

University of Strathclyde

Department of Marketing

A NEW MODEL OF LIVING THE BRAND:
THE EMERGENCE AND IMPACT OF
BRAND VALUE ALIGNED BEHAVIOUR
IN SOCIAL BANKS.

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A thesis presented in fulfilment of the requirements for the
degree of Doctor of Business Administration

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Abstract

The purpose of this research undertaking has been to fundamentally look at brand-value orientation of social banks. The Project has specifically addressed the question how brand value aligned behaviour of employees emerges and how Living the Brand (LtB) affects individual work performance.

From a social constructionist view multiple case study research with two social banks has been applied in an explanatory mode with literal replication. 19 depth interviews and three surveys including scaled and open-ended questions with total 242 respondents have been conducted and 925 statements to open-ended research questions have been analysed. Various models of Living the Brand have been estimated using structural equation modeling technique. The results of the Project have then been evaluated by expert interviews. The application of mixed methods has increased reliability and validity of the case studies.

The Project has concluded that Brand Orientation Intelligence, perceived Person-Organisation Fit, and Brand Identification significantly impact on one or more of the components of Living the Brand. The inner structure of Living the Brand has been conceptualized to include LtB Loyalty as the time/durability component, LtB Compliance as the normative dimension, and LtB Advocacy as the promotion dimension. These components have been related. Intention to stay with the enterprise i.e. LtB Loyalty has been found to negatively influence self assessed Comparative Individual Brand Performance (CIBP) whilst employees' adherence to behavioural brand standards i.e. LtB Compliance has positively affected CIBP. It has been confirmed that the chosen measurement items that have been borrowed from scales that have already been tested within contexts of for-profit enterprises also work in the context of social banks. The managerial implications of the results are in internal brand management, marketing and human resources management.

The Project has been original in the sense that it has complemented with a value based perspective past research that has looked at internal branding from a marketing control perspective and it has presented a new model of Living the Brand. It has also been the first time that brand aligned employee behaviour has

been researched in social banks. The Project has also provided first empirical evidence that employees of social banks are indeed driven by intrinsic values. The Project doesn't claim its results are generalisable, however it prudently suggests that the results are valid for private enterprises that are value centric and socially oriented such as a social bank.

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Abbreviations and symbols

Abbreviation

ABS	Alternative Bank Schweiz AG
AC ² ID	Actual-, Communicated-, Conceived-, Ideal-, Desired-Identity, by Balmer, 1999
AG	Aktiengesellschaft, limited company
AGFI	Adjusted Goodness of Fit Index, parsimony fit index
AIC	Akaike's information criterion, fit index (used to compare different models)
AMOS	Analysis of Moment Structures, computer software
ANOVA	Analysis of Variance
AVE	Average Variance Extracted
AVE	Average Variance Extracted
B	Brand
B2B	Business to Business
B2C	Business to Consumer
BI, bi	Brand Identification
BIC	Schwarz's Bayesian information criterion (used to compare different models)
BO	Brand Orientation
BOI, boi	Brand Orientation Intelligence
BP	Brand Performance
C.R.	Critical Ratio
CASI-IA	Computer Assisted Self Interviewing – Interviewer Absent
CEO	Chief Executive Officer
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index, incremental fit index
CIBP, cibp	Comparative Individual Brand Performance
CR	Construct Reliability
DF or df	Degrees of Freedom
Distr.	Distribution
EFA	Exploratory Factor Analysis
EM	Missing data two-stage imputation method (Estimate, Mean)
FEBEA	Fédération Européenne des Banques Ethiques et Alternatives
FL	Factor Loading
GABV	Global Alliance for Banking on Values
GFI	Goodness-of-Fit Index, absolute fit index
GLS	Gemeinschaftsbank für Leihen und Schenken
GoF	Goodness-of-fit
GSIFIs	Global Systemically Important Financial Institutions
h	Hypothesis used for regression analysis
H	Hypothesis used for SEM
HR	Human Resources
HRM	Human Resources Management

IB	Internal Branding
IBP	Individual Brand Performance
INAISE	International Association of Investors in the Social Economy
ISB	Institute for Social Banking and Financing, Bochum
ISV	Industry Structure View of the enterprise
KMO	Kaiser-Meyer-Olkin, sampling adequacy, test statistic
LtB	Living the Brand
LtBAdv, ltbAdv	Living the Brand Advocacy
LtBCom, ltbCom	Living the Brand Compliance
LtBLoy, ltbLoy	Living the Brand Loyalty
LtBSha	Living the Brand Sharing
MANOVA	Multivariate Analysis of Variance
MKTOR	Market Orientation by Narver & Slater, 1990
MSA	Measure of Sampling Adequacy, test statistic
N	Total valid sample
NBOS	Non-profit Brand Orientation Scale by Ewing & Napoli, 2005
NFI	Normed Fit Index, incremental fit index
NGO	Non-Governmental Organization
Nr.	Number
OB	Organizational Behaviour
OECD	Organisation for Economic Co-operation and Development
oFB	Onlinefragebogen, Internet survey platform
p.a.	per annum
P2P	Peer to Peer
PCA	Principal Component Analysis
PNFI	Parsimony Normed Fit Index, parsimony fit index
POF, pof	Person-Organisation Fit
PPP	Public Private Partnership
Project, the	This research undertaking
Q	Question
RBV	Resource Based View of the enterprise
RMR	Root Mean Square Residual, absolute fit index
RMSEA	Root Mean Square Error of Approximation, absolute fit index
RNI	Relative Noncentrality Index, incremental fit index
Rq	Research question
SD	Standard Deviation, average variability, spread of set of data
SE	Standard Error of the mean, standard deviation of sampling distr.
SEM	Structural Equation Modeling
Sig.	Significance
SMC	Squared Multiple Correlations, variance explained
SME	Small and Middle Sized Enterprises
SNB	Swiss National Bank
SoBa1	Social Bank 1, case study 1
SoBa2	Social Bank 2, case study 2

SoBas	Social Banks
SPSS	Statistical Package for the Social Sciences, computer software
SRI	Socially Responsible Investment
SRMR	Standardised Root Mean Square Residual, absolute fit index
SWOT	Strengths, Weaknesses, Opportunities, Threats
TLI	Tucker-Lewis Index, incremental fit index
USD	United States Dollar
VIF	Variance Inflation Factor, measure of multicollinearity
χ^2 GOF	Chi-Square Goodness of Fit, absolute fit index

Symbol

<i>B</i>	Regression coefficient
<i>D</i>	Kolmogorov-Smirnov test of normality, test statistic value
FL	Factor Loading
h	Hypothesis used for regression analysis
H	Hypothesis used for SEM
<i>M</i>	Mean value
N	Total valid sample size
n	Sub sample size
<i>p</i>	Probability, significance of a test
P	Path
<i>r</i>	Pearson's correlation
<i>R</i> ²	Coefficient of determination, proportion of data explained by model
<i>SD</i>	Standard deviation
<i>SE</i>	Standard Error
<i>t</i>	t-Test value, significance of differences
α	Cronbach's alpha reliability measure, test statistic value
β	Regression coefficient
τ	Kendall's tau correlation, coefficient value
χ^2	Chi-square

1. Introduction

1.1. Setting the scene

This research Project looks at brand building employee behaviours and conceptualises such behaviours as Living the Brand. In the context of this Project:

Living the Brand is an evolving employee behaviour that supports and enhances brand equity and performance through staying loyal to the organisation, through complying with brand standards when interacting with stakeholders, and through advocating the brand in social situations. Living the Brand is therefore multidimensional and in the context of the Project embraces thus a duration-, a normative-, and a promotion component.

This working definition of Living the Brand will be substantiated further in the upcoming chapters.

From the perspective of social banks the Project proposes a new model of Living the Brand and examines how Living the Brand emerges and how it affects individual work performance. Thus the Project brings social banks to the radar of scholarly marketing research.

Brands are “one of the most fascinating phenomena of the business environment in the twenty-first century” (Balmer & Gray, 2003). For many organisations the corporate brand is the most important and financially most valuable single marketing asset. However brand equity resides in the minds of the stakeholders of the organisation. The brand is an intangible representation of the identity of the organisation, of its values and benefits as perceived by the stakeholders. This makes the corporate brand a resource that is complex to manage but that has the potential to develop into a sustainable competitive advantage (Grant, 1991) of the organisation. Corporate brands make promises about functional and emotional benefits and experiences, communicate corporate values, differentiate the organisation from others, and they enhance the esteem and loyalty of

stakeholders (Balmer & Gray, 2003; de Chernatony, 2002). Corporate brands are thus clusters of value making promises (de Chernatony, 2010, p.12) that stand for the organisation. In this report the term brand focuses on attributes of the organisation and it has the notion of “brand as organisation” (Aaker, 1996, p.82).

The importance of the brand to corporate strategy was also recognised by the emergence of a new research focus that conceptualised brand orientation (Urde, 1999, 1994; Hankinson, 2001; Ewing & Napoli, 2005; Wong & Merrilees, 2007; Baumgarth, 2009, 2010; Mulyanegara, 2010, Gromark & Melin, 2011). In essence brand orientation is putting the brand in focus of corporate strategy and exploiting synergies of brand and market orientation (Urde et al., 2011).

In the process of enacting the brand the employee has a major responsibility. This is especially true in organisations with many employee – stakeholder interactions and in service companies. For the latter holds: The employee is the brand is the service. It’s the employee who delivers the service and she/he must fulfil the brand promise. He/she is simultaneously producer of the market offer, moderator of the brand – stakeholder relationship, and he/she is a brand equity developer. The critical importance of the customers contact employees lies in their all embracing role in the service delivery; in the eyes of the customer they represent the whole organisation and they are the service; their behaviour impacts on the brand whenever they are in sight of customers and potential customers (Wilson et al., 2012, p.249). But all corporate agents influence the building of the corporate brand (Papasolomou & Vrontis, 2006; Punjaisri & Wilson, 2007).

To support this process of behaviourally enacting the brand, marketing science has implemented a new research stream in the realm of internal branding. It aims at creating brand aware employees who behave in line with brand values (Vallaster & de Chernatony, 2006; Morhart et al., 2009; Punjaisri et al., 2009b; Tomczak et al., 2009; Baumgarth, 2010; Punjaisri & Wilson, 2011). From the internal branding research stream and linked to brand orientation a new idea has elicited: living the brand. The term ‘living the brand’ was coined by Ind (2008). It’s a behavioural concept of how employees are enabled and motivated

to deliver the brand values in their stakeholder interactions and thus constantly and consistently communicate brand identity and contribute to build brand equity. Internal branding includes a few similar concepts that explain brand-aligned employee behaviours e.g. behavioural branding, brand behaviour, employee branding, and living the brand. Employee behaviour is influenced by personal-, organisational-, and brand values (Fritzsche & Oz, 2007; Hemingway, 2005; de Chernatony, 2002; Gotsi & Wilson, 2001; Mael & Ashforth, 1992).

The Project is situated in the social banking sector. Social banks are private enterprises delivering sustainable banking and financing services. From an economic point of view they are situated at the intersection between the private for-profit economy and the social economy also called the 3rd sector. Social banks strive for a balanced performance of the triple-bottom-line. That means all corporate activities must be ethically performed and contribute sustainable benefits to society, environment, and to the economy in a balanced way. For social banks money should serve the human being and the real economy. In their understanding money isn't neutral. To put it bluntly the consumer and the investor remain accountable whether their money contributes to sustainability or not. Social banks combine entrepreneurship with a mission to contribute to building a more just world.

Case studies are performed with social banks because such banks haven't been subject to brand research in the past and, although social banks are still small compared to conventional banks they have been enjoying tremendous and exponential growth over the past few years (the growth in social banks will be explored further in chapter 3). Examples of social banks in the sense of this Project are (balance sheet total 2011 in brackets): Triodos (4.3 billion EUROS) operates in The Netherlands, Great Britain, Belgium, Spain, Germany. GLS Bank (2.3 billion EUROS) operates in Germany. Alternative Bank (1.1 billion Swiss Francs) operates in Switzerland. Another format of social banking are Internet based peer to peer borrowing services, they have not been covered by this research Project.

1.2. Research problem and contribution

Neither brand orientation nor living the brand has been definitely conceptualised yet. Gromark and Melin (2011) mentioned six authors (Hankinson, 2001; Bridson & Evans, 2004; Reid et al., 2005; Ewing & Napoli, 2005; Wong & Merrilees, 2007; Baumgarth, 2009) that together used 26 concepts to operationalise brand orientation. These concepts embraced: attitudes, capabilities, and behaviours. Communication always seemed to be an integral part of brand orientation that associated brand orientation implicitly with living the brand. Baumgarth (2009) modelled the internal structure of brand orientation. He subsumed his research under internal branding and titled it living the brand. This notion brings brand orientation and living the brand together. Behavioural internal branding literature looked at relationships and effects of brand-citizenship (Burmam et al., 2009), behavioural branding (Henkel et al., 2007; Tomczak et al., 2009), role-behaviour (MacKenzie et al., 1998; Morhart et al., 2009; Wallace et al., 2011b), and brand commitment (Burmam et al., 2009; Burmam & König, 2011; Punjaisri et al., 2009; Punjaisri & Wilson, 2011; Wallace et al., 2011b).

Undoubtedly concepts like brand citizenship, brand commitment, identification, or brand behaviour can be associated with what might have been meant with living the brand and this paraphrase has sometimes also been used in research. Nevertheless no literature has been discovered that has attempted to conceptualize living the brand as a holistic, distinct phenomenon, to analyse its inner structure and its impact on individual performance. When Morhart et al. (2009) examined leadership styles and internal brand building they used intra- and extra-role behaviours and retention as the last endogenous constructs in their empirical path model. These constructs seemed to embrace very well the idea of living the brand. Their mutual influence and their combined effects on individual work performance are yet unknown.

Concerns were raised about enforcing living the brand and over regulating behaviour (Cushen, 2009; Morsing, 2006). Employees should feel authentic for living the brand to be productive.

Quantitative research associated with living the brand was performed in services (Burmamann & König, 2011; Morhart, et al., 2009; Punjaisri et al., 2009b; Punjaisri & Wilson, 2011; Wallace et al., 2011a,b), and cross sectoral (Baumgarth, 2010; Burmann et al., 2009; Wong & Merrilees, 2008; Henkel et al., 2007). Living the brand and its impact has not been researched in value centric private social enterprises and in social banks. From all sources examined it has been determined that social banks are sustainability oriented private enterprises and that they are value centric. Nevertheless there is no empirical evidence of value centrality of social banks found in the scientific literature.

The extant research gap that has surfaced from the above has called for the conceptualization of living the brand as a distinct concept of brand supporting employee behaviours. There has been a need to better understand how brand orientation affects living the brand and what the influence of values related organisational concepts is on living the brand. It has been considered worthwhile to investigate how living the brand behaviours predict individual work performance, as this link hasn't been researched before. Value driven private social enterprises haven't been object to living the brand research and it has therefore been decided to look at living the brand from the perspective of social banks.

Thus the focus of the Project is on the research question 1:

How living the brand emerges in value centric private social enterprises such as social banks and on how it impacts on individual performance?

The Project will also look at the potential problem of over regulating behavioural brand standards and employee authenticity and thus deals with the research question 2:

How do employees feel when living the brand?

For providing evidence of value centrality of social banks a research question 3 is addressed:

How employees of social banks perceive and appreciate value centrality of their banks and how value centrality manifests?

By answering these questions it's expected to contribute a new model of living the brand that is valid for social banks and potentially for value focussed private social enterprises. Empirical support for the proclaimed value centrality of the case study banks is provided as well as knowledge about potential problems with standardising brand behaviour of employees. Fundamental aim of the Project is to contribute to theory and practice of living the brand and brand orientation. The Project contributes to marketing science by validating new structural relationships and re-validating known structural relationships and therewith increasing their general validity. It tests if widely used measurements are also valid and appropriate with data from value focused private social enterprises such as social banks. From the analysis of the findings, the Project makes recommendations for management practice in value centric private social enterprises mainly in the area of marketing related human resource management. In summary this research Project contributes to knowledge:

- i. A new model of Living the Brand
- ii. The inner structure of Living the Brand
- iii. Extends linkages to Living the Brand
- iv. Provides insight into the phenomenon of social banking
- v. Applies Living the Brand to Social Banks
- vi. Finds that employee's intention to stay doesn't always positively affect individual work performance

1.3. Research approach

The philosophical stance of the Project might best be described by social constructionism. It sees the social-world as a man-constructed reality. Society is a net of relationships, interactions and rules designed by people. Brands and organizations are socio-economic phenomena that are constantly constructed and reconstructed by human beings. Reality is interpreted and meaning is given to it by human minds, contrary to positivism the reality isn't "out there" to be discovered (Crotty 1998, p. 52). "The goal of the research is to rely as much as possible on the participant's views of the situation being studied" (Creswell 2009, p. 8). This philosophical belief tends to point to qualitative methods

however it neither excludes quantitative approaches nor does it suggest that research is performed less objectively. Using Crotty's (1998, p.5) model the research paradigm of the Project has the following edifice: Social-constructionism as epistemology, an interpretative/pragmatic theoretical perspective, survey research methodology that applies multiple case study method with literal replication (Yin, 2009, p.53) including quantitative and qualitative research techniques. Case study is a frequently used method in research related to branding and organisational values (e.g. Urde, 2001; Wong & Merrilees, 2005; Gotsi et al., 2008; Maxwell & Knox, 2009; Punjaisri et al., 2009). It's a very flexible research design, which typically combines qualitative and quantitative methods (Schögel & Tomczak, 2009, p.79) and is suitable for both theory testing and theory building (Dul & Hak, 2008, p.9; Eisenhardt & Graebner, 2007). The Project is performed from the perspective of organization behaviour theory and from the resource based view of the organization.

After the review of literature that leads to proposing a conceptual model of living the brand and hypotheses the Project is split in two phases. Phase I is exploratory and includes depth interviews with managers of social banks and brand experts of for-profit service enterprises to explore suitability of the conceptual model. Also part of phase I is a small-scale questionnaire survey to assess reliability of scales and dependencies of the constructs of the conceptual model. Content- and multiple regression analysis are performed with the data from phase I. Phase II is explanatory case studies with two social banks – Social Bank 1 (SoBa1) and Social Bank 2 (SoBa2). The second case serves as a replication case to increase the validity of the findings. In order to achieve valid results for social banks the case study is replicated with social banks only and not extended to conventional banks. Such extension could bias the results because the business philosophy of social banks and conventional banks are substantially different as is demonstrated in chapter 3. The case studies consider the corporate brand as there are no sub-brands with different brand culture in the studied Social Banks. The design of the case studies is explained in section 5.2.2. Data is gathered through self-administered Internet based surveys including scaled and open-ended questions. The scales are assessed through

exploratory and confirmatory factor analysis. Structural equation modeling (SEM) as provided by AMOS software and as explained in section 5.5.2. is used to estimate the models of Living the Brand for the two case studies separately. The constructual model of SoBa1 has seven latent constructs and 20 indicators and it's validated in section 6.2.3. Due to the smaller data sample of SoBa2 the constructual model is transformed into a seven-indicator path model that is validated in section 6.2.6. A qualitative comparison of the final models of the two case studies is provided in section 6.2.8.2. Based on these analyses the new model of Living the Brand is conceptualized and presented in section 7.2.1. The findings from phase II are evaluated through expert interviews with leaders from the case study banks in section 6.2.11.

1.4. Thesis layout

This introduction chapter 1 has reasoned why the Project has been undertaken, has described the research problem, and has mentioned what the Project aims to contribute to marketing science and management practice. It has formulated the focus of the three research questions and it has briefly explained how they have been methodologically approached.

Chapter 2 reviews literature about concepts and strategies in the realm of living brand and is thus titled: Living the brand. It looks at the resource-based view of the enterprise, links market orientation with brand orientation, and discusses how brand-aligned employee behavior has been investigated by former research, how it has been influenced, and how it has affected. Then potential values based antecedents of living the brand are discussed i.e. person-organisation fit and brand identification.

Chapter 3 – social banks, is context setting and descriptive. It positions social banks within the broader economy and looks at social banks and social enterprises. It characterizes social banks as an alternative to conventional banks and how they differ. A short chapter then distinguishes social banking, as it's understood in the context of the Project, from Internet based (social) banking. At

the end of every section of chapters 2 and 3 the implications of the review for the Project are discussed.

Chapter 4 formulates the research questions, the hypotheses and presents the conceptual model of Living the Brand that have been derived from the literature review and its implications.

Chapter 5 – methodology includes arguing for the research philosophy followed by the presentation of the case study banks. It then explains data collection and analysis methods in detail and reports about measurement testing. A detailed overview of the research methodology and process is depicted in table 5.1. This table and graph 5.1. help the reader to keep orientation.

Chapter 6 – results, reports the findings of the four Inquiries that have been conducted by the Project. The chapter is organized by research phase I that includes Inquiries 1 and 2 and phase II that includes Inquiries 3a, 3b, and 4. In phase I qualitative results are reported first followed by quantitative results. Phase II reporting is split into reporting the results from structural modeling of Social Bank 1 data and then of Social Bank 2 data. The findings from the analysis of the open-ended questions are reported for Social Bank 1 and Social Bank 2 together in section 6.2.10. where also research question 2 and research question 3 are answered. Findings are interpreted, discussed and conclusions are drawn throughout chapter 6. The chapter closes with the verbatim validation of the results from phase II and the answer to research question 1.

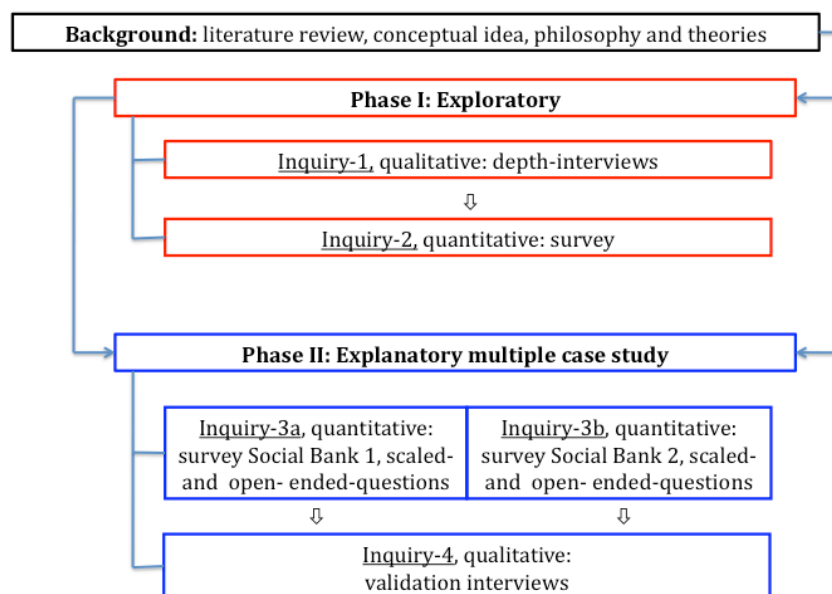
Chapter 7 – conclusions and implications, does in retrospect justify the Project, summarizes and discusses the research findings overall, and explains the contributions from every of the three research questions. The new model of Living the Brand is depicted in graph 7.1. Then limitations of the Project are discussed and a few directions for future research are suggested. The implications of the results for marketing science and management are discussed and recommendations for management practice are offered. A few closing remarks round up the Project.

