Aber wenn man dann gesagt bekommt, Du musst sehen, dass das Glas halb voll ist, nicht halb leer. Ich würde mir wünschen, dass der Einsatz anerkannt würde. Dass die Arbeit mehr anerkannt und geschätzt wird, dass das auch mal offen angesprochen wird. Positives Feedback fände ich gut.
- RA2: Leider bekommen wir von den meisten auch keinerlei Wertschätzung für die Arbeit. Kein Feedback. Egal was wir alles möglich machen, es kommt seitens LabelCos so gut wie nie ein „Danke“. Das ist sehr schade. Feedback wäre schon schön. Wir werden irgendwie nicht wahrgenommen.
- RA4: Oder Anerkennung, man bekommt nie ein positives Feedback. Ganz gleich, wie sehr wir uns anstrengen. Wie bekommen nie ein Danke von LabelCos. Das braucht man aber. Das ist schon ernüchternd. Mit den Kleinigkeiten könnte man die Mitarbeiter gut motivieren und die Wertschätzung zum Ausdruck bringen.

Kommentar [AW39]: LabelCos finances BrandCos

Kommentar [AW40]: without LabelCos the organisation would be less well-off

Kommentar [AW41]: our jobs depend on LabelCos

Kommentar [AW42]: It's better than having no job. There's nothing else in the surroundings where I could work

Kommentar [AW43]: BrandCos is the heart and LabelCos is the purse

Kommentar [AW44]: My apprenticeship was not enough. I wanted to get more responsibility

Kommentar [AW45]: I want to take on more challenging duties.

Kommentar [AW46]: Performance is not rewarded - neither with regards to salary nor with regards to position.

Kommentar [AW47]: really wish that my performance was appreciated

Kommentar [AW48]: Everybody is happy about a higher salary. I always showed that I wanted to do and achieve more, but it was never rewarded

Kommentar [AW49]: positive feedback is what I need

Kommentar [AW50]: Feedback would be nice. We feel as not being recognized at all

Kommentar [AW51]: Nobody appreciates our work. No matter how hard we try, from LabelCos we never get a thank you. That is very disappointing