Notes:

1. This research undertaking is always referred to as the Project (capital P).

Whenever names of constructs are written with capital first letters e.g. Living the Brand it refers to the definition provided by the Project.

2. The process flow of the research is depicted below and explained in section 5.3. The reporting follows this chronology. The validation of the measurement instrument was performed with Inquiry-3a data but is reported in the methodology chapter section 5.6.2. This was done for maintaining the field research preparation separate from the results of the case study reporting.



2. Living the brand

The core to the concept of 'living the brand' is brand. There is a plethora of interpretations of brand, of its functions, and its effects thus "one of the hottest points of disagreement between experts is the definition of brand" (Kapferer, 2004, p.9). It can for example be a: logo (such as name, sound, graphic, shorthand, color), legal instrument, identity, risk reducer, cluster of values; it creates image and relationship and is evolving over time; brands identify and stand for products, services, persons, places and companies (de Chernatony, 2010, p.30; de Chernatony & McDonald, 2003, p.25). For reasons of high cost for promoting single product and service brands and with the change from the industrial age to the experience age a move towards corporate branding has come along; "the new branding model is therefore one which emphasises value through employee's involvement in delivering brand experiences and relationship building" (de Chernatony, 2010, p.36). Accordingly the notion of corporate brand in this Project is "brand as organisation" (Aaker, 1996, p.82) and brands are "clusters of value making promises about unique and welcomed experiences" (de Chernatony, 2010, p.12) of internal and external stakeholders.

The Project considers the corporate brand as a potential sustainable competitive resource and thus this chapter puts 'living the brand' into context of the resource-based view of the enterprise. It looks at market orientation theory and associates it with brand orientation for theoretically embedding 'living the brand'. It then takes stock of literature of organisational values research to identify concepts that might influence brand congruent employee behaviour. The idea of 'living the brand' as a behavioural concept and its effect on performance will be introduced followed by exploring assumed antecedents of 'living the brand' like person-organisation fit and brand identification.

This literature review lays the foundations for the development of the conceptual model and the hypothesis (section 4.2.). It does so by discussing relevant concepts, by looking at how they have been related to the idea of living the brand, and how they have been operationalised. This is done in sections 2.2.2., 2.4., 2.5., 2.6. At the end of each of these sections a sub-section 'Implications' is

introduced. It gives a working definition of the discussed concept and summarises its relationships with the living the brand concept. These implications are then taken up in chapter 4. where the research questions, the conceptual model, and the hypotheses are finally formulated, and in section 5.6. where the measurements are evaluated.

2.1. Resource-based view of the enterprise

The competitiveness of an enterprise and the determinants of its performance can be seen from an outside-in or from an inside-out perspective. The outside-in view puts focus on company's environment and industry structure i.e. the forces that help to achieve quasi monopoly position. Porter (1985) was a representative of the industry structure based view (ISV) of the enterprise and offered his famous 5-forces-model. This model helps to analyse the forces that determine the profit potential and competitiveness of an industry sector and of the enterprises that are active in the sector. The model looks at entry and exit barriers, a firm's bargaining power relative to suppliers and buyers, threat of external substitution of the market offer, threat of new entrants, and intra industry rivalry. Alternatively the inside-out view focuses on a firm's resources and capabilities to achieve sustainable competitive advantage through combining appropriate resources and capabilities most efficiently and effectively. The SWOT model (strengths, weaknesses, opportunities, and threats) (see e.g. Kotler et al., 1999, p.94) is the commonly known strategic analysis tool that brings the two views together. It suggests using internal strengths that are inherent in the firm's resources to exploit external opportunities, and to mitigate threats and to reduce internal weaknesses.

The resource-based view (RBV) is of interest to the Project because the Project considers the brand and the firm's capability of 'living the brand' valuable resources. The resource-based view of the enterprise is therefore further discussed.

"The origins of the RBV lie in the work of Edith Penrose, and her writings during the 1950s" (Lockett, 2005). Resources and capabilities are the foundation for

corporate strategy and the primary source of profit (Grant, 1991). They are inputs to the production and service process and were categorised in: financial resources; physical resources including capital, technological resources, plant location, and access to raw materials and energy sources; human resources and skills of individual employees; organisational resources including reporting structure, planning-, controlling-, coordinating-systems, and informal relations (Barney, 1991; Grant, 1991). Other intangibles such as brand and reputation (Grant, 1991), company history, relationships, trust, and organisational culture (Barney, 1995) were also considered as resources by the RBV. Penrose (1960) distinguished between previously acquired (inherent) resources and resources the company needs to obtain from the market in order to expand. She argued that expansion draws on services from firm's existing management and it's the development of ideas, experience and knowledge that limit the firm's growth being it through acquisition or internal expansion. When Penrose said, "not only is the actual expansion of a firm related to its resources, experience, and knowledge, but also, and most important, the kinds of opportunity it investigates when it considers expansion" she linked the internally focussed resource based view with an external view.

The resource based view argues for building strategies that achieve sustainable competitive advantage for which a firm's capabilities are the main source (Grant, 1991). "A firm is said to have a sustainable competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy" and a resource holding the potential of being a sustained competitive advantage must a) be valuable i.e. exploit opportunities and/or neutralise threats to the firm, b) be rare i.e. only few competitors can exploit the resource in the same way, c) be difficult to imitate, and d) no valuable substitute for the resource exists (Barney, 1991) and Grant (1991) added e) durability i.e. rate and time at which resources and capabilities become obsolete, whereas capabilities are often more durable than the underlying resource, f) transferability, which is determined by transaction cost for a specific resource and the mobility of resources and capabilities, whereas

capabilities are often less transferable than the underlying resource. A company's behavioural capability to live the brand includes such ingredients and it has therefore the potential to develop into a sustainable competitive advantage to the firm.

A firm may possess resources and capabilities but it is context dependent if they become valuable for the firm and if the firm can exploit them and derive competitive advantages. In the words of Collins and Montgomery (1995 cited in Russo & Fouts, 1997) "resources cannot be evaluated in isolation, because their value is determined in the interplay with market forces. A resource that is valuable in a particular industry or at a particular time might fail to have same value in a different industry or chronological context". Many scholars advocated for building competitive advantages within a market culture (e.g. McNaughton et al., 2001; Kumar & Petersen, 2005; Evanschitzky, 2007). Evanschitzky (2007) for example found that superior resources explained 65% of the variance in firm performance of franchise organisations. Competitive advantage and success seems to depend more on doing a lot of small things right than from a few big corporate decisions; the multitude of decisions and the socially complex interactions for decision-making are essentially invisible for competitors; thus "socially complex resources" like e.g. brand and reputation, trust, friendship, teamwork, and culture are difficult to imitate (Barney, 1991, 1995; Grant, 1991; Barney & Hansen, 1994). This could mean that a culture that lives the brand, in which decision-making is delegated to empowered employees, and in which brand oriented decision-taking and brand knowledge is developed supports the creation of competitive advantage.

Terms that are closely linked to the resource based view of the firm and to the phenomenon of living the brand shall briefly be introduced: Intellectual capital and tacit knowledge.

Accountants defined intellectual capital as "the knowledge-based equity of a company" and the OECD described: "Intellectual capital is the economic value of two categories of intangible assets of a company: Organisational structural capital and human capital" (Tan et al., 2008). In this definition human capital

includes internal (e.g. employees) and external human resources (e.g. customers, partners, suppliers). Structural capital is assets like proprietary software, patents, distribution, and supply chains as well as organisational culture and brand. Tan et al. (2008) took stock of seminal work on intellectual capital research including frameworks, measurement models, and application of intellectual capital for knowledge creation leading to competitive advantage. In the context of the Project, a company's capability to live the brand is intellectual capital i.e. in form of brand values, person-organisation fit, and brand identification of employees and in form of the individual employee as the enactor of living the brand. Bharadwaj et al. (1993) stated "the greater the intangibility of a service and the greater the experience attributes of a new service are, the greater the importance of brand and relationship as source of competitive advantage" and "the greater the people intensity of a service industry, the greater the importance of culture as a source of competitive advantage". The notion that intellectual capital rather than physical capital is more important for wealth creation in service industries was shared by El-Bannany (2008) in his study about intellectual capital and performance of banks.

Knowledge is intellectual capital to the enterprise, a key economic production factor and an important source of competitive advantage. Knowledge that can be codified and can be made available through the company's knowledge management system is called explicit knowledge. In the context of this Project written down brand standards for example is explicit knowledge and it's rather not a source of sustainable competitive advantage because it's open to imitation and easily transferable. Tacit knowledge however is internal in nature, hard to code and to extract. Harlow (2008) illustrated tacit knowledge when he mentioned that metalworkers for instance frequently cannot explain how they know the right temperature and amount of pressure to apply to a metal deformation, over time they learn such tacit skills that cannot be captured in a process description but are transferred to apprentices by the master metalworkers. Similarly living the brand, if it's not just applying brand standards such as for example greeting customers by name, can become tacit knowledge; for example the know how to turn a social interaction into an effective brand

advocacy opportunity. Harlow (2008) proposed the creation of a tacit knowledge index to assess level of a company's tacit knowledge and its relationship to performance. He saw the aim of a tacit knowledge index to increase rationality when making decisions about investments in knowledge management and he mentioned that only 4% of executives were happy with their firms' measuring of the value of knowledge assets and impact. He found positive correlation of tacit knowledge with both firm outcomes and degree of innovation, which implied that "firms that want to innovate should employ a higher degree of tacit method usage than firms whose goals are financial". This supports researching living the brand in social banks that aim to innovate an alternative way of financing. Empirical knowledge about how living the brand emerges and how it impacts contributes to increase rationality of decision-making about behavioural branding investments.

2.1.1. Implications

From this review follows that corporate brand and employees who express brand identity through their entire job related activities and possibly partly in their private lives (Cambra-Fierro, et al., 2008) are a potential resource of sustainable competitive advantage. Strong brands are rare; their inherent values are intangible, brand specific and developed historically over time. And because building brand identity and brand perceptions that sustain in the minds of stakeholders takes time and doesn't depreciate rapidly, strong brands are durable. The brand is a proprietary asset of the company that captures the brand's benefit. Strong brands possess uniqueness, differ from competition and are therefore hard to imitate and to recreate internally. Brands cannot be substituted easily because brand equity i.e. the values attached to the brand in the minds of stakeholders, are mentally linked and associated with the brand. Balmer and Gray (2003) demonstrated that "a strong, well-managed corporate brand ... qualifies as a sustainable valuable resource". Similarly it may be argued that employees living the brand are also a resource with sustainable competitive advantage potential. This is because they are identifying with their brand, are having a personal value set similar to the brand values, and are possessing cognitive and tacit knowledge of the brand. They are thus emotionally attached

to their brand and possess specific brand related capabilities that are difficult to transfer to another brand. To better understand living the brand and thus fostering the development of a sustainable competitive advantage of an enterprise seems a useful research undertaking.

2.2. Strategy orientations

Market orientation and brand orientation are strategic concepts that are related and synergetic (Mulyanegara, 2010; Baumgarth, 2010; Urde et al., 2011). Both have external and internal dimensions and influence branding and living the brand. This chapter discusses these two concepts, provides definitions and explains why they are important to the Project. Another orientation that could have been considered for the Project is e.g. what Post et al. (2002) introduced as stakeholder view of the corporation. It focuses on creating wealth through building sustainable relationships with all stakeholders. However, market orientation and brand orientation have been linked explicitly and brand orientation is focussing on brand. They have therefore been considered more relevant for the Project. Nevertheless the notion of stakeholder view is implied through the fact that living the brand is targeting stakeholders and not just customers. Other specific managerial orientations such as customer orientation, competitor orientation, and process orientation are part of the concepts discussed in section 2.1. and here below.

2.2.1. Market orientation

Market orientation extends the customer and competition focuses of marketing to a company-wide striving and co-ordinated behaviour. It includes constant surveying of the macro environment of the company and to company-wide sharing of information. Market orientation should enable the enterprise to quickly respond to external changes. It leads to superior customer service and responsiveness towards other stakeholders and it enhances economic business performance. Market orientation thus consists of customer orientation, competitor orientation, interfunctional coordination, having long-term

perspective, and profitability objectives (Narver & Slater, 1990; Slater & Narver, 1994; Slater & Narver, 2000).

The causal market orientation model of Homburg et al. (2009, p.561) illustrated that market-oriented corporate management means orientation of culture, structure, and processes towards customers and competitors, not only in marketing but in all functions of an enterprise. This leads to market orientation in the development of the market offering, to market oriented behaviour in customer contact, which in turn positively influence customer and corporate performance. They argued as well for internal market orientation and thus to consider marketing and sales as internal customers. Hunt and Morgan (1995) discussed if market orientation can be considered a source of sustainable competitive advantage. They argued that a firm with true market orientation develops a capability of anticipating and adequately responding to customer demands and competitor actions. As many firms pay only lip service to market orientation, and therefore cannot have a correct understanding of what it really means, they are thus unable to recognise their truly market oriented adversaries, which puts themselves in a competitive disadvantage (Hunt & Morgan, 1995).

Market orientation is socially complex with many interconnections involving a high degree of tacit knowledge for implementing and maintaining it and it's probably getting increasingly effective over time. It's therefore likely that market orientation can itself become a sustainable competitive advantage and as a result the company enjoys superior corporate financial performance. Evidence that market orientation increases financial performance was provided by a number of scholars (e.g. Narver & Slater, 1990; Slater & Narver, 2000; Homburg & Pflesser, 2000). Meta-analysis by Rodriguez Cano et al. (2004) confirmed general validity of market orientation as predictor of business performance. They additionally revealed that stronger correlation between market orientation and performance exists for not-for-profit compared to for-profit firms and for service- compared to manufacturing-companies. Another meta-analysis by Ellis (2006) concluded: "The idea that firms can boost their performance by fostering a culture that responds to changing customer needs with solutions that are superior to rivals,

is demonstrably generic. In any setting, rewards will accrue to those companies that are more market oriented than their rivals”.

Grinstein (2008) conducted a meta-analysis on the question of the performance of market orientation combined with other strategies. He found that firms that joined market orientation and alternative strategies performed even better than market oriented only firms. Employee orientation was one of the alternatives, which correlated strongly with market orientation. A longitudinal study that extended market orientation with brand focus built a bridge to brand orientation and found that brand focus (excluding private label branding) was positively related to return on sales and to return on assets (Noble et al., 2002). They concluded, “the cultural impact of a brand focus should enhance overall firm effectiveness.”

The Project explicitly understands market orientation as a long-term corporate perspective that has profitability objectives and consists of customer orientation, competitor orientation, and interfunctional coordination (Slater & Narver, 1994).

2.2.2. Brand orientation

Mats Urde and Frans Melin coined the term brand orientation, which means that brands are “the hub around which operations and strategies revolve”, the corporate brand as a starting point for corporate strategy decisions (Urde, 1999, 1994). Urde (1994) located the drivers of brand orientation in decreasing product differentiation, increasing media cost, and integration of markets. For companies with strong brand orientation, the brand is a central resource with which the company expresses its values and positions itself. Brand orientation is brand identity driven positioning whereas market orientation is image driven positioning of the organisation (Urde & Koch, 2011). Brand orientation embeds the brand in the thinking of the company and it’s reflected in their beliefs and values (Bridson & Evans, 2004). Corporate brands so mirror identity to internal and external stakeholders.

Building on this Ind and Bjerke (2007) contended that marketing executives should organisation-wide connect marketing with HR, culture, leadership and

evaluation to maximise brand building. They therefore suggested a participatory approach by which marketers must both connect with external stakeholders and with internal stakeholders to build coalitions to deliver a consistent brand experience. The idea of the brand being spread and embedded in the entire organisation extends market orientation with brand orientation (Simoes & Dibb, 2001). The latter is externally focussed on consumer satisfaction, competition, and performance; brand orientation adds an internally, values based perspective. Wong and Merrilees (2008) supported this notion and argued that brand oriented strategy must be based on market orientation. For them brand orientation is operationalised when branding influences all marketing activities, is understood as top priority, and as essential to the strategy for running the company successfully in the future; brand orientation will then determine brand distinctiveness and brand performance.

This implies that communication is an important and integral part of brand orientation. Enterprises having brand orientation need to create knowledge about the brand and communicate brand related issues organisation wide (Napoli, 2006). Communication and knowledge foster motivation and job satisfaction that decreases employee turnover (Robbins, 2003, p.114, 46, 2). This appears to suggest a link between brand orientation and employees' brand loyalty. Hankinson (2001a) saw brand orientation as "the extent to which organisations regard themselves as brands, an indication of how much (or how little) organisations accept the theory and practice of branding".

Industry sector specific research highlighted the importance and positive effects of brand orientation for B2B (Baumgarth, 2010), fashion retailing (Bridson & Evans, 2004), call center services (Burmamann & König, 2011), SMEs (Wong & Merrilees, 2005), Museums (Baumgarth, 2009; Evans et al., 2012), and in the not-for-profit sector (Napoli, 2006; Ewing & Napoli, 2005; Hankinson, 2001, 2004). Wong and Merrilees (2007) demonstrated that brand orientation is a positive determinant of international marketing strategy. In the charity sector Napoli (2006) found that high performers pursue brand orientation to a higher extent than low performers. Significant brand orientation aspects that had the power to discriminate high from low organisational performance (i.e. subjectively

assessed ability to serve stakeholders better) were e.g. "managers awareness of all brand marketing activities", "knowledge of brand likability", and "creating positive interaction experience" (Napoli, 2006). In the context of the Project the former two items are considered part of brand orientation and the latter notionally suggests a link to brand compliant behaviour.

Evidence that perceived market orientation predicts perceived brand orientation was statistically confirmed through research with 344 members of church organisations in Australia (Mulyanegara, 2010). He found that the market orientation components "interfunctional coordination" and "customer orientation" but not "competitor orientation" had positive effects on brand orientation. Brand orientation can also be interpreted as a specific type of marketing and market orientation, which keeps customer orientation in view and is characterised by the high attentiveness that senior management pays to branding (Baumgarth, 2010). He developed a new model of B2B brand orientation based on the market orientation concept and linked it to market and economic performance. He looked at the internal structure of brand orientation and segregated brand orientation sub-constructs: Values (e.g. brand differentiation), norms (e.g. integrated communication), and artefacts (e.g. visual brand identity), which influenced brand relevant behaviour and he stated that the brand must be lived at all levels otherwise achieving brand oriented behaviour is threatened. A direct link between the tangible components of brand orientation (values, norms, artefacts) and performance was not expected in Baumgarth's (2010) study. His model was tested through multiple regression analysis with a sample of 261 managers in Germany and it revealed that the tangible components of brand orientation positively influenced managers' behaviours, which in turn significantly increased market performance and economic performance of the enterprise. The study also showed that SME's had a less pronounced brand orientation than larger companies. Baumgarth (2010) putted his study notionally into the context of living the brand it could thus be interpreted that his brand orientation model was simultaneously a model of living the brand. This supports the thinking that brand orientation and living the brand are related (Burmam & König, 2011). The literature showed that brand

orientation includes aspects of market orientation and that brand orientation was linked to brand behaviour of corporate agents. It can thus be argued that market orientation and brand orientation are both linked to or present in the concept of living the brand.

This section concludes with the latest definition of brand orientation provided by Gromark and Melin (2011):

“Brand orientation is a deliberate approach to brand building where brand equity is created through interaction between internal and external stakeholders. This approach is characterised by brands being the hub around which the organisation’s processes revolve, an approach in which brand management is perceived as a core competence and where brand building is intimately associated with business development and financial performance.”

2.2.3. Assessing brand orientation

Two scales for measuring brand orientation in the social enterprise sector have been developed. Ewing and Napoli (2005) created a brand orientation measurement for non-profit enterprises “to capture the nuances of branding practices and philosophies within this sector”. The result of their study was a psychometric first order “non-profit brand orientation scale (NBOS)” that was based on Keller’s (2000, cited in Ewing & Napoli, 2005) brand report card. They initially compiled 37 items and tested face value with two academics. Three focus groups each including 10 to 12 experts from Australian non-profit organisations reduced the scale to 30 items. This reduced scale included 14 items of the market orientation scale “MKTOR” (Narver & Slater, 1990). It was then tested with two surveys performed in the non-profit sector that returned 233 cases and 170 cases respectively. Exploratory and confirmatory factor analysis was applied. The final 12-item measurement model, which didn’t include any more items from the “MKTOR” scale, had acceptable fit; the scale was reliable and was satisfactorily valid. The non-profit brand orientation scale (NBOS) includes three components: “Interaction” indicates the extent to which the organisation establishes dialogue with stakeholders and responsiveness to external changes,

“orchestration” measures its ability to implement integrated marketing and to communicate, and “affect” that assesses the degree of knowledge the organisation has about the extent to which it is liked or disliked by its stakeholders. “NBOS is a generalisable measure of non-profit brand orientation ... it can be used to compare brand orientation across non-profit organisations in different sectors, with caution, and as an internal diagnostic tool” (Ewing & Napoli, 2005).

Hankinson (2001) designed a battery of 26-scaled items for measuring brand orientation in the charity sector. Her exploratory factor analysis produced seven factors of brand orientation. The dominant factor had a relatively high level of internal consistency (alpha .79) and included items representing “brand understanding, brand communication, and strategic use of brands”, which seemed to be a general brand orientation factor. The other factors were weak. Despite some positive validation of her scale, Hankinson admitted “... much refinement and re-testing are clearly necessary before it is ready for use.”

Wong and Merrilees (2008) used a 5-item scale covering essentiality brand and branding for the corporation, its marketing, and future success.

2.2.4. Implications

Brand orientation research doesn’t have a long tradition. The early scholarly articles date back to the late 90s of the last century. Knowledge about the composition of the concept and its application in different industry environments has developed since. Although distinct the alliance between market orientation, brand orientation, and living the brand is evident. Important contributions to the knowledge of brand orientation were made from research in the not-for-profit sector especially with regard to scale development. Latest scholarly works focused on the synergistic combination of brand orientation with market orientation (Urde et, al., 2011) and on the impacts of brand orientation on economic performance (Baumgarth, 2010; Gromark & Melin, 2011). The interpretation of the literature is that there is agreement amongst researchers that an organisations brand orientation is in essence determined by: The strategic employment of corporate brand management, integrated brand

marketing including behavioural components, brand intelligence i.e. generating knowledge about stakeholders' brand perception and internal dissemination of brand knowledge.

From the review of literature the Project assumed that brand orientation is linked to living the brand (Napoli, 2006; Baumgarth, 2010; Burmann & König, 2010). Relationship of brand orientation with brand loyalty (Robbins, 2003) and with brand compliance (Napoli, 2006) was supported. Although brand orientation and living the brand are associated conceptually and even if the terms might sometimes have been understood interchangeably or have been seen as parts of each other they are two distinct concepts in the context of this Project. Brand orientation is a corporate strategy that bases the corporate decisions on the brand identity whereas living the brand is a behavioural concept that explains how employees espouse the brand identity in their interactions with stakeholders.