<ul style="list-style-type: none"> <li>RD1: Man wird nicht wichtig genommen. Man will ja nicht immer nur Lob haben, aber ist schön zu hören, wenn einer loben kann und dass er es auch ernst meint, nicht als Bonbon sondern als ehrliches Feedback.</li> </ul>	<p><b>Kommentar [AW52]:</b> We are not regarded as being important. It's not that I want praise all the time but I'd like feedback and some appreciation.</p>
<p>psychological needs</p>	
<ul style="list-style-type: none"> <li>Need for autonomy</li> <li>Creativity/to bring in one's own ideas/self-determined way of working</li> </ul>	
<p>Data coded therein</p>	
<ul style="list-style-type: none"> <li>RD1: Bei BrandCos kann der Entwickler da viel mehr mitbestimmen, Wirkstoffe auswählen, selbstständig Grundlagen aussuchen und eben eigene Vorschläge machen. Ich gehe mit einem befriedigenden Gefühl nach Hause, wenn ich weiß ich habe nachgedacht und selbst was gemacht. Ich habe eigenen Ideen eingebracht. Aber ich hatte Zeit nachzudenken. Bei LabelCos hast Du keinen Platz für eigene Ideen. Und dieser Spagat. Ich sitze immer zwischen zwei Stühlen. Ich fühle mich wie ein Gummiband an dem man an zwei Enden zieht.</li> </ul>	<p><b>Kommentar [AW53]:</b> bring in own ideas</p> <p><b>Kommentar [AW54]:</b> leaves no room for own ideas</p>
<ul style="list-style-type: none"> <li>RD2: Dass man mehr im Thema bleibt, bei BrandCos besser einbezogen ist. Ich möchte meine Kenntnisse und meine Kreativität einbringen. Eigene Ideen umsetzen. Das macht viel mehr Spaß. Die Kreativität und das Bewusste, das macht viel Spaß. Da sind LabelCos und BrandCos total unterschiedlich. Entsprechend ist man auch auf ein BrandCos Produkt, das man entwickelt hat, viel stolzer. Und dann der Druck durch LabelCos. Man kann mir noch so oft sagen, dass die gut arbeite, wenn ich auch weiß, dass die GF immer mehr Ansätze erwartet.</li> </ul>	<p><b>Kommentar [AW55]:</b> I am feeling like a rubber band that is torn in opposing directions</p> <p><b>Kommentar [AW56]:</b> I want to use my skills and my creativity</p> <p><b>Kommentar [AW57]:</b> significantly different</p> <p><b>Kommentar [AW58]:</b> more proud when working on BrandCos products</p>
<ul style="list-style-type: none"> <li>RD3: Ich probiere auch gerne Neues aus, etwas was ich noch nicht kenne und kann Eintönigkeit langweilt mich, macht mich träge und unkonzentriert. Ich möchte meine eigenen Gedanken und meine Kreativität einbringen. Bei den Briefings mitmachen. Dann bin ich mehr verantwortlich für das Produkt. Bei LabelCos ist man irgendwie entmündigt. Da wird wesentlich mehr vorgegeben, da hat man als Entwickler keinen Spielraum. Man bekommt Spezifikationen, Vorgaben für Inhaltsstoffe, auch die Mengen. Du mußt 1% davon nehmen und 2% davon. Du musst den anderen folgen und die Regeln der Kunden beachten.</li> </ul>	<p><b>Kommentar [AW59]:</b> Even if they praise the quality of my work I can't be motivated knowing that general management always expects more batches for LabelCos.</p> <p><b>Kommentar [AW60]:</b> I like to use my thoughts and creativity, to participate in the briefings. That increases my responsibility for the product</p> <p><b>Kommentar [AW61]:</b> precise specifications and defined ingredients and amounts of ingredients to be used. You have to take 1% of this and 2% of that</p>