2.3. Values

There is rich research literature conceptualising and studying role and impact of organisational and personal values and there is variety in definitions. Social psychologist Milton Rokeach (1918 – 1988) was a leading researcher in the field of values. He wrote: "A person 'has a value' is to say that he has an enduring belief that a particular mode of conduct or that a particular end-state of existence is personally and socially preferable to alternative modes of conduct or end-states"; thus values are standards how to act, how to judge and how to influence others and a "person's value system is to help him choose between alternatives and to resolve conflicts in everyday life" (Rokeach, 1968).

Purpose and goals of an enterprise are rooted in values that "give directions to the hundreds of decisions made at all levels of the organisation every day" (Posner, 2010). Schwartz and Bilsky (1993) identified that the many definitions of values they analysed shared these five formal elements; "values: a) are concepts or beliefs, b) are related to desirable end states or behaviours, c) transcend specific situations, d) inform choice or evaluation of behaviour or

events, and e) are ranked by order of relative importance.” With regard to structure, level, and holder of values Agle and Caldwell (1999) suggested segregation of values by five types that are: “individual-, organisational-, societal-, global-, and institutional values”.

The term brand essence is often used for core organisational values and for the values perceived by customers. It's important for building strong brands to uncover the brand's core values and track record of how they evolved over time; strong brands hold true values that are highly engrained in the organisation and lived by all corporate agents and are highly appreciated by external stakeholders simultaneously (Urde, 2009). He argued that core-values based corporate branding should ensure that these brand values are expressed as unique customer benefits (Urde, 2003). Strong agreement among the organisational agents of just a few core values shape the organisational culture (O'Reilly III et al., 1991).

Various impacts of values have been identified for example: Fritzsche (1995) researched if values influence decision-making and found that “there appear to be different value sets which promote ethical behaviour in different types of ethical dilemmas”. For fostering ethical decision making quantitative research showed that it's preferable to employ candidates with altruistic rather than with self-enhancement values (Fritzsche & Oz, 2007). Cambra-Fierro et al. (2008) confirmed influence of corporate values on employees' workplace behaviour and on an individual's value system and behaviour, especially when making private buying decisions, and Hemingway (2005) described that individual values can be behavioural drivers.

With a view to values based corporate branding Palazzo and Basu (2007) argued that people's same desire for orientation that makes successful brands could also “provoke a public backlash against brands”. Another values-research-stream is person-organisation fit. This concept, matches personal values with organisational values. Harris and de Chernatony (2001) described that brand performance is as better congruency between: Corporate values and corporate brand values; employees' personal values and corporate values; and employees'

personal values and corporate brand values. Individuals and organisations need values “it’s essential to their wellbeing and their sense of worth” (Ind, 2008). Corporate agents should internalise and live up to the organisation’s values and standards as identification with organisational values can support organisational performance (de Chernatony, 2002; Gotsi & Wilson, 2001; Mael & Ashforth, 1992). With their empirical study that included a big sample of employees of an Irish bank Wallace et al. (2011a) demonstrated that employees’ commitment to their organisation had a significant impact on their adoption of corporate brand values and “that a structured and directive leadership style was effective at encouraging the adoption of the bank’s values.”

According to de Chernatony (2010, p.133) brand values are a component of the brand’s vision that embraces the brand’s purpose and the kind of inspirational benefits and changes the brand aspires to bring about long term. As will be described later, social banks’ brand vision could be e.g.: helping building a more responsible future through the delivery of ethical banking services without compromise and thus enabling and popularising an unselfish use of money. The related brand values could then be e.g.: public transparency about any investment made, solidarity, personal, corporate social responsibility (CSR) as an end onto itself, and balancing the triple bottom line.

With a view to charities, not-for-profit, and social enterprises values are the basis of their *raison d’être* and it’s the non-negotiability of the values that distinguishes them from the for-profit sector (Stride & Lee, 2007). In the case of social enterprises values such as e.g. “emotional satisfaction, spiritual values, and the sharing of humanitarian ideals” are social rewards (Arnett et al., 2003) that are transacted between social enterprise representative and his/her stakeholders. This broad understanding of the concept of transaction, which includes exchange of non-monetary values, is in line with Kotler et al. (1999, p.14).

From the perspective of value creation Grönroos (2008) challenged that value is not transacted but emerges as value-in-use and is thus created in the customer’s value generating process. In the context of social banking this view could mean

that the customer creates through transacting with a social bank their own intrinsic values e.g. peace of mind that their savings will be used ethically. Thus the bank's service logic is to co-create value for and with the customer who is using the bank's services. "If customer value is viewed as value-in-use interaction becomes a key marketing concept" (Grönroos, 2008). And living the brand by the interacting bank agents helps the customers to create value-in-use as the brand values and what they could mean for the customers are communicated in every interaction.

2.3.1. Implications

The research presented supports that corporate-, organisational-, personal- and brand values influence individual behaviour. It's therefore appropriate to assume that values related concepts such as person-organisation fit and brand identification influence living the brand of employees and thus performance. In this Project values are understood as described by Rokeach (1968) and indeed at the level of the individual and at the level of the organisation. Corporate brand values are those values implicitly and explicitly associated with the corporate brand by its stakeholders; corporate brand values are internally and externally communicated including through employees' behaviour. As is the case in this Project and in line with Wallace et al. (2011a) who postulated, that in service organisations, the brand is often the entire organisation the organisational values are the core values of the corporate brand. Fiduciary brand value or monetary brand equity is not what is meant by brand value(s) in this Project.

2.4. Living the brand and brand building

"The financial service brand is based entirely on the way the company does things, which means that the whole company contributes to building the corporate brand" (Papasolomou & Vrontis, 2006; Punjaisri & Wilson, 2007). Thus all employees and not just front-end staff have significant influence on how external stakeholders perceive the organisation. They are simultaneously the organisation, the brand and creator of its reputation (Dolatabadi et al., 2012; Harris, 2007). Kennedy (1977 cited in Gotsi & Wilson, 2001) did already

acknowledge this in the first empirical study into employees' role in the corporate image formation process. Later on research into employees' behavioural and external communications role was mainly performed in the domains of public relations -, reputation - and corporate communications research (Gotsi & Wilson, 2001).

Research into the brand – employee relationship is relatively newer. De Chernatony (2002) asked for a more humanistic approach in corporate branding “which recognizes that if staff have been recruited with values that align with the corporate brand, they need less supervision and should be encouraged to make decisions about stakeholders' need, within the guidelines of the corporate brand”. He required investments in internal communications to make employees conversant with their brand's identity and promise. For improving this relationship between employee and the brand King and Grace (2008) proposed creating brand aware employees, which are necessary for delivering the brand promise to customers.

Burmann and Zeplin (2005) and Burmann et al., (2009) saw employees' brand commitment as a central construct and explained the psychological process that leads to “brand citizenship behaviour”. For adopting citizenship behaviour employees undertake voluntary efforts that go beyond prescribed job specification and tasks. Brand citizenship considers the factors: Sportsmanship (e.g. remaining positive), civic virtue (e.g. public brand advocacy), and helping others in the organisation (Paillé, 2009).

A further concept embracing living the brand is “internal market orientation” (King & Grace, 2008) or “internal marketing” (Papasolomou & Vrontis, 2006) that is basically the notion of corporate brand as basis for motivating employees to deliver the brand promises. Equally the aim of internal branding is “to ensure that employees transform espoused brand messages into brand reality for stakeholders” (Punjaisri & Wilson, 2007) or in other words that employees live the brand.

The underlying idea of living the brand is to explain what causes and how to instigate brand values related behaviour of organisational agents with the aim to

build brand equity, to deliver the brand promise and to increase performance. The literature came up with different terms to denominate strategies to achieve - and concepts to describe brand values aligned employee behaviour e.g.: “Behavioural branding” (Henkel et al., 2007; Tomczak et al., 2009; Kernstock, 2009), “internal brand management” (Burmamann & Zeplin, 2005), “internal brand building” (Vallaster & de Chernatony, 2006), “brand oriented behaviour” (Baumgarth, 2010), “brand behaviour” (Brexendorf & Kernstock, 2007), “employee brand-building behavior”, “employee branding” (both Miles & Mangold, 2004), “internal brand communities” (Devasagayam et al., 2010), “internal branding, internal marketing” (Gapp & Merrilees, 2006, Punjaisri & Wilson, 2011), and “living the brand” (Ind, 2008). Punjaisri and Wilson (2007) reported that internal branding generates “commitment to, identification with, and loyalty to” the corporate brand values and employees’ internalization of the brand will support consistent delivery of the brand promise across all brand touch points with stakeholders (Vallaster & de Chernatony, 2005).

This variety of terms showed that there isn’t uniformity in nomenclature yet. They all describe similar constructs and strategies for either directly or indirectly positively influencing individual-, brand-, and corporate-performance through the employee – corporate brand relationship. This was generally thought to happen through internalization of brand identity and through motivating employees to project the desired brand identity to internal and external stakeholders. The terminological differences between various understandings are less important for the Project. It will be defined below how the term living the brand is used in this Project. Helpfully Smith and Buchanan-Oliver (2011, p.58) showed that there was agreement amongst many scholars that employees play a crucial role in the brand promise delivery in service companies.

Internal branding and internal marketing are strategies to support brand-aligned behaviour. A concept often mentioned within these two marketing domains is employer branding. It’s however distinct from the concept of living the brand and it emerged in the intersection of marketing and human resources (HR) research. With employer branding science of branding is applied to HR strategy

focussing on current and potential employees. It aims to differentiate a firm as an employer and focuses on identifying unique employment offerings (Edwards, 2010; Moroko & Uncles, 2008; Maxwell & Knox, 2009). Central to both living the brand and employer branding is brand identity. The former aims at current employees espousing brand identity the latter aims at attracting and keeping employees by brand identity. It seems logical that successful employer branding reinforces living the brand e.g. through brand aligned internal and external communication. Foster et al. (2010) supported this thought and argued for aligning corporate branding with internal branding and with employer branding, which should also lead to a closer co-operation between HR- and marketing functions.

According to Motowidlo and van Scotter (1994 cited in Morhart et al., 2009) brand-building behaviours are classified into: Retention, in-role brand building behaviour, extra-role brand building behaviour, and participation. Retention refers to employees' loyalty by staying with the company that helps to maintain stability in the firms' customer relationship, which can "spark feelings of closeness, affection, and trust of customers towards brand representatives" and increases competitive advantage of the brand. In-role brand building behaviour describes brand compliance, which means employees' adhering to the corporate brand standards and delivering the brand promise congruent with the company's media communication. Extra-role brand-building behaviour "goes beyond the prescribed roles for the good of the corporate brand and is discretionary". It includes promoting the brand in social situations outside the company. Participation includes passing on customer complaints, making suggestions for brand improvements, and sharing brand knowledge internally. Such participation is sometimes considered extra-role behaviours.

It can however be argued that these extra-role behaviours should be part of expected and contractual obligations of employees especially in the case of front line service staff. In this case participation would belong to in-role brand building behaviour and would be associated with the knowledge dissemination element of brand orientation.

Kernstock (2009, p.7) argued from a management perspective and on the one hand put focus on the contribution of employees' brand oriented behaviour and on the other hand how management can and will influence it. Brexendorf et al. (2009, p.344) proposed tactical brand management to enhance brand buy-in and brand-oriented behaviour for example: Brand training workshops, storytelling, role-playing, learning based brand games, corporate songs, corporate architecture including brand worlds such as flagship stores, and empowerment. For continuously encouraging brand behaviour they suggested introducing incentives and reward systems. They mentioned that the implementation of tools for enhancing living the brand should always be guided by brand identity and it would be dependent on the internal target group that was going to be trained.

The review so far surfaced that the dominant research perspective was to look at the factors that determine living the brand, how personnel can be influenced to support the brand to deliver desired results (Vallaster & de Chernatony, 2006, 2005; Boyd & Sutherland, 2006; Harris, 2007; Henkel et al., 2007; Morhart et al., 2009; Punjaisri et al., 2009; Wieseke et al., 2009; Kernstock, 2009; Brexendorf et al., 2009). These scholars didn't primarily or exclusively focus on financial productivity and other quantitatively measurable implications of living the brand they looked at internal relationships, cultural aspects, identity, strategy etc. This approach to living the brand research coincides with marketing control theory (Jaworski, 1988). He proposed a marketing control system including environment, formal and informal controls, and individual as well as corporate results. This viewpoint thus looks holistically at antecedents, components and outputs of living the brand and how management can implement, produce, steer, and control brand aligned behaviour of employees.

Nicolas Ind was one of the early writers who popularised an employee-centric approach for marketing- and brand management. His book "Living the Brand" from 2001 coined the idea of living the brand as a method to transform every member of an organisation into a brand champion. Brand champions are those corporate members who identify with the corporate brand, internalise its values and authentically, spontaneously and voluntarily spread the brand's ideas externally and internally of the enterprise and herewith build brand equity. In

Ind's view living the brand includes giving meaning to ideas and values of corporations. This enables employees to believe in those ideas and to genuinely deliver the brand promise, which includes espousing the corporate values in their corporate activities and interactions (Ind, 2008, p.1). In the words of Hatch and Schultz (2008, p.142) living the brand is getting the employees behind the brand. They advocated that everything a company does "with respect to employees, and everything it expects of them, should be infused with the spirit of the brand". They especially addressed HR policies and practices and were talking about brand-based recruiting, brand-based training, brand-based team building, and brand-based performance assessment. This understanding of living the brand brought it notionally close to the concept of brand orientation.

In line with theory of marketing control Henkel et al. (2009, 2007) researched determinants of brand behaviour with a sample of 167 marketing managers from service and production industries in two countries. Almost all respondents (90%) felt that brand behaviour is important for customers' brand perception and for corporate performance (88%). Their model confirmed that informal management control such as counselling of employee by his manager, employee empowerment, and employee performance significantly influenced brand behaviour and behaviour in turn corporate performance such as less customer price sensitivity or higher customer brand loyalty. The study could neither confirm influence of formal management control such as handing out brand booklets to employees nor impact of mass media on brand behaviour. With regard to its heterogeneity the sample was however relatively small.

For determining the key success factors for living the brand, Boyd and Sutherland (2006) undertook case studies with five major South African companies including 51 interviewees well known for their living the brand. They identified that the companies should make employee branding a business priority and that the organisation must adhere to and internally communicate values in which employees can believe. Companies should thus create a sense of belonging, commitment, loyalty, and accountability amongst employees. Financial reward wasn't found to be a prerequisite for living the brand. Qualitative research into internal branding from the employees perspective by

King and Grace (2008) was adding to the findings of Boyd and Sutherland (2006) that employees need to be acknowledged for their work and that simply giving brand information is not enough to motivate employees to be brand champions. According to their study the building blocks to attain employees bringing the brand to life are task-associated information that can lead to employees feeling responsible for the job. But only if brand related information is added that helps to create identification with the brand employees will live the brand and successfully deliver the brand promise. Direct rewards however didn't motivate employees to exert living the brand behaviour.

Punjaisri and Wilson (2007) studied hotel employees' perception of their role in fulfilling the brand promise. They showed that customer-facing employees were aware that their actions were vital to the brand. Furthermore these employees admitted that non-customer-facing staff that were invisible to hotel guests played an important part in the seamless delivery of the brand promise too. Thus management needs to translate brand identity into operational activities with which all employees associate to foster living the brand of all corporate agents. The study (Punjaisri & Wilson, 2007) disclosed that for achieving this efficiently concerted expertise from marketing and HR is required. And the results from its multiple regression analysis were that internal communication had a more important influence than training on employees' brand delivery activities .

Critical of normative control of how brand identity had to be lived were Cushen (2009) and with regard to "strong moral brands" Morsing (2006). Cushen's (2009) ethnographic case study of the high-technology firm "Avatar" raised questions "about the extent to which behaviours can be regulated through positive associations with an obviously artificial construct alone, and suggested that for this company, faced with an underlying market rational value set, that such branding may be a normative step too far". The study highlighted that enforcing living the brand behaviours can render normative control to be counterproductive. Thus employees should perceive living the brand as authentic with their personality and professionalism. This supports the idea that person-organisation fit and brand identification should be linked to living the brand.

A destructive form of living the brand is the phenomenon of service “brand saboteur”. It describes a negative employee – brand relationship and might give additional weight to the importance of internal branding. Wallace and de Chernatony (2008, 2009) and Wallace et al. (2011b) identified several types of brand saboteurs: “Revenge, refusal to perform, intentionally underperforming, absenteeism, non-compliance with service standards”. They noted that sabotage is not always deliberate and it can occur due to a lack of information and training and it’s an individual act. It can be added, that such behaviour can also result out of frustration which might cause negative word of mouth e.g. in case of non-welcomed mergers, restructuring, and staff lay-offs.

2.4.1. Living the brand and leadership

Many scholars underlined the importance of managers of all levels for enhancing living the brand and stressed that top management must take ownership of the brand building process (Brexendorf & Kernstock, 2007; Hatch & Schultz, 2008; Morhart et al, 2009; Morhart, 2008; Balmer & Gray, 2003; Henkel et al., 2007). In the following studies that investigated the role of leaders and leadership in enacting living the brand behaviour are discussed. The leadership research stream of living the brand is still relatively small.

A qualitative study into the role of leadership in the internal brand building process in service industries was conducted by Vallaster and de Chernatony (2005). They proposed that leadership is key in leveraging cognitive, communicative, and affective differences of brand vision to create sharing of brand values and to reach consensus of appropriate styles of living the brand; good knowledge of the identification-, cognitive-, and communication impacts is required to enable living the brand behaviour and to achieve service brand success. However they contended “that it’s the leader who must first deliver the brand’s promise in an honest rather than in a forced or artificial way”, leaders who are role models in living the brand develop trust and respect amongst employees. For example in situations of structural and behavioural changes of corporations the internal brand building responsibility of successful leaders is to be the integrators of the new corporate identity and to mediate new brand

adequate behaviours (Vallaster & de Chernatony, 2006). Vallaster (2004) recommended action research to study the crucial role of leaders and to capture their interactions in the internal brand building process that foster employees' living the brand. She criticised that surveys were not suitable to understand "the complex intercultural interactive and leadership processes during internal brand building".

Morhart et al. (2009) contributed to the question how leadership style induced brand building behaviour of frontline employees. A sample of 269 customer contact service employees of the B2B division of a large telecom company was surveyed through on-line questionnaire. They identified "brand specific transformational leadership" by which managers are role models in authentically living the brand, create subordinates' pride in the brand and empowers them to interpret the brand promise when delivering the brand. They found that teach and coach is more effective for brand building than transactional leadership as "a medium level of transactional leadership maximizes the effects of transformational leadership" and their field experiment proved that transformational leadership "can indeed be learned through management training".

2.4.2. Living the brand and performance

It seemed undisputed from the literature review that internal branding and other strategies of 'living the brand' enhance brand performance and thus positively influence business performance. Nevertheless there were relatively few studies that empirically measured the relationship between 'living the brand' and performance; neither its impact on brand equity, nor on market share, nor on proceeds and income, and nor on individual employee performance. Punjaisri et al., (2009b) applied structural equation modelling with the data of 680 employees of five hotels in Thailand and statistically confirmed that brand identification and employees' intention to stay loyal to the brand mediated the link between internal branding and employees' brand performance. They also found a significant direct positive path from brand loyalty to brand performance ($\beta = .11$) and from identification to performance ($\beta = .19$). Internal branding was

defined as a second order construct including the first order components: Training, internal communication, group meetings, and employee briefings. Brand performance was a latent construct for which items such as “I effectively fulfil the promise that the brand has with customers” were self assessed by the respondents. Similarly Thompson et al. (1999) used quantitative methods and found links between employees’ brand buy-in (i.e. brand identification and brand understanding) and their self-stated performance. They referred to business performance and brand performance in the sense of advocacy. The article didn’t however clearly reveal how performance was defined. Baumgarth (2010) demonstrated that ‘living the brand’ increased assessed market performance (e.g. image improvements) and this in turn financial performance.

In this Project ‘living the brand’ is thought to influence individual job performance. Brand loyalty (i.e. intention to remain with the company) is assumed to be a component of the concept of ‘living the brand’. Therefore literature was scanned for research about the relationship between brand loyalty and individual performance. Much research so far looked at the influence of performance on employee turnover and at low/high performers turnover intentions (low performers are more likely to quit) (Zimmerman & Darnold, 2009). The same meta-analysis of 65 studies revealed negative and modest correlation between performance and intent to quit. Another research stream linked in-role/extra-role behaviour with organisational performance and with raters’ influence and it indicated that role behaviours were related positively to performance (e.g. MacKenzie et al., 1991; Sun et al., 2007). Wallace et al. (2011b) developed a five component performance measurement including “civility” (being friendly), “extra role behaviour” (helping peers), “customer orientation”, “assurance & reliability”, and “sabotage” (reduced performance due to stress).

Contrary to other literature that looked at the customer’s evaluation of front line staff performance Wallace et al. (2011b) captured the employee’s own view and added a brand sabotage component. Although their research was deconstructing service employee performance it also captured brand building behaviours. A retail store study found that employee turnover was associated with decreased margin and service performance (Ton & Huckman, 2008), and Valentine et al.

(2010) tested effect of job attitudes on ethical job performance and demonstrated strong relationship; job attitudes included intention to stay that alone correlated however weakly with performance ($r = .18, p < .10$).

2.4.3. Assessing living the brand

The search for a scale to measure living the brand of individuals didn't return a great deal of choice. Morhart et al. (2009) developed and adapted scales to measure elements of living the brand for their research on brand-aligned leadership. They developed a new 3-item scale for in-role brand-building behaviour and measured positive word of mouth with a 3-item scale adopted from Arnett et al. (2003). For participation they adapted three items by Bettencourt (1997, cited in Morhart et al., 2009). All their scales tested well on psychometric properties. For their study of re-branding effects Hankinson et al. (2007) developed an 8-item brand behaviour scale. This scale focused on post re-branding behaviour of charity employees. The scale was reliable; validity data was not reported. A 6-item scale was developed by Henkel et al. (2007) to measure their formative construct "behavioural branding quality" (exemplary item: "Our employees live up to our brand values through gesture when dealing with our customers"). Baumgarth (2010) developed a 4-item formative measurement for brand orientation behaviour (exemplary item: "We teach our employees about the brand"). No scale was found to holistically measure living the brand behaviour of employees.

2.4.4. Implications

As specified in section 1.1, Living the Brand is defined as the behaviour of employees that supports the corporate brand through staying loyal to the organisation, through complying with the brand standards in stakeholder interactions, and through advocating the brand in social situations. Living the Brand in the context of this Project is thus a behavioural concept for enhancing brand performance. Based on the above review of internal branding literature the Project suggests that Living the Brand behaviour emerges from brand orientation of the organisation, from similarity between personal values and brand values, and from employees' identification with the corporate brand

identity. In line with the above definition it's thus assumed that the concept of Living the Brand is multi-dimensional and embraces the constructs: Brand Loyalty, Brand Compliance, and Brand Advocacy.

As the rather small volume of literature showed living the brand is a relatively new topic of scholarly marketing research that is increasingly applied with quantitative methods (Baumgarth, 2010, Morhart et al., 2009; Punjaisri et al., 2009; Burmann et al., 2009; Hankinson et al., 2007; Henkel et al., 2007; MacKenzie et al., 1998). Internal branding research advocated that cross-functional synergies between marketing and human resources management should be exploited (Aurand et al., 2005; Punjaisri & Wilson, 2007; Foster et al., 2010; Hatch & Schultz, 2008) to support emergence of living the brand. Neither was research in the realm of living the brand discovered that looked at living the brand in the context of social banking nor that linked living the brand with individual work performance.

This review detected only limited statistical evidence that living the brand components predicted business performance. Baumgarth (2010) demonstrated that the behavioural component of brand orientation influenced market performance and Punjaisri et al. (2009) showed that intention to stay positively related to behavioural brand performance. The HR related meta-analysis by Zimmerman & Darnold (2009) found that there was a modest negative correlation between individual job performance and intention to quit and voluntary employee turnover respectively. Following this evidence the Project assumes positive relationships between Living the Brand and individual work performance. It further presumes that brand loyalty affects brand compliance - Morhart et al. (2009) found positive correlation between retention and compliance with brand standards (i.e. in role brand building behaviour) - and that brand loyalty positively influenced brand advocacy (MacKenzie et al., 1998; Morhart et al., 2009). The issue of conflicting employee authenticity and normative control that could be counterproductive for living the brand was highlighted (Cushen, 2009; Ashman & Winstanley, 2007; Morsing, 2006). This raises the question if social bank employees feel authentic in living the brand.

2.5. Person-organisation fit

The greater the fit between personal values of corporate agents with corporate brand values, the stronger is brand performance (Harris & de Chernatony, 2001).

Moreover brand values are important to the psychological process of identity formation in which individuals seek a social identity that provides meaning and connectedness (Ashforth & Meal, 1989). Thus on the one hand people may be attracted to organisations they perceive as having brand values (as they have been discussed in section 2.3.) that to a certain degree match their own, and on the other hand companies try to select applicants who likely share the corporate brand values (Albert & Whetten, 1985; Judge & Cable, 1997). In-depth interviews with 45 senior consultants in the UK surfaced that “service brands die because of staff, not because of consumers” and as consequence de Chernatony et al. (2003) claimed that “there may be a case for recruiting staff in line with the brand’s values rather than emphasising their technical/operational skills.” This was supported by Hurrell & Scholarios (2011, p.124). They concluded in their case study of the hospitality sector that emphasis on selecting employees who fit the brand may help employers in interactive services to reduce soft skill gaps of their staff and they showed that person-brand fit may be superior to competency based only selection procedures.

The Project follows Kristof-Brown et al. (2005) who identified that focus on values and perceived value congruence was the main approach to person-organisation fit. Thus the Project doesn’t look at other sources of fit e.g. goal congruency, and match of job requirements and person’s skills, knowledge and capabilities. Quantitative research into the effects of person-organisation fit demonstrated that person-organisation fit predicts job satisfaction, organisational commitment, and intention to stay (O’Reilly III et al., 1991; Kristof-Brown et al., 2005; Ravlin & Ritchie, 2006). Intention to stay was further verified by controlling turnover numbers two years after person-organisation fit was measured and it was confirmed that high person-organisation fit was significantly associated with low intention to leave (O’Reilly III et al., 1991). However low correlation was found between person-organisation fit and

performance (Kristof-Brown et al., 2005; Morley, 2007). Yaniv and Farkas (2005) reported academic writers (such as Chatman, 1989; O'Reilly et al., 1991; Cable & Judge, 1996, all cited in Yaniv & Farkas, 2005) who were “all determined that the greater person-organisation fit, the greater is employee’s satisfaction, which leads to a greater commitment to the organisation and its goals”. This may implicitly suggest a relationship between person-organisation fit and employees’ brand compliant behaviour. Employees who shared the corporate brand values were more likely to show extra role behaviour (Chatman, 1989; Cable & DeRue, 2002), which pointed to a relationship of person-organisation fit with brand advocacy.

Although person-organisation fit belongs to the arsenal of human resources management value fit theory was also used in marketing research in the realm of brand management (Burmam & Zeplin, 2005; Morhart et al, 2009; Yaniv & Farkas, 2005). Morhart et al. (2009) found that role identity internalization, which was constructed of identification and value fit, positively related to retention, to in role behaviour, and to word of mouth. How far this was true for the value congruence component of their internalization construct alone was not reported. Yaniv and Farkas (2005) conducted a quantitative survey amongst retail franchisees in Israel and found positive correlation between employees’ person-organisation fit and employees’ brand perception, which in turn affected the brand perception of customers. These findings suggested that employees espouse their brand perception and thus live the brand in their interactions with customers.

The downside of high person-organisation fit may be resistance to change because high value fit creates strong corporate cultures, which can lead to inability to see urgency for change and to inflexibility of the organisation (Yaniv & Farkas, 2005).

2.5.1. Assessing person-organisation fit

Most scholars distinguished direct from indirect measurement of person-organisation fit and agreed that perceived fit is a direct assessment of compatibility of the person with the environment; in this case the individual

judges directly the level of match between himself/herself and the organisation. Similar effects were expected of direct and indirect methods (Kristof-Brown, et al., 2005). Cable and DeRue (2002) and Judge and Cable (1997) used 3-item scales for directly measuring perceived person-organisation fit in human resources research. The items in the scale from Cable and DeRue (2002) were maybe less demanding for respondents to understand and achieved higher reliability (alpha) levels compared to the Judge and Cable (1997) scale. Yaniv and Farkas (2005) found the scale from Cable and DeRue (2002) reliable (alpha .88). Morhart et al. (2009) adapted a scale from Bergami and Bagozzi (2000 cited in Morhart et al., 2009) to measure value congruence that was defined as first order construct in their role identity internalization (second order) measurement model.

2.5.2. Implications

This review showed that there seemed unambiguous agreement that person-organisation fit influenced job satisfaction, employee retention, and commitment to brand values. In line with many scholars the Project suggests that person-organisation fit affects employee retention (O'Reilly III et al., 1991; Kristof-Brown et al., 2005; Ravlin & Ritchie, 2006); and that person-organisation fit relates to extra-role behaviour (Chatman, 1989; Cable & DeRue, 2002). Although it wasn't clearly confirmed by literature the Project further assumes that person-organisation fit influences employee's in-role behaviour such as respecting brand standards (Yaniv & Farkas, 2005; Morhart et al., 2009). Meta analysis revealed that person-organisation fit had only weak correlation with performance (Kristof-Brown et al., 2005; Morley, 2007) and thus this relationship isn't envisaged in the Project. The single factor person-organisation fit scale from (Cable & DeRue, 2002) seems appropriate in the context of the Project, it's short and the questions are easy to understand.

2.6. Identity

Brand and brand identity are central constructs in marketing. They were extensively discussed in literature and functions of brands and branding were

seen from many perspectives (see e.g. Balmer & Gray, 2003; Keller & Lehmann, 2006). Identity was linked to the organisation, the corporation, the culture, the brand. And so was employee identification related to the organisation, brand, and culture. Brand identification was sometimes used synonymously to employee commitment. Brand identity is the representation of “brand as product, brand as organisation, brand as person, and brand as symbol”, it proposes “functional-, emotional-, and self-expressive benefits” and creates expectations (Aaker, 1996, p.82). The following discusses the concept of brand identity and brand identification and addresses identity research that is relevant in the context of the Project.

2.6.1. Identity types

Employees without clear brand identity guidance “are like a captain at sea who doesn’t know which harbour to navigate” (Esch, 2009, p.45), as better employees were aware of brand values and of what kind of activities were in line with brand as better brand identity was operationalised, and brand aligned employee behaviour and employee brand loyalty were achieved. According to Balmer and Greyser (2002) corporations have five identities that are present in any organisational identity: “Actual identity” is shaped by current tangible and intangible attributes of the company including values set held by management and employees; “communicated identity”, e.g. by living the brand; “conceived identity” i.e. perceptions of the company held by its stakeholders; “ideal identity” is defined by company capabilities and strategy planning “it’s the optimum positioning of the organisation in the market”; “desired identity” is the vision about the corporation in the hearts and minds of their leaders. This framework was called the “AC²ID Test” (trademarked by J.M.T. Balmer, 1999). The five identity types form together a mix of aligned attributes that makes the corporate identity distinct. They should fit together as “meaningful incongruence between any two (or more) of the five identities can cause problems for a company with its stakeholders”.

Similarly van Riel (2004) who presented four visions on organisational identity: “Projected identity” i.e. the communication and symbols of the organisation;

“perceived identity” i.e. attributes that organisation members consider typical for the continuity, centrality and uniqueness of the organisation; “desired identity” i.e. to what the organisation could evolve to; “applied identity” i.e. what employees demonstrate through their behaviour. The latter might be synonymous to living the brand. For Albert & Whetten (1985) organisational identity statements should express the essence of the enterprise (“claimed centrality”), distinguish the enterprise from comparable actors (“claimed distinctiveness”), and sameness over time (“claimed temporal continuity”). The view that identity is monolithic was viewed as inadequate and “multiple identities can co-exist comfortably within a company” (Balmer & Greyser, 2002). However meaningful congruence should exist between the identities that exist in any company.

An attempt to categorise identity research was undertaken by Balmer (2008). He found five principal schools of thought towards identity and identification of the corporation and of its members: “Identity of a corporation”, which includes juridical rights in the corporate name and other distinguishable traits of the enterprise; “identification from a corporation” that includes corporate visual identity and its use; “stakeholders identification to a corporation” and “stakeholders identification to a corporate culture”; “envisioned identities and identifications” that describes what kind of image internal and external stakeholders envision of the corporation. In the context of living the brand the notions of employees’ “identification to a corporation” and “identification to a corporate culture” are most appropriate. It describes employees’ affinity with and cognition of the brand that affect behaviour and such “identification occurs at the level of corporate brand rather than to the corporate identity” because of production and service outsourcing strategies of many firms (Balmer, 2008).

The term organisational identity was often related to an internal focus whereas the term corporate identity was usually characterised by an external focus having the core objective to secure competitive advantage. Ravasi and Schultz (2006) approached the identity issue from a risk perspective and explored the role of organisational culture in responding to identity threats that are disruptions by “events that call into question members’ beliefs about central and

distinctive attributes of an organisation (and thus) can challenge collective self-perceptions and self-categorizations". Fundamental to their analysis were sense making and sense giving processes from which organisational identity arose. These two processes were seen as complementary aspects of organisational identity. This view led them to seeing organisational identity as the result of the interplay between identity claims ("who members say they are as an organisation") and identity understandings ("who members believe they are"). Risky events and pressure can increase the likelihood of members thinking about organisational identity and they may become doubtful about its appropriateness.

Ashman and Winstanley (2007) took a critical stance towards the concept of corporate and organisational identity. For them identity wasn't something that can be attributed to the abstract corporation as the possession of the organisation as a whole. They argued that corporate identity is imposed by the leading coalition of the company. "Corporations lack the unity of consciousness to enable self-reflexivity, identity and intention" but they "reassert the value of seeing corporate identity as a convenient metaphor".

The concept of brand identity calls for "specifying the facets of brand's uniqueness" Kapferer (2004). He proposed to define brand identity along six facets: "Physique" i.e. the tangible expression of the brand (e.g. Shell's logo - the pecten); "personality" i.e. the brand's character often metaphorically represented by a living, historical or artificial being (e.g. if the brand were a person it would be James Bond); "culture" i.e. "a set of values feeding the brand's inspiration"; "relationship" i.e. expressing how the brand transacts and exchanges between people (e.g. brand messages); "reflection" i.e. how stakeholders are using or identifying with the brand, how they want to be seen by others (e.g. customers of social bank XY want to be seen as socially and ecologically responsible persons); "self-image" i.e. the brand recipient's inner relationship with himself/herself when using the brand (e.g. when saving with social bank XY I feel doing good). According to Kapferer (2004) brand identity leads to brand positioning i.e. to "emphasising the distinctive characteristics that make it different from its competitors and appealing to the public" and builds brand images in stakeholders' minds. Although Kapferer's brand identity concept had product

brands in focus nothing was found that spoke against applying his brand prism for conceptualising corporate brand identity and for supporting brand identification.

2.6.2. Identification, commitment, and culture converged

Sometimes organisational identity “what we feel we are” and culture were seen as the converged concepts of a corporate marketing mix and corporate identity was described as character of the corporation “what we indubitably are” (Punjaisri & Wilson, 2007; Balmer & Greyser, 2002; Balmer & Wilson, 1998; Albert & Whetten, 1985). Merging identity with organisational culture and rooting it in employee behaviour was increasingly discussed (Ravasi & Schultz, 2006; Melewar et al., 2005; Balmer & Wilson, 1998). For Wheeler et al. (2006) “organisational culture and corporate brand identity are interdependent and perhaps reciprocal in a purely marketing context”.

Qualitative research revealed that culture is a key component of brand identity (Melewar, et al., 2005). Harris (2007) postulated employees “to be the strategy and live the brand” and linked culture and identity with employee behaviour. He proposed to provide to staff appropriate tools such as guiding principles. This should nurture desired employee behaviour towards a “company-wide spirit of involvement and responsibility in action” that needs to be present to fulfil strategic aims of the firm. Harris’s (2007) statements thus supported a relationship between identity and employee behaviour. Van Dyne and Pierce (2004) argued that employee’ attitudes and work behaviour were positively influenced by having a sense of place and belonging. King and Grace (2008) supported that there was positive correlation between employee commitment, feeling of belonging to the organisation and organisational success. Such predispositions also lead employees to co-operate with other members of the firm and to imitate successful or prestigious leaders (Cordes et al., 2008). Odom et al. (1990) found that highly supportive and innovative bank cultures resulted in higher employee commitment compared to less supportive and less innovative or bureaucratic cultures.

In Jones' (2005) analysis it was the corporate brand that linked the individual stakeholders to the company and to each other. And if employees and customers had similar perceptions of the identity of the company the company was more successful (Vercic & Vercic, 2007). Both studies implicitly supported the proposition that brand identification was beneficial for an enterprise. "One of the key components of an organisation's identity is its staff. In a corporate service context, employees are instrumental to the development of identity and brand reputation" (Hardaker & Fill, 2005) and Jones (2005) added that relationship of employees with the brand can improve motivation and productivity.

The role of leaders and their own behaviour, including creation of shared knowledge about the brand identity and of understanding of the brand values, is important to foster employee commitment and to enable employees to live the brand (Wallace et al., 2011a, Morhart et al, 2009; Vallaster & de Chernatony, 2005). Similarly management guru Peter Drucker demanded management to create commitment (Drucker, 1999). As Kapferer (2004) they concluded that culture could act as a brand identity developer. Wheeler et al. (2006) confirmed that brand identity perception of employees predicted intention to remain in the company. However the link between intention to stay and individual performance was non-significant in their empirical study. Likewise Morhart et al. (2009) estimated significant positive influence of role identity internalization on employee retention, extra-role- and in-role behaviour. This result supported investments in brand identification of corporate members because identification reduces staff turnover and related cost. Further "firms with lower employee turnover receive higher service quality and customer satisfaction ratings because of their marketing employees' level of experience and knowledge in serving customers" (Wheeler et al., 2006).

Culture was often cited as the most important lever leaders can focus on to deliver sustainable results (Wardley, 2006; Chen, 2004; Marcussen, 2003). However, neither Wilson (1997) in his empirical work about sub cultures in bank branches confirmed direct linkage between culture and business performance nor did Chen (2004) find positive correlation between culture and job performance. But Detert et al. (2000) affirmed linkage between organisational

culture and employee behaviour in the sense that a business strategy such as total quality management required an adequate culture, which was shaped by specific employee behaviour.

This view that strategy-aligned culture and employee behaviour were dynamically forming culture was also shared by other researchers (Hatch & Schultz, 2008; Harris, 2007; Ravasi & Schultz, 2006; Aaker, 2004; Wilson, 2001). An empirical study by Hankinson and Hankinson (1999) compared the corporate cultures of world's 100 top brands from the 'Interbrand' list with less successful "outsider brands". They defined "outsider brands" as brands well known with substantial promotional budget and having potential for becoming a top 100 brand. The study supported correlation between culture and brand success. The top 100 brands and amongst them mostly the consumer goods brands culturally significantly differed from outsider brands. The managers of top brands were "more committed to a learning orientation, less preoccupied with short-term performance, more committed to sharing information and to more frequent appraisals of each other, they cultivated an open, cooperative style of management". Respondents from companies of the financial service sector in the UK, perceived organisational culture as key to brand success and as a "powerful driver of employee behaviour, and as such strongly influenced the way the brand is delivered to stakeholders" as de Chernatony and Cottam (2008) found out in a qualitative survey.

Nwachukwu and Vitell (1997) found evidence that organisational culture, code of ethics, enforcement and rewarding of compliant behaviour positively affected ethical behaviour of members of the organisation. "A living code of ethics" was proposed by Verbos et al. (2007) and meant "the cognitive, affective, and behavioural manifestation of an ethical organisational identity". Thus living the brand for enacting ethical brand identity. "Organisations will benefit from their commitment to a living code by attracting employees of high moral capacity, serving to help strengthen and perpetuate a shared ethical identity" (Verbos et al., 2007). These findings supported to link identification with living the brand in social banks that are ethic based brands. Verbos et al. (2007) mentioned that

staff should be given principles that help to instigate an employee behaviour of involvement and responsibility.

Thomson et al. (1999) surveyed a sample of 350 managers and employees of British firms to find out how employee brand identification “buy-in” impacted on brand and business performance. They crystallised their findings in a “intellectual (understanding) and emotional (commitment) buy-in matrix showing that 39% of employees (the “weak links”) were lacking understanding and commitment, 14% (the “loose cannons”) were committed to goals but lacked understanding necessary to deliver, 10% (the “bystanders”) knew what they needed to do but lacked commitment to organisational goals, and finally only 37% were brand “champions” who knew what they needed to do and were committed to delivering. Their data suggested brand understanding and emotional commitment of employees reinforced brand advocacy and provided organisations with the much-needed champions.

Likewise Burmann et al. (2009) empirically validated causal link between brand commitment of employees and their behaviour. They found that identification of the employees with the brand and employees’ feeling of being part of the brand lead employees to display brand-supporting behaviour exceeding role expectations. They called this manifestation of living the brand “brand citizenship behaviour”. According to Burmann and Zeplin (2005) brand citizenship behaviour was driven by corporate brand commitment, which was influenced by: Employee behaviour that is consistent with the brand identity, identification with brand identity due to a sense of belonging to the brand, and internalization of the brand values into one’s self-concept; an individual’s brand commitment “can be built on any one of these dimensions or on all three”. In Punjaisri’s et al. (2009b) study e.g. brand identification of employees’ preceded brand commitment. Wentzel et al. (2009, p.86) reported on Allan and Meyer’s research from 1990 three types of commitment (“affective -, rational -, and normative commitment” [normative commitment means perceived obligation to remain in the company]).

In the context of the Project brand identification refers to affective commitment, which had a stronger relationship with work outcomes than rational commitment (Randall, 1990). Affective commitment signifies strong emotional relationship between brand and employee including high identification with brand values. If this is the case Wentzel et al. (2009, p.86) suggested that the employee wants to stay brand loyal and they argued that it's plausible that employees behave in a brand compliant way to secure their continued employment with the company. Affective commitment positively influenced brand values adoption by employees including current strategy and aspirations of the employing bank (Wallace et al., 2011a).

A distinction was not always made between employee brand commitment and brand identification. For example Porter et al. (1974 cited in Meyer et al., 1991) "described commitment as 'the strength of an individual's identification with and involvement in a particular organisation'". They reported that likelihood to stay increased through affective commitment (i.e. employees *want to stay*) as well as through continuous commitment (i.e. employees *have to remain*) because of high exit barriers e.g. loss of income, prestige, disruption of personal relationship. In their empirical study about antecedents of employee brand commitment Kimpakorn and Tocquer (2009) defined "employee brand commitment as the extent to which employees experience a sense of identification and involvement with the brand values of the company they work for". They found that employee brand commitment developed through employees' perception of external brand image and their experience with the employer brand. Contrary to other literature their results didn't indicate a strong relationship between employee's brand knowledge and commitment.

Brexendorf and Kernstock (2007) also supported linkage between corporate identity and brand and stressed the importance of employee behaviour for the expression of brand identity, especially for corporate and service brand management. And a literature review by Wallace et al. (2011b) concluded that research "suggests that employee commitment to their organisation will encourage them to live the brand", which called for a brand centric organisation and culture. Longitudinal analysis by Allen & Meyer (1990) revealed that

“investiture socialisation tactics” (e.g. role models provide positive/encouraging support during new employees adaptation process) fostered organisational commitment.

If culture was defined as employees’ collective feeling (i.e. values, beliefs, and assumptions) and converged with the brand identity of the organisation it related with brand aligned behaviour of employees (Punjaisri & Wilson, 2007). Grounded theory research by de Chernatony and Cottam (2008) revealed that culture was an intrinsic part of the corporate brand and key to brand success. Scholars repetitively stressed the creation of a culture that supports employees’ identification with the brand for aligning behaviour with brand values and to deliver the brand promise. Various proposals were made for how a culture that stimulates employee brand identification should be characterised:

A culture that lives the brand values (Yaniv & Farkas, 2005; Harris, 2007)

A culture that fits with strategy and implicitly or explicitly with employee behaviour (Odom et al., 1990; Detert, Schroeder, & Mauriel, 2000; Hatch & Schultz, 2008; Ravasi & Schultz, 2006; Aaker, 2004; Wilson, 2001).

A culture with a combination of internal and external orientation (de Chernatony et al., 2003).

A culture that is supportive and/or innovative (Odom et al., 1990).

A culture with transformational and transactional leadership (Chen, 2004).

A culture in which employees are involved, committed, responsible, and have a feeling of ownership and possession (Harris, 2007; Drucker, 1999; van Dyne & Pierce, 2004; King & Grace, 2008).

A culture that fosters learning, is open, co-operative and has a long term orientation (Hankinson & Hankinson, 1999; Cordes et al. 2008).

A culture that is not focused on quantification and not financially centered (de Chernatony & Cottam, 2008).

Related to banks a culture of service mindedness and customer orientation should shape the corporate brand values that are reinforced by employee behaviour (Papasolomou & Vrontis, 2006).

Research identified that these kinds of intra enterprise environments supported developing brand identification of corporate agents. Following social identity theory (Ashforth & Mael, 1989) it's the employees' identification with the corporate brand that evokes living the brand. When employees identify with the corporate brand they consider achievements and non-achievements of the corporation as their own. Brand identification is brand/organisation specific (Ashforth & Mael, 1989) and it is distinct from personally adopting values that are inherent in many organisations e.g. adhering to ecological considerations when making personal decisions. This notion separates brand identification from the concept of person-organisation fit.

Wieseke et al. (2009) found in big sample studies that identification transcended and cascaded from directors to managers to employees. They concluded that raising organisational identification of all corporate agents should improve brand promise delivery to internal and external stakeholders; but it wasn't necessarily the case that charismatic leaders had a positive influence on followers if they didn't identify with the organisation. Similarly Bartels et al. (2010) discovered in their survey with 347 hospital employees that vertical communication was an important predictor of organisational identification. MacKenzie et al. (1998) modelled relationship between organisational commitment and extra-role performance and employees' propensity to leave. They found an insignificant path from organisational commitment to employee turnover and a significant relationship to extra-role performance. However, strongest were the direct effects of in-role performance and job satisfaction on extra-role performance. Meta-analysis including 35 organisational commitment studies found highest positive strength of relationship ($r = 0.23$) of commitment with remaining in the organisation, and a weak relationship ($r = .16$) with intra- and extra-role behaviours, and ($r = .17$) with performance (Randall, 1990). She mentioned that these weak relationships between attitudes and behaviour were fairly typical for organisational behavioural research and that only a small

amount of the variance in behavioural constructs (some 10 to 25 percent) was usually explained.