<ul style="list-style-type: none"> <li>RD4: Ich mag kein Stillstand im System auch wenn das neue Probleme bereitet. Hasse es, ständig Muster zur Verfügung zu stellen. Das ist nur Mischen und Muster und zusammenrühren. Das ist total langweilig und ermüdend. Bei BrandCos, da sind viel mehr Emotionen drin.</li> </ul>	<p><b>Kommentar [AW62]:</b> you just have to follow the others' input and the customers' rules</p>
<ul style="list-style-type: none"> <li>RD5: Mir macht LabelCos keinen Spaß. Bei LabelCos kriegt man alles vorgegeben. Diese Wirkstoffkonzepte und so weiter. Bei BrandCos arbeiten wir mit. Ich kann etwas parallel ausprobieren, wir haben mehr Freiheit, wir können mitsprechen und die Entscheidung zusammen treffen. Das ist viel interessanter und macht mehr Spaß. Wir bekommen bei BrandCos das Wirkstoffkonzept, aber dann können wir selbst entscheiden, Hauptsache, dass es stabil bleibt und die Rezeptur funktioniert. Alles andere ist vollkommen unsere Entscheidung, wovon wir ableiten, was wir ändern, das bekommen wir nicht vorgegeben. Ein BrandCos Produkt ist viel mehr mein Baby.</li> </ul>	<p><b>Kommentar [AW63]:</b> just mixing and sampling and whipping things up. It is tiring and dull.</p> <p><b>Kommentar [AW64]:</b> there are emotions in it</p> <p><b>Kommentar [AW65]:</b> everything is predefined</p> <p><b>Kommentar [AW66]:</b> much more interesting and fun</p>
<ul style="list-style-type: none"> <li>RD6: Bei BrandCos muss man selbständig denken und arbeiten. Man braucht seine Kreativität und seine Fähigkeiten. Ich habe da mehr Mitsprache. Das ist viel besser. Ich bin für das Produkt selbst mehr verantwortlich. Das ist dann ein Teil von mir. Das ist cool. Am meisten Spaß macht mir was ganz Neues. Am meisten Spaß macht auch eine neue Grundlage, definitiv. Für mich sind die Grundlagen wichtig, nicht die Wirkstoffe. Bei LabelCos setzt man nur vorgegebene Konzepte um. Das ist langweilig. Und es ist oft unter Zeitdruck, das geht zu Lasten der Kreativität.</li> </ul>	<p><b>Kommentar [AW67]:</b> is more my baby</p> <p><b>Kommentar [AW68]:</b> you need creativity and skill</p> <p><b>Kommentar [AW69]:</b> It is a part of me. That's cool</p> <p><b>Kommentar [AW70]:</b> it is just implementation of given concepts</p>
<ul style="list-style-type: none"> <li>RA1: Customer Service und Kundenkontakt und selbständige Aufgabengebiete machen mir Spass. Ich liebe Eigenverantwortung. Aber der Zeitdruck ist enorm geworden. Man fühlt sich gedrängt, wie auf einer Galeere.</li> </ul>	<p><b>Kommentar [AW71]:</b> Time pressure reduces creativity</p> <p><b>Kommentar [AW72]:</b> autonomous</p>
<ul style="list-style-type: none"> <li>RA2: Ich finde das so gut. Ich kann eher selbst entscheiden, was ich übernehme. Wenn jemand sagen würde, Du machst jetzt das, dann würde ich mich bevormundet fühlen.</li> </ul>	<p><b>Kommentar [AW73]:</b> Time pressure is enormous. It's like working on a galley</p> <p><b>Kommentar [AW74]:</b> taking decisions</p>

<ul style="list-style-type: none"> <li>Nur, die Menge machts. Auch bei LabelCos. Wir machen das dann, wie sie es uns sagen. Das ist wie am Fließband.</li> <li>RA3: Mir macht es Spaß in Eigenverantwortung zu arbeiten. Ich bestimme gerne mit. Bei LabelCos sind wir durch die Kunden immer unter Druck. Es gibt immer mehr blöde Fragen, sie wollen immer neue Listen und immer alles bis zum Termin. Und alles ist immer super dringend. Da kann ich nicht mehr selbst bestimmen. Nicht was ich mache und auch nicht wann.</li> <li>RA4: Ich möchte meine Arbeit gern so weit es geht selbstständig ausführen.</li> <li>RA5: Beruflich macht mir Spaß einigermaßen den Alltag selbstständig zu gestalten. Die Aufgaben oder Herausforderungen machen mir auch Spaß.</li> <li>QC1: Ich mag es, selbstständig zu organisieren. Meine Arbeit selbst zu bestimmen. Bei meinem Arbeitsplatz mit bestimmen zu können. Was für Arbeitsmittel ich benötige. Das kann ich kaum noch. Planen ist nicht. Ich will nur die Muster weg haben.</li> <li>QC2: Wenn ich meine Aufgaben selbst organisieren kann. Das ist gut. Die Reihenfolge aussuchen. Ich mache jetzt das und dann das. Aber das geht kaum. Wir müssen immer schnell sein. Immer abarbeiten. Da gibt es immer mehr Druck durch die Menge der PLB Produkte. Man kann nicht mehr rechts oder links gucken. Immer nur weiter.</li> </ul>	<p><b>Kommentar [AW75]:</b> We just do what they from LabelCos tell us. It's like working at a conveyor belt</p> <p><b>Kommentar [AW76]:</b> to accept responsibility by taking on duties in a self-reliant way</p> <p><b>Kommentar [AW77]:</b> LabelCos customers always put us under pressure. It's more and more questions, demands for lists and information and always with deadlines. Everything is of highest priority. I can no longer determine my work - neither with regards to content nor with regards to timeframe.</p> <p><b>Kommentar [AW78]:</b> independently organise</p> <p><b>Kommentar [AW79]:</b> involved in the organisation of the workplace</p> <p><b>Kommentar [AW80]:</b> I can't plan my work. I just want to get rid of the samples</p> <p><b>Kommentar [AW81]:</b> the order in which to fulfil certain tasks</p>
<ul style="list-style-type: none"> <li>Need for competence</li> <li>Need for relatedness</li> <li>Need satisfaction results in...</li> </ul>	<ul style="list-style-type: none"> <li>Job significance/Permanent Learning/Competence</li> <li>Teamwork/together/Trust/Open error culture in R&amp;D</li> <li>identification with the company-brand BrandCos/identification with the product/It is my Baby - it is my project</li> <li>Feeling of success/pleasure at work/pride</li> </ul>
<p>Data coded therein</p> <ul style="list-style-type: none"> <li>Fieldnote Job Applicant: I know the brand since my education as a beautician. There we had the opportunity to work with the brand products. They are of very high standard. The name BrandCos is very important. It sounds like a melody. Then it is made in Germany and everything is done under one roof. That is very important for me. For me private label is strange. There is no connection with the products or the private label brand. It is far less emotional compared to a brand. One has no say in the products so that for me I could not stand behind the products like I can for the brand products.</li> <li>RA2: Mit den BrandCos Produkten kann ich mich identifizieren. Ich kann jedes Produkt direkt erkennen. Ich weiß, was drin ist. Bei LabelCos muss ich immer erst nachsehen, welches Produkt das überhaupt ist. Das weiß ich nicht auswendig.</li> <li>RA4: Ich habe mich immer mit BrandCos als Arbeitgeber sehr verbunden gefühlt. Wir waren eine große Familie. Ich war immer Stolz ein BrandCosianer zu sein. Mit BrandCos kann man sich toll identifizieren.</li> <li>RD1: BrandCos ist für mich sehr nah. Ich war/bin immer sehr stolz bei BrandCos arbeiten zu dürfen. Ich wollte auch nicht LabelCos machen, aber wenn es sein muss, dann mache ich das eben. Auch wenn es nicht einen so hohen Image-Stellenwert hat. BrandCos ist eben Luxus und alle sind überzeugt, dass die Produkte wesentlich besser sind, als die von LabelCos. Ja, ich bin stolz bei BrandCos zu arbeiten, bei BrandCos dazu zu gehören.</li> <li>RD2: Ich bin emotional mit BrandCos eng verbunden. Ich bin sehr stolz ein BrandCosianer zu sein. Das habe ich auch immer jedem in meiner Familie und im Freundeskreis auf die Nase gebunden. Damit identifiziert man sich, BrandCos ist mein Arbeitgeber, das ist das Exklusive. Darüber ist man stolz eine BrandCos Person zu sein, nicht LabelCos. Ich bin definitiv eine BrandCos Person, keine LabelCos Person. Es ist auch wichtig, dass man als Entwickler hinter den Produkten steht. Deshalb hat BrandCos für den Entwickler im Vergleich zu LabelCos den höheren Stellenwert. BrandCos ist viel leidenschaftlicher. Das Produkt gehört mir, das ist mein Baby.</li> <li>RD3: Wenn Du Dein eigenes Projekt hast, Dir das Ausdenkst. Das Konzept erstellst und das selber verwirklichen kannst, ist das doch super. Dann ist es Dein Produkt.</li> <li>RD4: Es ist ein tolles Gefühl, zu merken, da habe ich die Finger dran gehabt. Da ist man nachher immer wieder ein bisschen stolz. Das finde ich so schön daran.</li> </ul>	<p><b>Kommentar [AW82]:</b> We have to slave away our work. It's more and more pressure due to the high amount of PLB products. You can't look left or right</p> <p><b>Kommentar [AW83]:</b> I do no longer know the product.</p> <p><b>Kommentar [AW84]:</b> BrandCos is very close for me. I was always proud to work at BrandCos.</p> <p><b>Kommentar [AW85]:</b> I do it [LabelCos] because I have to. Even though it does not have such a high status and good image.</p> <p><b>Kommentar [AW86]:</b> BrandCos is luxury all are convinced that the products are superior to LabelCos products</p> <p><b>Kommentar [AW87]:</b> It's an emotional bond between me and BrandCos</p> <p><b>Kommentar [AW88]:</b> I am proud to work at BrandCos.</p> <p><b>Kommentar [AW89]:</b> I am a BrandCos person, not a LabelCos person</p> <p><b>Kommentar [AW90]:</b> For a developer BrandCos has much higher significance and status compared to LabelCos.</p> <p><b>Kommentar [AW91]:</b> I like to use my thoughts and creativity. To participate in the briefings. That increases my responsibility for the product.</p>