On the one hand potential negative consequences for an organization with a majority of employees that highly identified with the brand were “a lack of organizational flexibility, innovation, and adaptability and inviolate trust in past policies and procedures”, but on the other hand only moderate identification may have limited employees’ extra role behaviour (Randall, 1987).

2.6.3. Assessing brand identification

Meal and Ashforth (1992) proposed a scale for measuring organisational identification. Although originally applied in the realm of education they admitted, “these variables can be modified for use in other organisations”. They reported excellent reliability from various studies. The same 6-item scale was used and successfully retested by Wieseke et al. (2009) to measure “organisational identification” in their study about leader’s role in internal marketing; and by Homburg et al. (2009) in a survey relating social identity with service-profit chain. Punjaisri et al. (2009b) used items from Meal & Ashforth’s identification scale and achieved satisfactory test results. To measure brand identification Morhart et al. (2009) modelled a second order construct “role identity internalization” that looked at emotional attachment to the corporate brand. For it they adapted Callero’s (1985 cited in Morhart et al., 2009) role salience identity scale as a first order measurement.

2.6.4. Implications

Brand identification in the context of the Project means employees agreeing with and affectively committing to the values and strategies of the enterprise and sharing strong sense with its objectives and mission, which over time may become part of their inner self. It is the notion of “identification to a corporation” (Balmer, 2008). In the words of Wieseke et al. (2009) organisational identification is “the perception, the value, and the emotional significance of oneness with or belongingness to the organisation”. Organisational culture is nurtured by and is part of the brand identity. This addition makes the earlier

discussed alliance of culture and brand identity explicit and expresses that culture is an implicit part of corporate brand identity.

The review of the literature on identity research supports the notion that corporate brand identification strengthens living the brand behaviour (Ashforth & Mael, 1989; Wallace et al., 2011a; Burmann et al., 2009; Ind, 2008; Harris, 2007; Esch, 2009; Verbos et al., 2007) and is sometimes positively related to self-assessed employee performance (Wieseke et al., 2009; Punjaisri et al., 2009). Brand identification linked positively with intention to stay (Wentzel et al., 2009; Wheeler et al. 2006; Morhart et al., 2009) and Bloemer & Odekerken-Schröder (2006) confirmed this in a bank setting. In MacKenzie's (1998) study however this path was non-significant. Brand identification also linked positively with extra-role brand behaviour such as brand advocacy (MacKenzie et al., 1998; Thomson et al., 1999; Morhart et al., 2009; Maxwell & Knox, 2009), and with brand compliance (Harris, 2007; Morhart et al., 2009). Thus for the Project these relationships imply to link brand identification with living the brand.

2.7. Bringing the concepts together

It has been demonstrated that research has supported the notion that the brand has the potential of a sustainable competitive resource and should therefore have management focus. Corporate marketing and human resources management should be aligned and co-operate to develop living the brand behaviour of corporate agents. Many scholars have pronounced centrality of brand and brand aligned employee behaviour for successful brand delivery and for increasing performance. Much of the literature has suggested that increasing brand orientation, person-organisation fit, and brand identification supports the development of living the brand behaviour of employees. It has become obvious that brand values, brand orientation, value fit, brand identification, living the brand, and performance form together a net of complex relationships.

In section 4.2. the conceptual model of Living the Brand is presented. It shows the hypothesised relationship between the concepts that have been discussed here. These relationships will later be tested and the results will be reported in

section 6.2. The project thus contributes to the understanding how these relationships work in social banks and extends knowledge about a sector of the finance industry that hasn't been in focus of scholarly research.

3. Social banks

Because the Project is positioned in the realm of social banking this chapter aims at explaining social banks and social banking in the context of this Project. Thus it describes the phenomenon social banks and how they relate to social enterprises. This chapter also briefly examines how social banks might differ from conventional banks and that social banks should not be confused with Internet based (social) financing communities. The following analysis is descriptive and has been based on various sources of information: Scholarly literature, other documents, Internet, corporate brochures and magazines of social banks, and on discussions with exponents from social banks. It has looked more closely at what could have been meant by the type of financial services providers and activities that are interchangeably termed: Social bank, socio-ecological banking, sustainable-, ethical-, alternative-, green banking, banking on values or poverty alleviation banking.

3.1. Describing social banking

Social banking is a financing format that is performed by small banks at a high level of sustainability, ethics and transparency. In this respect social banks go beyond conventional banks and beyond banks of the co-operative movement. Co-operative enterprises such as for example the British Co-operative Bank were already subjects to research. The Co-operative Bank in the UK is well known for projecting an ethical identity (Balmer et al., 2007) and for being one of the early banks introducing comprehensive ethical codices and ethical screening of their investment by means of a negative list (Kitson, 1996; Harvey, 1995; Davis & Worthington, 1993) and de Chernatony (2002) mentioned this bank with a view to value related branding. With the exception of Cowton and Thompson (2001) who delivered a case study about the Dutch social bank “Triodos” no further research articles about social banks in the sense of this Project have been identified in scholarly journals. The latest book publications about social banking

were a kind of anthology describing the branch, its history, and structure (Weber & Remer, 2011), and an intellectually provocative discussion about social banking from the perspective of the last global financial crisis (Benedikter, 2011), then Dohmen (2011), and Kerler (2011) who both documented the history of the German social bank GLS and who described how banks can create benefits beyond monetary benefits.

There are reasons to bring social banks onto the radar of scholarly research. Such banks have gained enduring popularity since the recent financial crisis in 2007 to 2009 when investors looked for safe deposits and low risk investment alternatives to conventional banks threatened by the crisis. The steady growth rates of social banks could be a tender sign of the beginning of a shift of paradigm in financing where human values and socio ecological impact of financial decisions could become more important than yield maximisation inherent in the neo-liberal view towards business. For example the two biggest social banks in Europe, Triodos Bank and GLS Bank, enjoyed growth rates on their balance sheets of some 25% compounded year-by-year from 2006 to 2009. Fifteen major social banks around the globe formed The Global Alliance for Banking on Values and member number grows. In 2009 this association committed to raise USD 250 million within three years. Seven of them attracted USD 400 million already within a year. This will allow the expansion of new lending to USD 3 billion. The alliance strives “to touch the lives of one billion people by 2020” through social banking of their member institutions (GABV, 2010).

“A precise and unified definition of these types of finance as such is not available and perhaps not possible because of the different traditions from which ... the actors have emerged,” (de Clerck, 2008). Nussbaumer (2009) remained too unsuccessful in his search of literature for an appropriate definition of social banking. He made an explicit claim for social banking to “create a social solidarity economy”. Another attempt was made by Scheire and Maertelaere (2009) to cluster social banks. They basically found two groups: First poverty-alleviation banks relating mainly to microcredit institutions, and second ethical banks. This is not a very precise classification of the banks either because there is a lot of

overlap between these categories or it could be interpreted as implicitly suggesting that poverty-alleviation banks were less ethical.

Based on the assumption that banks develop towards sustainability Jeucken (2004, p. 131) proposed analysing banks along phases of development from: “Defensive banking, preventive banking, offensive banking to sustainable banking”. He admitted, “it’s not that all activities and disciplines within a bank meet the conditions for a certain category, but that the situation considered in its entirety fits into a certain typology.” The highest category i.e. sustainable banking should therefore meet operational sustainability criteria and its market impact should be sustainable and influence sustainability. According to Jeucken (2004) pure sustainable banking seems feasible for niche players only. Results of Weber’s (2005) sustainability benchmarking of banks led to a similar interpretation. He ranked alternative banks with balance sheet of up to some one billion EUROS only. The latest attempt to formulate a definition was undertaken by Weber and Remer (2011, p.2) social banking for them means “banking that aims to have a positive impact on people, the environment and culture by means of banking, i.e. saving accounts, loans, investments and other banking products and services, including ‘gift money’ ”. This interpretation is process driven and it captures the activities of social banking. Obviously and as the authors admitted it is difficult to comprehensively and concisely seize in a short definition what social banks are and to discriminate them from conventional banks. Thus a fully satisfactory definition of social banks remains pending. The Global Alliance for Banking on Values (GABV) – a leading grouping of major social banks seized this problem and has recently issued:

“Principles of Sustainable Banking:

- Triple bottom line approach at the heart of the business model;*
- Grounded in communities, serving the real economy and enabling new business models to meet the needs of both.*
- Long-term relationships with clients and a direct understanding of their economic activities and the risks involved;*
- Long-term, self-sustaining, and resilient to outside disruptions;*
- Transparent and inclusive governance;*

- All of these principles embedded in the culture of the bank"

(Korlund & Spengler, 2012).

The following description is based on various sources of information such as brochures, Internet homepages, and annual reports of social banks (ABS; FEBEA; Freie Gemeinschaftsbank; GABV; GLS Bank; INAISE; ISB; Triodos). It shall help to better understand the phenomenon of a social bank. In general social banks were founded for self-help purposes out of philosophical, religious, or political reasons but not for profit inspired business motives. Many have developed from their original roots and today serve the general public such as private persons, companies and other organisations. Social banks today offer a full range of traditional banking services: Accounts and payments, savings, loans, financing, investments as well as commission based indifferent banking services.

Depositors in social banks can individually decide in which branches their deposits should be reinvested and many social banks publicly disclose to whom and what for money is borrowed. Their loan portfolios mainly include projects in the areas: Environment, bio food, renewable energy, culture, education, welfare, health, other social businesses, housing, and microcredits.

Rates for loans are generally market driven and include risk premium but sometimes depositors partly relinquish on interest from their engagements. Social banks don't deal in potentially high profit but risky leveraged financial products. Their view is that the classical functions of money as medium of exchange, unit of account, and store of value are not "neutral". It's thus the responsibility of the money owning party (the saver, the investor, the borrower, and the bank) to give meaning to money and to use it ethically, socially, sustainably as well as economically. It's not the social banks' objective to maximise pecuniary rewards neither for themselves nor for their customers but to foster social benefits for many. Many social banks don't pay dividends to their shareholders but reinvest the surplus in the bank. This principle is in line with Nobel price laureate Yunus (2007, 2010) who was very firm on the notion of zero-dividend in social businesses and he claimed that the slightest dividend to investors "destroys the attitude" and "it destroys the strength of the mental commitment".

Because social banks trust in the contribution and efficiency of social and collective entrepreneurship they provide credit as an essential means to development also to the many who don't have access to credit facilities, are financially underserved or are not served at all by conventional banking and financing institutions. Such social banks are particularly predestined to finance the social economy as they fulfil needs and requirements of enterprises of the non-profit and voluntary sector (Cowton & Thompson, 2001). Most social banks are regional or national saving banks and legally structured as cooperatives. Few have international operations such as e.g. Triodos Bank with subsidiaries in the Netherlands, England, Spain, Belgium, and Germany. Strategically speaking social banks are niche players and clearly SMEs. Their target markets are the value driven investors and borrowers including the social economy as a whole. They focus on customer relationship and "enjoy committed depositors who understand what their money is used for, and borrowers who feel supported by it" (Watts, 2009).

A recent study established the market potential for social banks in Germany to be 16.2 million people with a total of private assets value of Euros 620 billion. 7.3 million people have an affinity to switch from a conventional bank to a social bank within 12 months. The study found that socially and sustainability oriented bank customers did value typical characteristics of social banks. For the determination of the value of such social bank characteristics the researchers let respondents (n=164) choose between three saving products that differed in: The level of reinvestment of the savings (conventional or sustainable), transparency (level of information about reinvestments), participation (level of saver's influence about reinvestments), and the level of interest rate. The benefit contributions of the components of a savings product were then evaluated for each respondent individually through adaptive conjoint analysis. It was found that if e.g. a sustainability oriented customer who holds a savings account at a conventional bank that yields 1.7% interest p.a. was offered a savings account from a social bank also yielding 1.7% the yield as perceived by that customer was 3%. The perceived increase in interest rate was due to the above mentioned social bank characteristics. The total return for the sustainability oriented

customer if he would save with a social bank were thus 3% (i.e. 1.7% reimbursed interest plus 1.3% perceived “social-interest”). The study also revealed an enormous awareness gap: 84% of the envisaged potential market did not know enough about social banks to switch to them (Battenfeld et al., 2012).

The Project analysed a few European social banks financially, which highlighted a few further specificities of social banks. Social banks had an asset size ranging from USD 185 million to USD 4,304 million and the workforces were between 16 to 482 people. The return on equity of 0.2% to 3.95% was low and is a sign that profit maximisation is not in focus. Solvency ratio reached 11% to 16%. Deposits were transferred to loans at a conversion rate of 81% to 65%. The lower ratio may signal some challenge to find reinvestment compliant with the banks’ high ethical standards. Gender diversity is much appreciated in social banks. Women held 27% to 50% of manager positions. The highest salary in social banks was only between 3.8 to 8.5 times the lowest salary. CEO salary expenses and reimbursement of expenses were reported to be USD 188’000 to 350’000. (All data sourced from annual reports, 2009 of: ABS Bank; Freie Gemeinschaftsbank; GLS Bank; Triodos Bank, see Internet homepages).

Organisations considering themselves social banking and financing institutes (although not all are using this term) have formed three international associations since 1989: FEBEA, GABV, INAISE. The differences between these associations including the differences between their members are mainly characteristics such as: Number of member institutions, geographic reach, legal form, size of balance sheets, number of customers, focus of portfolio of services. A few member banks have specialised in microfinance. The charter of the association INAISE (INAISE, 2008) might be an example of key conviction, values and mission that are shared by association members and amongst the three associations themselves. It’s the belief that human needs, rather than wants, do exist independent of business opportunities. The economy shall therefore develop the whole global society with a long-term perspective understanding that growth doesn’t necessarily produce development. An activity that produces financial growth but is to the detriment of the environment, the human heritage or to a minority of people, such economic activity is not considered development.

Accordingly, “finance must stop being the speculation, domination and personal wealth accumulation lever that it has become” (INAISE, 2008).

The inherent mission of social banks seems to be helping building a more responsible future. But can a bank influence the future of society and earth? Barely alone but together they can stimulate that change “their actions can lead to other organisations becoming more responsible and its customers can exert pressure on society for change” (Harvey, 1995). The INAISE charter could serve as a common denominator of the mission and values pursued by all social banks and for this Project it’s that characterisation of banks that truly earn the term social bank. All other banks are denominated conventional banks in the context of this Project. By 2009 67 social banks and social financial institutions were members of at least one of the associations mentioned. A list of the member institutions is delivered in the appendix 1. The Project estimated that the banks organised in the industry’s associations: FEBEA or GABV or INAISE together reached some USD 70 billion in asset value in 2009. For comparison this was approximately the same amount as the USD 74 billion of the UK based Co-operative Bank however including their recent merger with Britannia Building Society, Co-operative Bank’s asset value before the merger was USD 30 billion (Co-operative Bank, 2009, 2008).

To educate current and future social bankers a number of social banks have jointly established the Institute for Social Banking and Financing based in Bochum, Germany. The institute offers professional trainings and did run a masters course in social banking under the supervision of the University of Plymouth, GB. The institute co-operates with several academic institutions. It aims to “contribute to a change in paradigm that is possible if more and more people develop a new ethically and socially-ecologically oriented understanding of the monetary, banking and insurance sector” (ISB). The Alanus University in Alfter/Bonn has installed the first professorship for social banking and financing in Germany (Alanus).

For social banks corporate social responsibility is not a means of reputation management but an end unto itself and socially responsible and ethical

investment is not only a category of a wider product mix but it is the sole investment offering. Neither is their socio ecological orientation a green marketing strategy for obtaining competitive advantage nor for seeking new business opportunities (Chen, 2010). It's their mission helping to create a more responsible future. Many co-operative banks that originally had purely a social role have:

“expanded their activities into the mainstream and lost their special social mission ... Some of them ... driven by a need to build a specific brand identity in a financial world where there is much of the same, these banks manage to successfully combine usual banking business (the bulk of their financial operations) with support ... to community development, the not-for-profit sector and/or environmental development” (de Clerck, 2008).

In short social banks can be seen as banks that always strive for a positive triple bottom line in this prioritisation: People, planet, profit. They do sustain from profit maximisation, cultivate public transparency of their lending and investing, and they practice inclusive and participative governance and management. “Such responsible banking is necessary to support a more just, environmentally sound, and sustainable economy” (Korslund & Spengler, 2012).

Social banks claim to be driven by ideal intrinsic values, which are the foundation for their employees' identification with the brand and the source of sense making of their activities for the benefit of their customers, wider society and nature. Social banks derive their license to operate from this desired brand identity, which seems to be welcomed by their stakeholders. Proof of which is the steady growth in customer numbers and public recognition expressed by the many awards that have been donated to social banks. Licence to operate describes the acceptance of a firm's activities and behaviours by their stakeholders and it's contribution to quality of life in a society (Sachs & Rühli, 2011, p.95; Sachs et al., 2007, p.113). Thus the desired brand identity of social banks is defined by corporate values related to social and ecological sustainability. This brand identity is engrained in mission statements, described in declarations of general business principles, and is communicated through the social banks' marketing

communications and public relations. There are comprehensive reports about centrality of idealistic and ethical values, of brand identity orientation, of brand identification and of brand congruent behaviour of social banks and of their employees (von Passavant, 2011, p.86, de Clerck, 2008). This literature was however mainly descriptive, based on anecdotal evidence and on personal experience of the writers.

3.1.1. Social banks and social enterprises

Social entrepreneurs started in the 90's of the last century to use debt and equity capital for financing their activities; this led to the development of a social capital market in which institutions such as social banks operate (Spiess-Knafl & Achleitner, 2012, p.166). This situation and the exploration of the phenomenon of social banking in the previous section that mentioned social economy and social enterprises raise the question if social banks are part of the social economy and eventually social enterprises themselves. The Project has therefore examined how social banks have been positioning themselves.

From a high level perspective and based on Ridley-Duff and Bull's (2011) writings an economy is split into three sectors: Private sector, state sector, and social economy sector. The last mentioned sector is sometimes also called: Third sector, non-profit sector, or non-governmental organisations (NGO), and solidarity economy.

This model describes three possibly competing ideologies. The private sector holds the ideology of market economy that is based on balancing supply and demand for commercial purposes aiming at generating returns for shareholders. The state sector satisfies public needs and is based on legislation and official sanctions. The social economy fulfils social and ecological purposes through initiatives of the civil society. Those are based on mutually shared values and beliefs and reciprocal voluntary adherence between the actors in the social economy (Ridley-Duff & Bull, 2011). This does not exclude organisations of the social economy from making profit but "economic profit does not constitute the primary purpose of their business but is more in the nature of a necessary evil to enable them to carry on their activities" (Westlund, 2003). The three sectors

private, state, and social economy are overlapping and there are yet many views regarding terminology; but generally co-operatives, mutual societies, charities and voluntary associations, and social enterprises that produce goods and services are often organisations of the social economy, with social enterprises sometimes being located at the margins of all sectors (Ridley-Duff & Bull, 2011, p.35, Westlund, 2003). Organisations of the social economy may take many juridical forms and are thus not limited to a co-operative as a legal entity.

Fiduciary wages and capital yield primarily govern the private and public sectors, whereas “in the social economy these elements are constituents of a total return in which social factors play a crucial role” (Westlund, 2003). This coincides with what von Passavant (2011, p.88) said about motivation of social bank employees. However, neither can the social economy sector operate successfully without making economic and commercial considerations, nor can the private sector “be conducted entirely in isolation from social norms and behaviour” (Westlund, 2003). Golob et al. (2008) saw the social economy as the simultaneous cooperation of all key actors in a society and even as “the solution to the hegemonic neoliberalism”.

“Social enterprise can be understood as a spectrum of options that give varying emphasis to social mission and enterprise activity ... and the ability to build social capital and bridge differences between the public, private and third sectors is perceived to give them (social enterprises) a unique character” and thus social enterprise activities can be undertaken in any of the three sectors (Ridley-Duff & Bull, 2011, p.57, 77). It should be added that social enterprises innovate, initiate or combine change in society (Ridley-Duff & Bull, 2011, p.65) and that they apply business theory and business methods. Initiating change through innovative banking and financing is an explicit objective of social banks and they apply the same formal financial management practices as conventional banks do - and have to by state imposed regulations.

Social enterprise as a new form of doing business for the good of society is conceptionally developing and thus there is yet a lot of debate about definitions (Ridley-Duff & Bull, 2011; Martin & Thompson, 2010; Bull & Crompton, 2006;

Thompson & Doherty, 2006). Over the longer term Ridley-Duff & Bull (2011, p.79) thought that “social enterprise will be determined not by theorists but by social practices and institutions that are associated with, and labelled as, social enterprises” and they believed that at the centre of the three sectors a new ideology and a “broad social movement” is emerging. Indication of this may be a Google search on ‘social enterprise’ that returned 329’000 results in 20 seconds (26th February, 2012). In their case research Thompson and Doherty (2006) used the following characteristics for a social enterprise: The corporate assets are used for a social purpose to create community benefit through trading in a market place. Surpluses are not distributed to shareholders. Members and employees are participating in the corporate decision-making and the social enterprise is accountable to internal stakeholders as well as to a wider community. They adhere to a triple bottom line paradigm. These characteristics are congruent with how social banks have been described in this chapter and with how the case study banks are portrayed in chapter 4.

The boundaries between commercial and social enterprises are blurring. Bull and Crompton (2006) undertook to qualitatively analyse business practices of social enterprises. There seemed to be an increasing move from financing through grants to self-financing, which entails social enterprises becoming more accountable, transparent and structured. Most social enterprises they examined “tended to balance strong leadership with inclusive and participative environments indicating that organisational change is something that everyone in the business is involved in”. Although there was lack of market knowledge or competitiveness found in social enterprises marketing philosophy was emerging and branding was developing. However, some social enterprises seemed reluctant engaging in marketing as it was seen as a too businesslike strategy. Similarly resistance sometimes existed to the term ‘brand’ that is regarded as “dirty word that could commercialise and undermine the integrity of the (corporate) mission” (Stride & Lee, 2007). Other reasons for less marketing and branding focus of social enterprises may be their limited financial and specialist human resources as well as lack of branding research related to social enterprises (Khan & Ede, 2009; Horan et al., 2011).

Employees are the drivers for brand delivery in social enterprises (Khan & Ede, 2009), thus the associations stakeholders have with a social enterprise brand stems from the interactions stakeholders have with employees, which is in line with what service branding literature says. This speaks for the importance of living the brand in social enterprises. Therefore brand values and branding is too an appropriate marketing technique for social enterprises (Stride & Lee, 2007; Hastings, 2008). A complex issue for social enterprises including for social banks is defining and measuring social impact (also called social benefit, social profit, social return, social performance etc.) of their activities and of their financing (McLoughlin et al., 2009; Meadows & Pike, 2010; Gilligan & Golden, 2009; Ridley-Duff & Bull, 2011; Korslund & Spengler, 2012).

How social bank experts and practitioners positioned their banks within the sectorial graph 2.1. is reported in the following. Graph 2.1. was adapted from a theoretical model by Ridley-Duff and Bull (2011, p.75). It was used as schematic on which seven interviewees from social banks individually positioned their institutions. The graph below summarises the outcome of this exploration. The thick oval (space 1) indicates the cross-sectional sphere between private and 3rd sector in which the experts have located social banks. Enterprises located at the intersection of private and social aspire “more than profit” and the overlap with the public sector points to a business model that seeks renovation of the entire supply chain and societal as well as economic change (Ridley-Duff & Bull, 2011, p.76). This includes influencing legislation. The thickened parts of the two lines show where the experts positioned their social banks on the spectra of line 2 and line 3:

- Private sector economy and public sector; this continuum ranges from focus on economic sustainability at the private sector end to focus on political sustainability at the public sector end (line 2).
- Private sector economy and social sector economy; this continuum ranges from focus on economic sustainability at the private sector end to focus on social sustainability at the social sector end (line 3).

Social banks experts unanimously argued that social banks would occupy the cross-boundary space between private sector economy and social economy (space 1).

“As a private sector enterprise we have the clearest overlap with the 3rd sector. That’s where part of our customers operates and we have therefore impact on this sector. But not because we would like to come close to non-profit, explicitly not, and the 3rd sector interests us only as long as freedom to act and the capabilities of private individuals can develop and have any effect.”

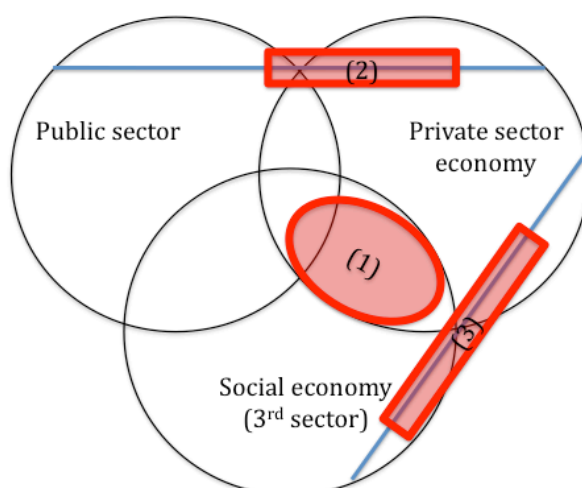
Hence they made it very clear that social banks were private enterprises that were active in competitive markets and economically managed because

“our concept must compete with conventional banks and achieve and proof that it works.”

It was important to the experts to underline that they were neither state agencies nor charities, nevertheless they said to

“always look first if an engagement makes social and ecological sense but it must also make sense economically”.

Graph 3.1. Sectorial positioning of Social Banks



Adapted from: Ridley-Duff, R. & Bull, M., 2011. *Understanding Social Enterprise Theory & Practice*. London: Sage

Reasons for the spread indicated on the spectrum line (2) were for example: that a social bank must achieve economic independence, build financial reserves, and increase equity capital because of Basle III. The Basle accords of the Bank for International Settlements in Basle Switzerland are the global standards for adequate levels of self-capitalisation of financial institutions. Therefore profit making and economic sustainability is necessary for social banks but not profit maximisation that is at the very right 'private' end of the spectra (lines 2 and 3). The move towards public sector was because of the many state imposed bank regulations and disclosure requirements but also Public Private Partnership (PPP) projects with state institutions. GLS Bank for example developed a microcredit offering for and in partnership with the German state.

The triple bottom line principle of social banks was mainly responsible for the spread on the spectrum line 3. According to this principle social banks aspire to achieve social, ecological and economical sustainability. Moreover highly developed employee participation and democratic governance are typical for enterprises of the social economy. Organisations belonging to the 3rd sector are an important customer group and stakeholders of social banks.

3.1.2. Conventional banks and social banks

Conventional banks fall into different categories of banks. The Swiss National Bank (SNB) for example segregates the bank industry into these categories: National banks or central banks; the big banks; state banks; regional-, community-, savings-, co-operative and Raiffeisen banks; commercial banks and stock exchange banks; private bankers; other banks. The categories can overlap, as there are no strict boundaries from a definition viewpoint. Social banks are not listed separately but might fall under the "regional-, community-, savings-, co-operative and Raiffeisen bank" category.

There are a few overriding characteristics that distinguish conventional banks from social banks. The most tangible difference to most non-specialised conventional banks is size of balance sheet, income, number of employees, number of subsidiaries, and geographical reach. As was demonstrated above social banks are relatively small and occupy a niche. Another difference is the

corporate objective. In general conventional banks primarily have commercial and monetary objectives in view whereas social banks pursue a strategy oriented towards socio-ecological values. Their focus is on creating sustainable social and ecological benefits. How this materialised for example in customer communications was illustrated by von Passavant (2011, p.74): “Where other banks hold events on home financing, retirement plans or faster asset growth, social banks organize panels on the social ramification of particular financial transactions, the risk and potential of ethical investment, and new developments in the ecological sector”. Social banks serve the real economy i.e. they finance activities that generate goods and services and don’t support activities in the financial markets as most conventional banks do. Ron Shaffer, President and CEO of RSF Social Finance, San Francisco found “that if participants can be more visible to each other – if they can understand each other’s needs and intentions, and sustain a personal connection whenever possible – then risk decreases and fulfillment increases. We believe this is nothing less than an antidote for the adverse impacts of modern finance.” And he saw a systemic problem of conventional banking that investors and savers are almost completely disconnected from the consequences of the monies invested (Shaffer, 2012). Social banks make this anonymity between lender and borrower transparent.

There seems to be a contrast in employee motivation. For conventional bankers remuneration seems to come first. In a recent study St Paul’s Institute concluded, “salary and bonuses is the most important motivation for working in the financial services sector in London”. The respective mean score reached 1.5 compared to work ethos 3.4, of a 1 to 5 scale (as lower the score as higher the motivation). 64% of City bankers said that salary and bonuses was their top motivation factor (Gordon, 2011). In contrast the values social banks offer seem sense giving to employees beyond monetary and “with the meaningful work and room for creativity they offer, social banks are attractive employers for people who do not base their decisions exclusively on financial considerations” (von Passavant, 2011, p.88). From a human resources management (HRM) viewpoint many conventional banks use high performance HRM practices (Huselid, 1995) including high individual monetary rewards for individual performance whereas

social banks seem to build on the application of HRM based on intrinsic rewards such as self-fulfillment and team effectiveness and sometimes modest monetary or non-monetary team benefits. What has been described above does neither say that intrinsic values were not considered by conventional bank employees nor that conventional banks had not social, ethical or ecological business principles in place.

The Global Alliance for Banking on Values (GABV) has examined financial capital dynamics of conventional banks and social banks. GABV compared financial profiles of major banks - the so-called Global Systemically Important Financial Institutions (GSIFIs) with social banks (SoBas). The data covered the period from 2007 to 2010. Korlund and Spengler (2012), the main authors of this GABV study, found that 71% of SoBas' assets were invested in client lending for their projects in the real economy. The corresponding figure for GSIFIs was 38% only. This might support SaBas claim to focus on financing the real economy. The equity to assets ratio for SoBas was found to be 8.5% and for GSIFIs 5.1% only. SoBas' return on assets was .58% and higher than GSIFIs' .33%. Return on equity was about the same i.e. 7% to 6%. Growth rates of loans, deposits, net income, and asset growth of SoBas were about double the rate for GSIFIs. The basis for this relative growth was however much bigger in the case of GSIFIs. The effects of the financial crisis on the financial capital dynamics analysed by GABV were not reported. Nevertheless social banks appeared to be sustainably financed and had better solvency ratios than GSIFIs.

The presently 14 GABV members have a combined asset base in excess of USD 29 billions (Korlund & Spengler, 2012, p.19) and according to the GABV principles of sustainable banking these assets are invested in SRI. To put their sustainable value-based and socially responsible investment (SRI) into perspective of size: the biggest Swiss GSIFI – UBS – alone reported total socially responsible investments of Swiss Francs 25.67 billion (ca. USD 28 billion) in 2010 and Swiss Francs 241.57 billion (ca. USD 266 billion) in 2011 as defined in line with Global Reporting Initiative guidelines; it represented 1.19% of UBS's total invested assets in 2010 and 11.15% in 2011; 78.3% of reported assets were however newly included in the SRI category of UBS in 2011 due to adjustments in the

reporting boundaries (UBS, 2011, p.227). UBS reported the assets that were subject to positive and negative environmental or social screenings. Usually 100% of social banks assets are subject to such screening. To adequately compare the size and quality of SRI investments of conventional banks with social banks' investments was not possible. Thus it remains speculative to judge if social- or conventional banks had the bigger positive net impact on socio-ecological sustainability. Because firstly there was no measurement of positive impacts of SRI and secondly there was also no measurement of negative impacts of non-SRI investments that would have allowed quantitative comparisons.

A category of banks that neither fits with the category of conventional banks nor with the category of social banks as described in section 3.1. is Islamic banking. Common for both social banks and conventional banks is the principle of interest payments for loans and deposits. This is for example not the case for Islamic banking in which Sharia law forbids paying or receiving interest. But Islamic banking is more than an interest free financial concept, it's embedded in a system of social and economic justice (IIBI). Islamic banking protects faith, life, wealth, intellect and posterity to maximise social welfare; consequently Islamic investment shouldn't flow to borrowers not complying with these objectives; furthermore "Islamic Sharia has a similar impact on investment selection as many guidelines used by ethical investors" (Axxis). Although these principles bring Islamic banking closer to the ideas of social banking than to those of conventional banking it belongs to a cultural and economic "environment controlled, not by human rulers, but by Divine Guidance, which sets moral rules and norms of behaviour" (IIBI). Islamic banking is mentioned here for the sake of completeness, its importance in the Muslim world, and for its particularity compared to Western world banking. It can thus be considered as a specific philosophy of banking that is characterised and embedded in religion and culture, which make it distinct from conventional banks and Social Banks as described in the Project.

3.1.3. Social banking on the Internet

Peer-to-peer banking on the Internet is a format of social banking that is often confused with social banking in the sense of this Project. In essence peer-to-peer (P2P) banking stands for direct granting of loans of a private person investing into projects of another private individual through the intermediary of an Internet based banking community platform. According to a working paper by Frerichs and Schumann (2008) such credit market place on the Internet is also called social lending. Sometimes the term social banking is used because of the virtual community that trades amongst its members. In P2P banking the intermediary of a traditional bank is replaced by the Internet platform provider who technically enables the transaction but doesn't mediate it i.e. the platform provider isn't itself identifying investors and borrowers for bringing them together. A win-win situation exists if the transaction fee to the service provider is lower than a bank's credit margin.

Lochmaier (2010) distinguished four types of Internet based credit portals: Commercially and profit oriented platforms such as Prosper, Zopa, Lending Club. Platforms for micro financing that are based on more ecological and social motives. Examples of such sites are: Kiva, MyC4, Betterplace. Closed or specialised communities for e.g. arranging study credits. An example of a closed credit community is Virgin Money. The fourth group are platforms focussing on business clients e.g. start-ups financing including consultancy services. Examples of sites in this group are: Go4funding and Seed Match. This new phenomenon of web 2.0 social banking is growing rapidly. According to Lochmaier (2010) Prosper.com managed 900'000 members and a credit volume of USD 188 million in 2009. Market research institute Gartner forecasts P2P and social lending on the Internet to grow by 66% and to reach a volume of USD 5 billion by 2013 (Gartner).

3.1.4. Implications

The debate about concepts and definitions of social economy, social enterprises, and social banks has not yet developed consistent terminology. The Project therefore adopts the working definition of social enterprise proposed by Martin

and Thompson (2010, p.13): “A social enterprise is a business venture that brings people and communities together for economic development and social gain. Because it is a business, it is expected to generate a surplus and that surplus is to be used for the benefit of the community that it serves.” This definition and what has been described in this chapter substantiate that social banks are private socially oriented enterprises positioned at the intersection between the private economy and the social economy. The review has surfaced a lack of empirical research evidence of value centrality of social banks employees and about living the brand in social enterprises. These findings have given support to the Project’s objective to empirically analyse the brand value orientation of social bank employees and how living the brand emerges and impacts in social banks. Because of their social and ecological orientation and because of their positioning as an actor in the social economy, a social bank has much in common with what has been described as a social enterprise.

The difficulty of briefly defining ‘social bank’ was mentioned in section 3.1. Nevertheless this chapter ends with an own version. It’s however considered as an essay of a working definition for contributing to the discussion rather than for proposing a final definition:

Social banks are privately owned, socially oriented, and value centric enterprises that commercially offer a wide range of bank services to private individuals, companies, and organisations of the for-profit-, the public-, and the social economy sector. They pay market related interest rates and receive interest for loans and commission fees for their services. Social banks are hybrids positioned at the intersection of the private- (for profit-) and the social economy sectors. Although profit making, they strictly refuse any form of speculation and serve the real economy only. It’s the responsibility towards the Creation and sustainability through balancing the triple bottom line (social, ecological, economical) that leads their activities. All investments and financing must thus fulfill socially responsible criteria and are made transparent. Inclusiveness, democratic governance, intrinsic values, ethics, professionalism, sense making, and the vision of helping building a more just world are at the heart of social banks.

In the next chapter the research questions and the hypothesised conceptual model of living the brand are presented.

4. Research questions, conceptual model and hypotheses

4.1. Research questions

The Project aspires to complement past brand orientation and internal branding research that has mainly looked at living the brand from a marketing control perspective with a values-based behavioral perspective and to test a new model of Living the Brand. It includes influence of living the brand on performance that was barely investigated so far. This objective is the result of the literature review in the foregoing chapter 2. It has told us that strategic brand orientation of the organization influences employees' brand delivery. Literature substantiated also that similarity of values of employee and brand, as well as emotional identification with the brand influence behaviour. It became clear that the term living the brand is a substitute for multifaceted ideas about brand-aligned behaviours. The literature review identified that brand loyalty, compliance with brand standards, and brand advocacy correlates with and are dimensions of living the brand.

Quantitative research associated with brand-aligned behaviour that was reviewed in chapter 2 is summarized in table 4.1. The table shows how the models differ and it reveals that the Project is contributing a new view to living the brand. It proposes that Living the Brand mediates the relationship between the constructs: Brand orientation, person-organisation fit, brand identification, and individual performance. It's also the first time that living the brand is investigated in social banks. As the literature review indicated the positioning of the Project is unique and original. With regard to published quantitative research studies this is also demonstrated in table 4.1.

Table 4.1. Living the brand research and how the Project fits in

Landscape of quantitative internal branding research				
Researchers	Variables of the conceptual models used in the respective research studies			Foci, samples
	Input	Mediation	Output	
Baumgarth, 2010	B-positioning, B-norms	B-knowledge, communication	Market performance	BO, business to business
Burmann et al. 2009	B-commitment	B-citizenship	Customer relationship	IB, cross sectoral
Burmann and König, 2011	Strategic- and tactical B-mgmt	B-commitment	B-citizenship	IB, service call centres
Ewing and Napoli, 2003	Orchestration, interaction, affect		BO scale	BO scale dvlmt, charities
Hankinson, 2001	Understanding-, communicating-, strategic use of B		BO scale	BO scale dvlmt, charities
Henkel et al., 2007	B-management controls	Behavioural B-ing quality	B's influence on customers	IB, cross sectoral
MacKenzie et al., 1998	Organisational commitment	Extra-role performance	Employee loyalty	Role, insurance services
Morhart et al., 2009	Leadership styles	Psychol. needs, motivation	Role behaviours, employee loyalty	IB, leadership, telecom
Napoli, 2006	Orchestration, interaction, affect		Organisational performance	BO, charities
Punjaisri et al., 2009	Tactical internal branding tools	B-identification, B-loyalty	B-delivery effectiveness	IB, hotels
Wieseke et al., 2009	Leadership, time, identification	Commitment of employees	Employee performance	IB, leadership, pharma, travel
Wong and Merrilees, 2008	Brand orientation	B-distinction, innovation	Brand-, financial performance	BO, cross sectoral
The Project	BO, Person-organisation Fit, B-identification	LtB-Loyalty, LtB-Compliance, LtB-Advocacy	Individual Comparative B-Performance	LtB, Social Banks
Index: B = Brand, BO = Brand orientation, IB = Internal branding, LtB = Living the brand				

Thus based on the literature review the Project addresses:

Research question 1: How living the brand emerges and how living the brand impacts on individual work performance in highly value driven organisations such as social banks. The Project looks at the relationships between brand values related concepts and living the brand behaviours of employees and if those affect performance. Research question 1 (Rq1) was approached through structural equation modelling.

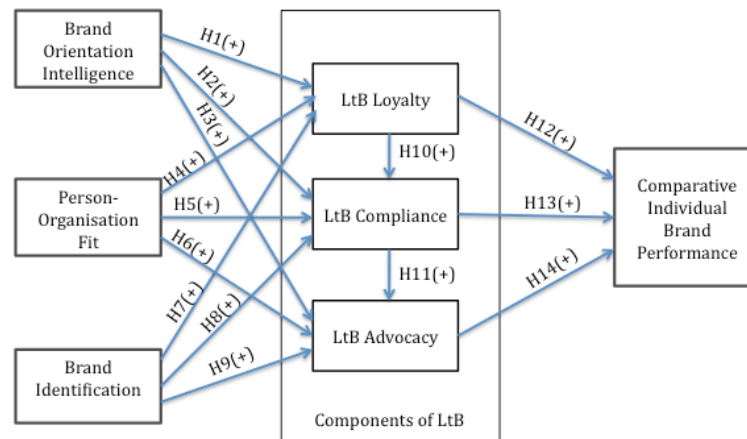
Research question 2: How social bank employees consider sense making of living the brand. This information is relevant, as the literature has called attention to potential cognitive dissonance that could occur if living the brand disharmonises with employee's authenticity. Research question 2 (Rq2) was approached through open-ended survey questions.

Research question 3: How social bank employees appreciate value-centricity of social banks. Writers have described that social banks and their employees were driven by values but there was little empirical evidence to support this belief. Research question 3 (Rq3) was approached through open-ended survey questions and depth interviews.

4.2. Conceptual model of Living the Brand and hypotheses

Building on the findings from literature and reinforced by the results from exploratory research this chapter reasons for a model of Living the Brand in value driven social enterprises. In summary the conceptual model presented in graph 4.1. suggests that through brand oriented management of an enterprise brand values become part of strategic and operational decision making and so permeate all facets of the organisation and influence stakeholders. This belief assumes that elements of brand orientation develop living the brand. Although related these two concepts are distinct. When employees live the brand they act as good ambassadors of the brand and strengthen it internally and externally. Living the brand is thus a behavioural marketing concept as it was argued for in section 2.4. and defined in section 1.1. whereas brand orientation is a philosophy of corporate strategic management. It's likely that compatibility between personal values and corporate values makes it easier for employees to internalise brand values and to live them. Similarly identifying with the brand fosters to live the brand in an authentic way. Finally it is thought that Living the Brand improves individual job performance.

Graph 4.1. Conceptual model of Living the Brand



4.2.1. Theoretical rationale for the conceptual model

The theory present in the proposed conceptual model of Living the Brand has been derived from the analysis of research literature in chapter 2. and a few of the relationships have been demonstrated there. Further, explorative expert interviews have pointed to the concepts used in the model. The concepts that are part of the above conceptual model have already been discussed in detail in the literature review in chapter 2. and they are only briefly reviewed here with regard to their function in the model.

The model proposes that Brand Orientation Intelligence (BOI), Person-Organisation Fit (POF), and identification with the brand, here called Brand Identification (BI), are preconditions for the emergence of Living the Brand (LtB) behaviour of employees of social banks. LtB influences employees' job performance, here called Comparative Individual Brand Performance (CIBP). The model neither assumes that BOI nor POF nor BI influence CIBP directly.

4.2.2. Function of the concepts in the model and hypotheses

It can be criticised that the model had little parsimony between background and intermediary concepts. However, as stated below some of the relationships are well supported by the literature (section 2.4.) others are practically plausible. It was therefore decided to test and develop this model instead of implementing a more parsimonious model from the start. How this development was done is explained in section 5.5.2., 6.2. and in chapter 7.

Function of Brand Orientation Intelligence (BOI)

For an organisation that is brand oriented the brand is central to corporate strategy and for managing the brand the organisation primarily needs to know how stakeholders perceive the brand and how they appreciate brand delivery. The organisation therefore gathers appropriate “knowledge of brand likability” (Napoli, 2006) and assures that brand knowledge is disseminated throughout the entire organisation. These are functions of Brand Orientation Intelligence (BOI).

As discussed in section 2.2.2, the reduction from the wider concept of brand orientation to the concept of Brand Orientation Intelligence has been made because: brand orientation hasn’t been finally conceptualised by marketing research, some aspects of brand orientation described in the literature blur with market orientation and internal branding or belong rather to the domain of general marketing than to brand management specifically. Further, as is shown in section 5.6. the scale items of brand orientation that were beyond the notion of Brand Orientation Intelligence couldn’t be validated. Thus it was decided to create the concept of Brand Orientation Intelligence as explained above.

Links from BOI appeared indicated to LtB Loyalty (Robbins, 2003) and to LtB Compliance (Napoli, 2006). The link to LtB Advocacy is here assumed because BOI disseminates brand knowledge and usually people like to talk about things they know. Thus BOI could stimulate word of mouth. This is indirectly supported by Robbins (2003, p.20) when he said that being informed adds to job satisfaction that causes organisational citizenship behaviour, which includes talking positively about the organisation.

This leads to:

Hypothesis 1: The higher employees assess Brand Orientation Intelligence the higher their LtB Loyalty

Hypothesis 2: The higher employees assess Brand Orientation Intelligence the higher their LtB Compliance

Hypothesis 3: The higher employees assess Brand Orientation Intelligence the higher their LtB Advocacy

Function of Person-Organisation Fit (POF)

POF is applied as an antecedent of Living the Brand because it can be argued that if personal values are compatible with brand values and thus POF exists it's likely that employees espouse brand values through their behaviour. This idea finds support from Yaniv and Farkas (2005) when they concluded that high POF creates employees that are "more willing to transfer the brand values to customers". Relationships of POF with LtB Loyalty (O'Reilly III et al., 1991; Kristof-Brown et al., 2005; Ravlin & Ritchie, 2006) and with LtB Advocacy (Chatman, 1989; Cable & DeRue, 2002) were confirmed, and link with LtB Compliance appeared supported (Yaniv & Farkas, 2005; Morhart et al., 2009). The notion of LtB Compliance was termed in-role brand building behaviour by Morhart et al. (2009).

This leads to:

Hypothesis 4: The higher employees' Person-Organisation Fit the higher their LtB Loyalty

Hypothesis 5: The higher employees' Person-Organisation Fit the higher their LtB Compliance

Hypothesis 6: The higher employees' Person-Organisation Fit the higher their LtB Advocacy

Function of Brand Identification (BI)

As it may be derived from the literature review throughout section 2.6, brand identity describes the central idea and character of an organisation and Brand

Identification means employees' identification with that identity and affectively committing to it. Brand identity is an abstract concept. It doesn't per se influence emergence of Living the Brand. Only when employees feel as 'one' with the organisation i.e. when they identify with, they enact identity. In the context of the Project, it's thus Brand Identification that supports that employees living of the brand. Therefore Brand Identification is considered as an exogenous variable to Living the Brand.