- RD5:  
Bei BrandCos stimmt bei mir die Chemie. Ich bin unheimlich stolz in meiner Traumfirma zu arbeiten.  
Für mich als Produktentwickler hat BrandCos einen wesentlich höheren Stellenwert als LabelCos.  
Wirklich. Ich bin immer noch stolz auf meine Produkte. Wenn etwas klappt und ich bekomme die Bestätigung, dann ist man stolz und denkt: das ist jetzt mein Produkt, mein Erfolg. Man identifiziert sich damit.  
Mein erstes BrandCos Produkt, davon habe ich alles zu Hause. Das ist von mir. Das ist was Besonderes. Die Identifizierung ist da.
- RD6:  
Ich wollte unbedingt dabei sein, weil ich mich mit BrandCos identifiziere.  
Ich arbeite gerne bei BrandCos.  
BrandCos ist eben ein Profi in der Branche, nicht nur Massenmarkt und Massenware. Ich bin sehr viel stolzer, wenn ich ein BrandCos Produkt entwickeln kann. Das ist mein Projekt, damit kann man sich identifizieren, mit der Aufgabe, mit dem Produkt.  
Ich denke, dass dann mehr hängen bleibt, was man gemacht hat, mein Baby.
- P1:  
Das erste Wort, dass meine Tochter lesen konnte war BrandCos, weil ich das auf dem T-Shirt stehen hatte.  
BrandCos ist meine Firma.  
Wenn ich schon mal ein Produkt von uns da hatte hat sie immer gefragt „Papa hast Du das gemacht?“ Und wenn man dann sagen kann, „ja, daran habe ich mitgearbeitet“, dann ist man schon stolz.  
Man identifiziert sich mit den Produkten. Wenn man dann so ein Produkt im Regal sieht, dann ist man stolz.  
Ich fand es immer super, dass ich bei BrandCos eingestellt wurde und jahrelang nur BrandCos gemacht habe, die BrandCos Person, die auf ein BrandCos Produkt schon stolzer ist.
- P2:  
Die Identifikation mit BrandCos ist schon so groß, ich denke beim Unternehmen an BrandCos.  
Für mich ist es wichtig, ob das ein BrandCos Produkt ist oder eins von LabelCos, an dem ich arbeite. – Das macht einen Unterschied.
- QC1:  
Ich erzähle immer allen, dass ich bei BrandCos arbeite. LabelCos erwähne ich nicht.  
Ich bin stolz bei BrandCos zu sein.
- QC2:  
Ich bin immer noch stolz an solchen Luxusprodukten mit zu arbeiten.  
Dadurch hat man sich immer sehr stark mit BrandCos verbunden gefühlt.  
Früher waren es Zeiten, was sich in den letzten Jahren massiv geändert hat, dass jeder Mitarbeiter wie eine Säule hinter BrandCos stand stand.  
Ich habe mich immer sehr mit BrandCos verbunden gefühlt. Das ist schon anders geworden in den letzten Jahren.

**Kommentar [AW92]:** For me as a product developer BrandCos is ranked much higher compared to LabelCos

**Kommentar [AW93]:** BrandCos is a beauty professional, not just mass-market. I am more proud to create a BrandCos product

**Kommentar [AW94]:** The first word my little daughter could read was BrandCos; because I have that printed on my work T-Shirt. BrandCos is my company

**Kommentar [AW95]:** One identifies with the BrandCos products. I am proud when I see them on the shelf

**Kommentar [AW96]:** To me it is important to know if its BrandCos or LabelCos – it makes a difference.

**Kommentar [AW97]:** I am proud to work on such luxury products

**Kommentar [AW98]:** I always felt a strong connection with BrandCos as my employer. That definitely changed during recent years.

• Management View on Organisational Culture	
BrandCos	•
• Family values	• family tradition, enthusiasm, indulgence
• Innovation + Market leadership	• expertise, precision, quality, BrandCos world, Pioneer in Professional Skincare
• Sustainability	• Sustainable, Social responsibility
LabelCos	•
• cost efficacy - speed	• Cost efficiency, efficient logistics, short reaction times
• customer focus - customized solutions	• Customised solutions, We understand the Retail World
• reliability and quality	• Reliable partner, outstanding quality, Iso certificates