The literature review provided significant support for this conclusion.

Relationships with LtB Loyalty (Wentzel et al., 2009; Wheeler et al. 2006; Morhart et al., 2009; Bloemer & Odekerken-Schröder, 2006), with LtB Compliance (Harris, 2007; Morhart et al, 2009), and with LtB Advocacy (Harris, 2007; Morhart et al, 2009) were confirmed.

This leads to:

Hypothesis 7: The higher employees' Brand Identification the higher their
LtB Loyalty

Hypothesis 8: The higher employees' Brand Identification the higher their
LtB Compliance

Hypothesis 9: The higher employees' Brand Identification the higher their
LtB Advocacy

Although Brand Identification is conceptually associated with POF the concepts are distinct. Person-organisation fit is about compatibility of the brand values, culture, goals and norms with the person's personality, values, goals, and attitudes (Kristof, 1996). Brand identification however describes the cognition of "oneness" the self-definition of someone in terms of the organisation, which does not necessarily mean to agree to the prevailing values (Ashforth & Mael, 1989; Mael & Ashforth, 1992). Thus brand identification is organisation specific and it can be that a person finds fit with several organisations but feels belongingness and as "one" with the identity of the brand he/she actually works for only

Function of Living the Brand (LtB) and of its components

The literature review and what was said above help to defend seeing BOI, POF, and BI as antecedents of LtB. They are hypothesised to instigate brand-supporting behaviours of employees such as intention to stay employed with the enterprise (LtB Loyalty), to develop employees to act in compliance with brand standards (LtB Compliance), and to instigate that employees voluntarily promote the brand (LtB Advocacy).

The Project considers the concept of Living the Brand as a sustainable competitive advantage. According to the resource based view as described in section 2.1. a sustainable competitive advantage is created by capabilities that are durable. In the understanding of the Project the inner structure of Living the Brand thus needs a 'duration' element. This is covered by the concept of intention to stay (LtB Loyalty). Further, if employee behaviour should support the brand it should be guided by knowledge about the brand and should follow certain rules (LtB Compliance). And employees should not miss opportunities, internal and external of the company, to capitalize on the brand (LtB Loyalty). Thus the conceptual model proposes that Living the Brand can be described by these three components.

LtB Loyalty

Describes employee's turnover intentions. It's argued that measuring loyalty to the employer brings the time element to Living the Brand. If Living the Brand should become a sustainable competitive advantage of the enterprise it's important that the bearers of brand values and deliverers of the brand promise remain with the brand for long, at least a major proportion of the work force. If turnover of those who espouse Living the Brand is high the risk of brand dilution increases. People who fit with brand values and identify with the brand may not be easy to be replaced by new recruits. They may be difficult to find and familiarization with the brand, learning, and adopting brand aligned in-role and extra-role behaviours take time and are costly. Especially in fast growing enterprises such as e.g. social banks threat of weakening the brand due to high number of new recruits who have not yet been familiarised with the brand is real. Less staff turnover supports efficiency of emergence, creation and

maintenance of an organisation's desired level of Living the Brand. LtB Loyalty is therefore considered to capture the idea that Living the Brand should be enduring on-brand behaviour at a relatively constant level. Thus LtB Loyalty supports Living the Brand becoming a sustainable competitive advantage. It's plausible that high LtB Loyalty supports LtB Compliance positively because loyal employees may want to behave in a way compliant with company brand rules and may not wish to put their own job at risk by non-complying and those who feel authentic in living the brand want this feeling to endure. Correlation of LtB Loyalty with LtB Compliance (Morhart et al., 2009) and correlation of LtB Loyalty with employee's job performance (Punjaisri et al., 2009b; Zimmerman & Darnold, 2009) were demonstrated in the literature.

This leads to:

Hypothesis 10: The higher employees' LtB Loyalty the higher their
LtB Compliance

(The relationship with performance is hypothesized further down.)

LtB Compliance

Depicts employee behaviour in line with normative, formal and informal brand standards of the enterprise. Such brand standards can e.g. be: Cultivated personal appearance and civility towards all stakeholders, being inclusive, transparent and share own experience, putting customer's needs first. With regard to social banks it can be showing consciousness for how money affects and is sense making, and explaining to stakeholders the bank's understanding of sustainability. A brand standard can also be to propose investments only that meet internal criteria. Thus brand compliant behaviour means to constantly and consistently expressing the brand values. If living the brand is understood narrowly and one-dimensionally LtB Compliance stands in essence for living the brand per se. Consequently a multidimensional understanding of living the brand must accept LtB Compliance as one of the dimensions. Relationships with LtB Advocacy (MacKenzie et al., 1998; Morhart et al., 2009) and with role behaviours (MacKenzie et al., 1991; Sun et al., 2007) were indicated in the literature. It can also be argued LtB Compliance should guide LtB Advocacy otherwise

inconsistent brand messages could dilute brand identity and thus negatively affect brand equity. Adhering to brand standards should increase performance as it reinforces brand messages and brand delivery.

This leads to:

Hypothesis 11: The higher employees' LtB Compliance the higher their
LtB Advocacy

(The relationship with performance is hypothesized further down.)

LtB Advocacy

Stands for the behaviour of employees to actively and voluntarily seize opportunities in conversations to bring up the brand in a positive way, to reinforce the brand values internally and externally. This is assumed to be the promotional part of Living the Brand that brings the brand effectively into focus by word of mouth. Word of mouth is known as efficient communication having considerable effect especially for expensive and risky products (Kotler et al., 1999, p.768). LtB Advocacy has the potential to build brand equity and it's also plausible to assume that high LtB Advocacy influences job performance because brand advocacy creates social interactions that may turn into customer relationships. This relationship is hypothesized in the next paragraph.

Function of Comparative Individual Brand Performance (CIBP)

Finally the performance construct CIBP describes employees' individual performance when executing their work duties and delivering the brand promise. It comprises their providing services in favour of their stakeholders and in comparison with other employees to make the performance assessment more tangible. In highly value driven enterprises such as social banks individual performance is usually not measured quantitatively and if at all sometimes rudimentary qualitatively. Therefore and alternatively this Project adopts the idea of employees' self-assessment of their perceived job performance. Such a concept of subjective and perceptionally measured performance was already used in scholarly marketing research (Punjaisri & Wilson, 2007; Wong & Merrilees, 2008; Punjaisri et al., 2009b, Wieseke et al., 2009; Wallace et al., 2011b). As explained LtB Loyalty, LtB Compliance, and LtB Advocacy are

expected to affect performance. As was discussed in the foregoing paragraphs and in section 2.4.2. the proposed components of Living the Brand influence Comparative Individual Brand Performance.

This leads to:

Hypothesis 12: The higher employees' LtB Loyalty the higher their Comparative Individual Brand Performance

Hypothesis 13: The higher employees' LtB Compliance the higher their Comparative Individual Brand Performance

Hypothesis 14: The higher employees' LtB Advocacy the higher their Comparative Individual Brand Performance

The next chapter argues for the philosophical research paradigm that guides the Project. The chapter focuses on explaining and arguing for the research methodology of the Project and for the methods that were implemented.

5. Methodology

The chapter describes first the research philosophy that underlies the Project. It argues for a social constructionist epistemology with a pragmatic theoretical perspective. The research design is elaborated in great detail starting with the rationale for the case study and the description of the case study banks. The Project is then theoretically situated followed by explaining survey data collection and data analysis. The chapter is ending with measurement-scale selection and validating the measurement model. The research process is depicted in graph 5.1. and the research methodology is summarised in table 5.1.

5.1. Research philosophy

This presentation of the Project's research philosophy adopts a model proposed by Crotty (1998, p.5). In his model epistemology ('how do we know what we know') is at the beginning of every research. Basically three epistemologies guide knowledge development: Objectivism with the allied positivist theoretical perspectives, constructivism with allied interpretivist theoretical perspectives, and subjectivism. These philosophical positions are what Cresswell (2009, p.6) called the worldviews. Natural- and social-world(s) can be measured, explained, and can be interpreted. Causal relationships between entities can be demonstrated and findings are potentially generalisable. If and how this is done is related to the researcher's paradigm. For Crotty (1998) the researcher's philosophical paradigm was a model including epistemology, theoretical perspective, methodology, and methods that guide the researcher throughout his/her research project. The divide into qualitative and quantitative research is not made until the methods level in Crotty's model. Qualitative and quantitative methods can be applied uniquely, in sequence or simultaneously, depending on their appropriateness to achieve the research objectives.

5.1.1. Constructionist epistemology

The theory of knowledge, in Crotty's term the epistemology, to this Project is social constructionism. This means that

“all knowledge, and therefore all meaningful reality as such, is contingent upon human practices, being constructed in and out of interaction between human beings and their world, and developed and transmitted within essentially a social context. ... Such research invites us to approach the object in a radical spirit of openness to its potential for new or richer meaning” (Crotty, 1998, p.42, 51).

In other words no object can be described isolated from a conscious mind experiencing it, thus subject and object are always united. But human beings have a free will that enables them to a degree to shape their natural- and to design their social-environment, voluntarism to a certain degree does exist in human nature. People constantly interact with their environment, influence and are influenced by it and this relationship is needed for individual survival. Therefore “humans are adaptive agents” and this assumption is close to objective approaches according to Morgan and Smircich (1980). Crotty (1998, p.48) reinforced this and explained that, from a constructionist viewpoint, meanings emerge from interaction with the object, they are not subjectively imposed on it. The meanings constructed “are once objective and subjective”, imagination and creativity are required however, it’s not about “imagination running wild or untrammelled creativity” but in a “precise interplay with *something*” (Crotty, 1998, p.48). Theodor Adorno referred to the process involved as ‘exact fantasy’ (Adorno, 1977 cited in Crotty, 1998, p.48). Business and management research to which the Project belongs to rarely fall in practical reality into only one philosophical domain but it’s often a mixture between positivist and functionalist / interpretivist stance (Saunders et al., 2007, p.116).

In this Project the corporate brand is understood as socially constructed intangible asset belonging to the bank and the bank with its employees is a socio-economic entity. These are the realities in mutual interaction. Certainly the equity in the corporate-brand is not independent from anyone’s beliefs and the brand’s stakeholders continuously construct meaning of the brand. In this Project the relevant stakeholders are the employees of the case study banks. The corporate brand’s specific values exist in employees’ minds and the brand represents the identity of the case study bank that is again constructed by its

stakeholders. Nevertheless, once brought to life the corporate brand is real irrespective of different interpretations by its stakeholders.

For the Project this points to seeing the case study banks and their corporate brands from a constructionist viewpoint. Firstly because the belief is they exist because of human beings, objects like banks are made by social means and not found, there was no such thing as a bank before the human being. Secondly the meaning-making mode is social i.e. it involves persons. What a bank is and for what its corporate brand stands is constructed by people. Thirdly the Project does neither assume there are inherent ever-lasting truth and laws in the objects researched or in their relationship to be discovered, nor that what is found through the Project could be generalised for all other industries nor to all other banks. And fourthly these assumptions are made related to the bank as organisation and consistently for the construct corporate brand. These assumptions so lead to social constructionism in epistemology with realism in ontology.

Thus we know through construction of meaning (epistemology) 'what is' and from a realist view (ontology) this reality (the 'what is') exists also outside the mind. The bank and their corporate brand once given meaning become realities even tangible ones. This might be illustrated by the fact that banks as well as brands are sometimes traded for many millions of British Pounds. Normally one pays for something real only. Therefore social constructionism should not be set apart from realism. Rather it's acknowledged that social constructionism is at the same time realist and partly relativist that claims that reality is just an idea in peoples minds. A certain relativism in constructionism recognises "that different people may well inhabit quite different worlds. Their different worlds constitute for them diverse ways of knowing, distinguishable sets of meanings, separate realities." (Crotty, 1998, p.64).

Furthermore such constructionist epistemology is appropriate for the Project because it studies in context of complex organisational social systems: Value-constructs related to the corporate brand, employees living the brand's values, and the relationships between these entities. It's about understanding how and

why employees interact with the brand. What instigates brand compliant behaviour and how does it affect. The bank employees affected by the corporate brand are acting within the bank's cultural environment and they are influenced by their own value system. These contexts moderate how they perceive and relate with the corporate brand, and obviously the contexts are dynamic. For employees brand symbols, brand values and brand standards including how they are implemented by the organisation are crucial means for sense making and communication. Moreover the Project researches the realm of a relatively 'unresearched' industry such as social banks and looks at a phenomenon – Living the Brand – that is relatively new to scholarly investigation. In this situation researchers often seek a constructionist approach (Jäger & Reinecke, 2009, p.56). And Smith and Buchanan-Oliver (2011, p.62) in their case study about brand – employee relationship were arguing for their using a constructionist epistemology under a interpretive perspective and thus recognised “the different meanings and therefore ‘realities’ people live within and among”. They considered corporate brands and organisations as socially constructed phenomena because by this framing their complexities were more fully expressed than within an objectivist epistemology.

As it will be explained later in this chapter the Project employs mixed methods within the framework of case study. Case study is generally a qualitative research approach that, again very generally speaking, often hold a constructionist epistemological position or worldview (Schögel & Tomczak, 2009, p.79). The long lasting dichotomy and polarisation of qualitative versus quantitative approaches has eased and since the early 90ies of the last century more and more scholars make a call for combining and integrating quantitative and qualitative research (Auer-Srnka, 2009, p.460). Its combined use gained popularity and provided an expanded understanding of the research problems (Cresswell, 2009, p.203).

Following Crotty's (1998, p.5) model the next section describes the theoretical perspective of the Project.

5.1.2. Pragmatist theoretical perspective

It's adequate for a mixed method study like this Project to adopt a pragmatist theoretical perspective. "Pragmatist researchers look to the 'what' and 'how' to research, based on the intended consequences" (Cresswell, 2009, p.11), and they agree that research always occurs in context. For this Project it's the social context of the sensemaking of the corporate brand values.

"Truth is what works at the time" and thus "pragmatism isn't committed to any one system of philosophy and reality" (Cresswell, 2009, p.11) and as some of the founders of pragmatism e.g. Charles Sanders Peirce, John Dewey, Herbert Mead views it a theoretical perspective for research (Cresswell, 2009, p.11). The writers of pragmatism were constructionist and critical. Peirce was seeking a critical philosophy and he insisted that "pragmatism is not a Weltanschauung but it is a method of reflexion having for its purpose to render ideas clear" (Crotty, 1998, p.61,73). Thus pragmatism offers a critical and empirically grounded approach for accessing fresh insights, which generates working hypotheses that may be tested through imagination or concrete action; but it also includes thinking and acting creatively in social research situations (Elkjaer & Simpson, 2010).

Sometimes it can be difficult for researchers to regard an entire study solely through either a positivist or through an interpretivist lens as purpose and the set of research questions of a study don't exclusively suggest one or the other position for best resolving the questions in practice. Pragmatism argues that the research questions should determine the theoretical perspective. Such thinking is forthfully supported by Tashakkori and Teddlie (1998, cited in Saunders et al., 2007, p.110):

"Pragmatism is intuitively appealing, largely because it avoids the researcher engaging in what they see as rather pointless debates about such concepts as truth and reality. In their view you should study what interests you and is of value to you, study in the different ways in which you deem appropriate, and use the results in ways that can bring about positive consequences within your value system."

Elkjaer and Simpson (2010) highlighted four key themes in pragmatism: Experience, inquiry, habit and transaction. The theme most related to the Project is inquiry. Pragmatic inquiry starts with a sense that there is a particular situation. In the case of the Project it's the behaviour of social banks employees in line with the corporate brand values. This particular situation is to be understood, its conditions to be analysed and preferred hypotheses to be tested, which may result in another cycle of inquiry until actions are enacted. Such inquiry allows for answering what, why, and how questions.

A maxim of pragmatism is to look at "anticipated future consequences of actions as the source of meaning in the present moment" (Elkjaer & Simpson, 2010). In this respect social banks are themselves pragmatic as sensemaking of their financing grounds in the future effects of the invested money that must produce sustainable social and ecological benefits. It could therefore be argued that social banks broadly share the philosophical paradigm of the Project. This constellation could help to avoid paradigmatic bias with data interpretation as researcher and researched perceive the world within the same theoretical framework.

The research topics of the Project are situated in the realm of strategic marketing management. Powell (2002) concluded that the philosophical foundations of strategy research were neither positivist nor subjectivist but found "redemptive promise of pragmatist epistemology" of strategy research, which support the choice of a social constructionist/pragmatic paradigm for the Project.

5.1.3. Philosophical paradigm of the Project

In summary and again using Crotty's (1998, p.5) model the paradigm of the Project has the following edifice: Social-constructionism as epistemology, an interpretative/pragmatic theoretical perspective underlying the Project's survey research methodology that applies case study method including quantitative and qualitative research techniques.

The Project seeks to understand how living the brand emerges in social banks and what living the brand means to their employees. Therefore knowledge that is to be gained is partly quantitative and partly qualitative but it's of temporarily

and, obviously of interpretative nature. Although the Project aims at producing findings that can be transferred to other organisational environments the validation of the results is abductive. It is a rapprochement to the “truth” through successive approximation for finding the best possible explanation. This is exactly what the described paradigm implies and what the Project tries to achieve. This doesn’t however mean that the Project is not researching “objectively”. To substantiate this statement the next sections will elaborate how the Project performs research.

5.2. Case study method

5.2.1. Rationale for case study research

The Project aims at understanding how living the brand emerges and how it impacts on individual performance of employees of social enterprises such as social banks as they were described for this Project. There are only few such banks operating in Europe. The distribution of useful variations is therefore rather rare. The research includes examination of causal mechanism i.e. how plausible is the pathway of relationship within the complex interdependencies as suggested by the conceptual model (graph 4.1.) and how do they work. The Project aims to research “how”, “why”, and “what” questions through gathering contextual data that shall be analyzed in depth. Such research situation suggests case study strategy (Yin, 2009; Saunders, 2007). The results of the investigations should be valid for the cases forming part of this research. The Project doesn’t aspire to external validity beyond social banks and potentially high value-oriented private social enterprises. This situation makes the Project suitable for case study research (Gerring, 2008) rather than for performing a large sample statistical surveys.

Case study research is especially appropriate to answer why-questions and how-questions that are more explanatory in its nature, but case studies can also be used to test what-questions in an explorative manner; case studies investigate contemporary not historical events and case study research doesn’t require control of behavioural events as e.g. experiments do (Yin, 2009, p.8). Case studies

are adequate for finding the conditions and mechanisms for specified outcomes in a given context “rather than uncovering the frequency with which those conditions and their outcome arise” (George & Bennett, 2005, p.31).

Case studies are traditionally regarded as belonging to the arsenal of qualitative research methods and the term case study is often used embracing many different qualitative methods e.g. ethnography, participant-observation or field research. Such identification of case study should however not be used in a definitional manner. Even to study a single case in depth doesn't restrict the researcher to qualitative methods alone; “case study research may be either quantitative or qualitative, or some combination of both” (Gerring, 2008, p.10). Case study is thus a very flexible research design, which typically employs qualitative and quantitative methods (Schögel & Tomczak, 2009, p.79) and which is suitable for both theory testing and theory building (Dul & Hak, 2008, p.9; Eisenhardt & Graebner, 2007). George and Bennett (2005, p.19) identified the following advantages of case studies for testing hypotheses and theory development: Achieving conceptual validity over a small number of contextually similar cases whereas statistical studies can risk “lumping together dissimilar cases to get larger samples”; driving new hypotheses through open-ended questions; and exploring and modelling complex causal mechanisms in detail.

As any research method case studies have their limitations and pitfalls. Traditional reservations and concerns towards case studies are that they lack representativeness for generalizing results from case(s) to populations, have bias in case selection and that they are sometimes badly documented, and that they are sometimes based on loosely framed and nongeneralizable theories, they are said to be nonrigorous, nonsystematic, nonscientific and nonpositivist (Gerring, 2008, p.6, Yin, 2009, p.14, George & Bennett, 2005, p.22). It can be argued that these opinions stemmed from ambiguous definitions of the case study method, from case study examples that were less rigorously implemented and from little application of replication logic in case study research. Criticisms related to execution of case studies are equally true for any other research method that is badly performed or if the results are e.g. overly interpreted and overly generalized.

There is a great number of scholars defending case-studies as a method that can clearly stand scrutiny of criteria of scientific research such as construct validity, internal validity, external validity, reliability, and that they are used for descriptive, for explorative, for theory-generating as well as for testing purposes (Yin, 2009; Gerring, 2008; Dul & Hak, 2008). Inherent to case study research is the notion of looking at complex issues in their real-live context and to explore within the same case study various data-sources such as data from depth-interviews, printed materials, observations, and from questionnaire-surveys. Triangulation of evidence from these different sources can enhance construct validity and general quality of case studies.

A single case is like an experiment a separate unit of study but usually multiple and complex variables are involved in a case study. To be able to claim generalizability of case study results Yin (2009) proposed replication in multi case studies and Eisenhardt and Graebner (2007) saw case study as a best bridge “from rich qualitative evidence to mainstream deductive research”. According to them inductive theory building through case study research complements mainstream i.e. quantitative deductive theory testing. It may however also be the case that facts discovered in case studies may appear unrelated but are intuitively assumed to be related, this inference is tentatively accepted as the best solution until further evidence or a better explanation i.e. theory is found. Such abductive reasoning for theory building through case studies can serve as a starting point for theory induction by means of multiple replicated cases where each case serves as a distinct experiment.

Case study methods were frequently used in research related to branding and organisational values (Urde, 2001; Wong & Merrilees, 2005; Gotsi et al., 2008; Maxwell & Knox, 2009; Punjaisri et al., 2009a,b). Alloza (2008) e.g. performed a huge single case study of Spanish financial group BBVA and generated evidence from 100'000 customer-interviews, 100 focus-groups, and 100 in-depth-interviews and found for example that face-to-face relationship was the discriminating factor for building best-in-class brand-experience. A single-case study into worker's identification with corporate-values and repercussions on their outside-of-work behavior by Cambra-Fierro et al. (2008) triangulated data

from semi-structured individual- and group-interviews, and from analysis of internal documents. Pratt (2000) applied ethnography to build theory of member identification in organizations and used Amway (US distributor network) as case study. And practices that should be implemented to enable employees to live the brand were explored through four case studies by Boyd and Sutherland (2006). This richness in application of case studies by distinguished scholars and what was discussed earlier would belie Waller who “described the case study approach as an essentially artistic process” (Waller, 1934 cited in Gerring, 2008, p.7) if his statement did mean that normal methodological rules were not applied. However, it can also be argued that describing case study as an artistic process implies richness of interpretation and does not suggest little rigour in case study research.

As it has been shown case study research isn’t artistic “freewheeling” but it exposes the researcher to specific challenges such as overflow of data, documentation of data, subjective biases, finding the causal mechanism within the myriad of interrelating data, applicability of different data collection methods, time and funding. The general limitations of case study research are their validation (i.e. when is enough evidence generated to support the argument), justification of the completeness of the chosen unit of analysis, and (as said) the relative inability for generalization, although these deficiencies can be overcome by e.g. following systematic procedures and replication as Yin (2009) affirmed. Validity of research results does not depend on the philosophical stance of the researcher. Thus the constructionist – pragmatic approach of the Project isn’t a limitation for generalizing results if one were wishing to do so.

5.2.2. Design of the multiple case study

The methodology of this Project applies the case study method in an explanatory fashion and uses it in an embedded multiple case design with literal replication, which means that the cases are selected with the expectation to produce similar results (Yin, 2009, p.53). It concurrently employs mixed methods in a quantitative embedded qualitative mode (Cresswell, 2009, p.214). Reason for

applying mixed methods is for broadening understanding and for confirming results found through quantitative method with the results received from qualitative data, which helps to support validity. Additionally mixed methods approach allows building on discoveries made by one method. The case study design of the Project will now be further explained.

The purpose of the Project is to study how living the brand is formed and how it relates to the performance of the employee within the context of value driven corporate cultures such as social banks. This points to the analytical character of the case study, which examines if assumed relationships can be confirmed (Schögel & Tomczak, 2009, p.84) and to its explanatory nature (Yin, 2009, p.7). The main unit of analysis for the understanding of the phenomenon living the brand are therefore two case study banks: GLS Bank from Germany and ABS from Switzerland. Both will be described in this chapter later. In Yin's (2009, p.46) terms the design is embracing multiple cases within the context of social banking. Each case is having two embedded units of analysis i.e. the employees and the concept of living the brand. Instead of remaining with one case (GLS Bank) a second case (ABS) was chosen to replicate the results found through the analysis of the first case. Such literal replication expects to find similar results in all cases (Yin, 2009, p.54). Certainty of results clearly increases in a multiple case study with two or more cases compared to a single case study because two independent sets of data provide more powerful analytical conclusions.

Given the small variations in characteristics of social banks it was considered sufficient and most efficient to analyse two cases. In addition the research questions of this Project and theory related to living the brand are relatively straightforward. In such situations two cases suffice whereas if the case study research were based on subtle theory or high degree of assurance were demanded Yin (2009, p.58) recommended more replications. To remain true to the replication logic the data of the two cases will be analysed case wise. That means that the constructual models will be estimated with the data from each of the two banks separately i.e. the data will not be merged into one data set for analysis. Similarly, the data from the open ended questions of each case study will be examined and interpreted separately. The results from the open-ended

questions will however be merged for presentation. This is discussed later in this chapter.

As it will be demonstrated in detail later the case study design of the Project involves mixed methods. That doesn't mean the case study of this Project is part of another methodological approach (e.g. ethnography) but that different methods of data collection are embedded in the case study strategy of the Project. The Project's case studies employ survey research by questionnaire including concurrently scaled-items (quantitative data) and embedded open-ended questions (qualitative data) (Cresswell, 2009, p.210). The findings are then validated through in depth-interviews. Mixed methods are used in this case study to better understand and to seek confirmation of results generated by one method through the results obtained by another method. The use of quantitative methods will help to resolve the reliability and validity challenges that are generally put forward to qualitative methods and qualitative only case studies especially if they are used for explanatory or causal inferences, as is the case in this Project.

5.2.3. Selection and description of the cases

It's argued that findings of the Project are valid for highly value-driven and privately owned social enterprises. However, as there is a myriad of social enterprises of all kinds selection of the cases is a major challenge. Several reasons have supported the decision to study social banks. First social banks are considering themselves as actors at the interface of the private and social economy (section 3.1.). Social banks and many social enterprises are privately owned, are legally co-operatives, operate within the framework of the free market economy, and are not subsidised by the state. Second social banks simultaneously operate in the B2C and in the B2B sectors and bring so together the financial needs of individuals with those of organisations. They are inspired by socio-ecological motives as are many traditional social enterprises and both simultaneously share many stakeholder groups. Moreover social banks are a central service provider to social enterprises. Therefore it's plausible to assume that social banks understand and share the same or very similar organisational

values with social enterprises and hence well represent characteristics of private social enterprises that aspire social, ecological, and economic sustainability.

The three social banking and social financing associations GABV, INAISE, FEBEA globally unify some 70 organisations that comply with the notion of socio-ecological banking and financing as described for in section 3.1. As it has been explained in that section it's the INAISE charter (INAISE, 2008) that is considered the common denominator for the notion of social bank in the sense of the Project. Many of these institutions are foundations and charitable trusts or are very small and were therefore not suitable case candidates for the Project. Member institutions of one of the three associations that were appropriate for the examination of the research questions and were therefore considered case candidates had to fulfil these criteria:

- a) The possession of a state bank licence that provides evidence that the organisation is indeed a bank and is subjected to the same operational rules and regulations as any other bank. This is important because fulfilling the requirements of a bank licence asks for a certain professionalism, compliance, and disclosure that becomes part of the corporate culture and hence of the desired employee behaviour. The bank registries were consulted to check this criterion.
- b) A workforce of above 70 employees in order to have access to a unit of analysis that is suitable for qualitative and quantitative research. For the latter the Project requires an achieved sample of at least 30 and having an issued sample of 70 would make this happen. A broad service portfolio offering at least the basic bank services including saving, lending, bankcard and giro account, payment transactions, and investment services. This was checked through the examination of annual reports and the bank's Internet homepage.
- c) A branded organisation that cultivates the brand and that has a tradition that grounds in socio-ecological concerns and not primarily in profit considerations. These criteria were evaluated through the review of Internet

homepages, printed materials including mission statements as well as through personal conversations with social bank experts.

- d) To have some variation the two case study banks should differ in size, have a different history, and should operate in a different geographic setting.

Four potential social banks were evaluated based on these criteria. Further criteria that were taken into account for the final selection were research cost efficiency, communication effectiveness, and logistics. The two case study banks that were chosen are described below.

5.2.4. Portrait of GLS Bank

The GLS Bank's brand name was derived from its original corporate mission namely to act as community bank for lending and endowing money (Gemeinschaftsbank für Leihen und Schenken). The latter function is nowadays performed by a trustee organisation belonging to the GLS group of companies and legally separated from the bank's activities. The founding of GLS Bank goes back to the 60ies of the last century when the initiators engaged in creating new ways of financing free and independent schools (Dohmen, 2011, p.192) that were mostly based on the pedagogical impulse of philosopher Rudolf Steiner that is today commonly known as Waldorf pedagogy (e.g. Steiner, 1978). In his historical review about the beginnings of GLS Bank Kerler (2011, p.10) wrote:

“The endeavour for the creation of this bank is a history of continuous effort and of mostly silent battle for bringing to live the idea of an unselfish use of money. The initiative was an attempt to bring to capitalism a more human way of dealing with money (p.10)” ... “Our vision of a bank was bridging together savers and loan takers in order to enable conscious relationship and responsibility for the use and effects of money. The approach of conventional banking is the opposite ... the bank secret begins at the counter (p.88)” ... “We saw our way of banking as a complement to conventional banking. Both approaches are needed as long as altruistic and egoistic impulses shape society (p.89)”. (Freely translated from German by the author of the Project.).

People belonging to or having affinity with the anthroposophical movement founded the bank. Today it is an organisation formed by people from different origin as one of the bank's managers explained:

"We have amongst us supporters of Rudolf Steiner's philosophy, people with a strong approach towards ecology, people imprinted by Christian thoughts or human rights, or people who focus on many other things but we are all united to truly achieve something in society and to contribute to resolve important human and ecological problems".

GLS Bank was registered as a co-operative under the name GLS Gemeinschaftsbank eG, in Bochum, Germany, 1974. Therefore GLS Bank claims to be "the first socio-ecological universal bank worldwide" and their sound professional and holistic approach to socio-ecological banking "is a pathfinder for trendsetting banking where money is a means for sustainable creation of society" (GLS). In the words of two managers:

"Corporate social responsibility is core to GLS Bank and it's not something we do beside the business" ... "therefore profit seeking is not the objective rather a certain economic efficiency as a precondition to remain active. It's the sense making that's most important to us, quasi the spiritual question".

Key to GLS Bank's brand positioning is thus the commitment to sustainability that the bank aspires to fulfil through a triple bottom line policy where social and ecological benefits come before profit. This forward-looking way of sense making with money is the brand promise and shall provide the customer with professional bank services and human, social and economic advantages.

Referring to Kapferer (2004, p.112) and to section 2.6.1 the GLS Bank's brand identity prism might be characterised by the following facets (in brackets the generic name of the facet as used by Kapferer): The 'GLS Bank' brand name and 'wing' logo ("physique"); trendsetting, appropriateness ("culture"); consciousness, responsible ("reflection"); solidarity, humanness, transparency ("relationship"); being a reference ("personality"), responsible and sense making ("self-image"). These bring into focus the brand tagline: "GLS Bank, that makes sense". When a customer relationship manager was asked to describe the GLS Bank's brand personality he answered:

“This is not easy to say as it’s a complex personality, well if we would compare it with an animal, clearly GLS Bank wouldn’t be a predator”.

Various measures to sharpen employees’ understanding of the corporate values are undertaken like internal workshops, trainings, discussion fora, and the daily employee breakfast (Dohmen, 2011, p.208). A group of staff brand ambassadors are responsible for the development and internal conveyance of the bank’s brand values. Due to the tremendous ongoing growth that is partly stimulated by external factors that are non-controllable by the bank, the greater challenge to GLS Bank is to manage the brand internally rather than external marketing activities.

The service portfolio of the bank embraces savings and loans, financial investments and investment funds, payment and brokerage services. GLS Bank understands itself as a financial service provider to the real economy that fully sustains from any sort of speculation neither for its own account nor for their customers. Derivative instruments such as e.g. interest hedges are solely purchased for risk management purposes. Together with the investor the bank takes responsibility for the assessable effects of the invested monies. The bank therefore evaluates its own and the customers investments with the help of detailed positive and negative investment criteria that are developed and controlled by an independent investment committee (GLS). All investments are professionally risk assessed, must be sustainable, comply with high social and ecological requirements, and they should generate appropriate economic benefits for the investors. Loans are publicly made known through the banks own publications. The customers can subsidise investments through waving rents and customers can decide themselves which projects and branches their savings should support.

The steadily growing customer base includes private individuals, state institutions, organisations from the for-profit - and from the social economy. GLS Bank has since long reached professional maturity and wide recognition. It’s exposed to the challenges of competition from other sustainable and greenish banks as well as from saving-, local and regional banks. Given its size GLS Bank cannot and doesn’t want to be just a bank for idealists, the greens, and

alternatives. Bend et al. (2009) concluded in their empirical study that GLS Bank customers are demographically almost always LOHAS i.e. people demonstrating a lifestyle of health and sustainability (Ray & Anderson, 2000 cited in Bend et al., 2009).

GLS Bank is multiple holder of sustainability awards including the prestigious “Deutsche Fairness Preis” (German fairness award) that went to its chief executive in 2011 and the “Bank des Jahres” (bank of the year) award which was dedicated to GLS Bank (GLS) for the years 2010, 2011, and 2012.

The legal format of GLS Bank is a co-operative. The preamble of the articles of association stipulates:

“The objective of this co-operative is mutual help, not making profit for the individual member nor for the co-operative, those who financially participate in the co-operative do so with having financial needs of others in view ...”. (GLS) (freely translated by the author of the Project)

There was the principle of zero dividend to shareholders and no interest was paid to holders of equity capital (GLS). This principle was abandoned by the general assembly in December 2011 after thorough discussion as some felt it would change the core of the brand (Stegemann, 2011). Governance is – as it is usual in co-operatives – highly democratic and so is employee participation and inclusiveness in corporate decision-making.

Key data of GLS Bank in million EUROS for the year 2010 (in brackets development vs previous year): Balance sheet 1'847 (+37%), net income after tax 0.250 (+24%), equity 86.7 (+28.5%), Bank's equity/credit ratio 11.6% (benchmark 8%), savings 1'602 (+39%), loans outstanding 877 (+22%). The lending portfolio splits the credit volume into 51% social and educational institutions, 26% ecological enterprises including renewable energy, and 23% housing and construction. Number of customers 91'300 (+25%), co-operative members 17'557 (+6%), employees 301 (+37%). GLS Bank subsidiaries are located in Bochum, Berlin, Frankfurt, Freiburg, Hamburg, München, and Stuttgart (all in Germany) (GLS).

5.2.5. Portrait of Alternative Bank Schweiz ABS

Alternative Bank Switzerland for short ABS is the most important and biggest alternative bank with a comprehensive socio-ecological approach in Switzerland.

The mission statement on their Internet homepage reads:

“Alternative Bank Switzerland is today's bank for a better tomorrow. It is a bank for clients who like to know what is happening with their money. Alternative Bank Switzerland publishes all loans it grants, showing the name, purpose and amount. Thus its clients know what their money achieves – even what good it does! In fact Alternative Bank Switzerland invests in and finances sustainable projects and businesses. It does not insist on maximizing profit. Instead, it places a rational emphasis on sustainability and ethical principles” (ABS).

The creation and history of the bank was well documented by König and Wespe (2006). The following is mainly based on their writing and summarized from the perspective of potential impact on brand values and brand identity of ABS.

The charter of ABS was signed in Olten a middle size industrial town of the German speaking part in the north west of Switzerland in 1990. The vision, however to establish an alternative bank that is guided by ethics goes back to the 80ies of the last century. Societal movements such as re-strengthening of worker unions, capitalism critique, and ecology but probably equally important the feminist movement that fought against women’s discrimination in a country that was traditionally men dominated. All these changes inspired and supported the foundation of the alternative bank that was and still is seen as a continuous societal experiment. The creators of ABS wanted to critique the booming, materialistic and conservative Swiss banking centre through setting up an alternative and progressive financial institution where ecological, ethical and societal objectives were more important than sheer economics and where focus on shareholder value was replaced by focusing on stakeholders of which shareholders are just equal part amongst others, and environment. The idea to install the bank developed within a network of other self-governing institutions such as pension funds, which didn’t want to be dependent from anonymous

conventional banks but who wished to decide themselves how to invest fund capital.

The early years of the bank were burdened with developing internal structures, learning how to best getting along with sometimes hindering internal democratic decision procedures, governance committees and turf battles between strong individuals and between core interest groups. Despite the statutory requirement that each gender had to be represented by 40% throughout all positions and at every hierarchical level, it lasted until 1992 until the first woman became part of the management team. This is contrary to ABS' customer base, which includes high proportion of women. The share of female customers and female holders of ABS shares is much bigger than it is in other banks. From 1994 a dynamic and continuing growth phase started including "organizational growing pains" (Flamholtz, 1995) especially in human resources management, in information technology and administration infrastructures. And people who belonged to the founder generation resigned due to ideological conflicts. Democratic governance and transparency were always key features of ABS. With the permission of the customers all loans are made public. At the time this meant in a way offsetting the well-protected bank secrecy, at least with regard to the active side of the balance sheet. As a consequence of the last financial crisis the Swiss bank secrecy was deteriorating a great deal during recent years but there is no obligation that banks should publicly disclose individual lendings and investments.

The early brand advertising of ABS communicated rather radically and offensively how it differentiated from other banks. It was a subliminal accusation of the ethical misconduct of conventional banks. Due to relatively low marketing budgets the main external communication medium was since the beginnings of ABS an own print magazine "moneta" that serves as discussion forum, news medium, and brand supporter.

The brand identity is defined by ABS' value system (ABS) that penetrates all corporate activities towards internal as well as external stakeholders. If one were to draw a brand prism for ABS according to Kapferer (2004, p.112) and as presented in section 2.6.1. its edges might point to these values (in brackets the

generic name of the facet as used by Kapferer): 'Alternative Bank Schweiz' brand name and 'bird' logo ("physique"); transparency and disclosure; solidarity through providing opportunities for clients to forsake rent in order to enable sustainable projects ("relationship"); sustainability including an explicit reference to no profit maximisation ("culture"); participation of customers, employees, and shareholders ("reflection"); ethical, fostering sustainability ("self-image"). These facets of the ABS brand clearly position the brand as different and as an alternative to conventional banks. From this perspective the brand name Alternative Bank ABS captures very well the banks identity and positioning. These values were recently addressed as part of an extensive review process of the general principles and mission statement. This review of values, positioning and mission was very participative and included all stakeholders of ABS. Input and meanings were encouraged and captured through on-line survey, workshops and interviews. The brand values were reinforced and stakeholders appreciated the ideological values of ABS higher than the professional ones although stakeholders acknowledged the need of the bank to generate profits to secure its own survival (moneta, 2011).

Because of regulatory requirements ABS had to set itself up as Aktiengesellschaft (public limited company) instead of a co-operative that would have been closer to ABS' ideas. The articles of associations allow payment of dividends to shareholders.

Key data of Alternative Bank Switzerland in million EUROS for the year 2010 (in brackets development vs previous year, rate of exchange CHF 1.00 = 0.78 EUR): Balance sheet 791 (+10%), net income after tax 0.375 (+519%), equity 47.2 (+4%), Bank's equity/credit ratio 11.05% (benchmark 8%), savings 730 (+10%), loans outstanding 592 (+11%). The loan portfolio of ABS in monetary terms by end of 2010 included: 11% of lending value went to culture, farming, and renewable energy, 6% to health and social institutions, 11% to hospitality and other SMEs, and 72% to housing projects. This shows that ABS in essence is a mortgage bank. Number of customers 25'212 (+6%), shareholders 4'375 (+0.2%), employees 80 (+2.6%), ABS subsidiaries are located in Olten, Zurich, Lausanne, and Geneva (all in Switzerland) (ABS).

5.2.6. Similarities and differences of the two case study banks

Service portfolio, investment criteria, products, and business philosophy of Alternative Bank ABS is pretty much identical to what was explained related to GLS Bank. The structure of the loan portfolios has similarities. ABS primarily finances social and ecological housing whereas GLS Bank is much engaged in social and educational institutions. Both banks are exclusively operating nationally in their country of domicile. Organization structure of both banks is rather flat and therefore opportunities for employees to grow hierarchically are limited. Performance assessments are starting to be formalized but there are neither individual quantitative targets nor pecuniary individual bonuses. Recognition of good work is sometimes honored through additional days off and group awards. Internal competition is not formally encouraged.

The biggest difference is the size. The balance sheet of GLS Bank is 2.3 times the one of ABS. With a view to the theoretical market capacity measured by number of capita (Germany 82 millions inhabitants, Switzerland 7.5 millions inhabitants) the arithmetical market penetration of ABS is however a multiple of the penetration of GLS Bank. There exist cultural and philosophical differences related to the very roots of the two banks. The founders of GLS Bank adhered to a philosophy known as Anthroposophy (e.g. Steiner, 1988) whereas ABS grounds in the societal changes of the second half of the last century and was politically inspired by social democratic ideas and the ecological movement. Today both banks are fully fledged social banks and highly professional. Neither to an outside observer nor to an “ordinary” customer differences related to the original roots of the banks become easily obvious. Both banks are a “brand-as-organisation” (Aaker, 1996, p. 82).

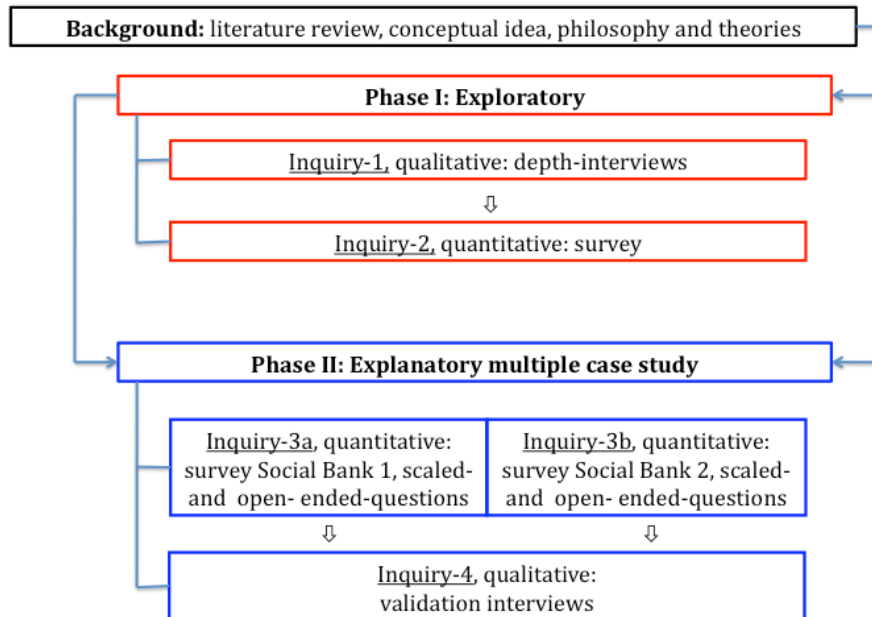
After having argued for case study method and having described the units of analysis the research process that was implemented for the Project is further explained.

5.3. Theory and research process design

Using Cresswell's typology (Cresswell, 2002; cited in Saunders et al., 2007, p.36) the "grand theory" situates the Project within the realities of market economy where resource allocation problems are primarily resolved through a system of markets, prices, and profit; but in which both private and state institutions influence economic processes (Samuelson, 1967, p.65). The next theory layer the "middle range theories" that influenced the Project is organisation behaviour theory (OB) and the resource-based view of the organisation (RBV). OB looks at "actions and attitudes that people exhibit within organisations" (Robbins, 2003, p.2). The aim of corporate branding and more specifically the aim of developing living the brand is to create sustainable competitive advantages to the organisation. This is the essence of RBV (Grant, 1991). Finally the fundamental concern of the Project was contributing to the theory of living the brand, which was together with brand orientation the "substantive theoretical" basis of the Project. Thus it's OB that guided data collection and analysis whereas RBV helped the interpretation.

The research process was split into phases that are depicted in the graph 5.1. It shows that research background was established through literature review that led to the proposed conceptual model of Living the Brand, to the formulation of research questions, to the development of the hypotheses, and to the selection of the measurements. The project was then split into two phases: Phase I contained exploratory research by gathering and analysing qualitative and quantitative data. Building on phase I, explanatory research by case studies was conducted in phase II. All phases were continuously informed by literature.

Graph 5.1. Research process overview



Through Inquiry-1 preliminary support for the proposed conceptual model was generated. Inquiry-2 then tentatively assessed appropriateness of the measurement scales, correlations within the proposed conceptual model, and importance of the constructs of the model. Phase I results justified and steered the continuation of the Project with case studies in phase II. The case studies deductively analysed the constructual model of Living the Brand. Before quantitative surveys were conducted in phase II, the questionnaire that was used in phase I was reviewed. Relevance of the items for social banks and comprehensibility was discussed with social bank managers and employees. The core analysis was performed with data from Inquiry-3a and included structural equation modelling for testing the measurement model and for estimating the structural model. For potentially extending validity of the model Inquiry-3b replicated the structural model. Thus answering research question 1. For this the same measurement that was already tested with Inquiry-3a data was used. The findings from the embedded open-ended questions of Inquiries-3a and 3b qualitatively supported the Living the Brand model and answered research

questions 2 and 3. Finally, Inquiry-4 was qualitative and provided expert validation for findings of Inquiries-3a and 3b.

For every Inquiry: Purpose, method, sample, expected outcomes, the related research questions, and reference to result reporting is depicted in table 5.1.

Table 5.1. Research methodology overview

Research methodology overview					
	Data collection methods; samples	Purpose	Methods of analysis	Expected outcomes	Research question; results
Background	Literature review	Understand: - Organisational values, brand orientation, LtB and performance - Social banking	Theoretical perspectives: - Resource based view of the organisation - OB theory	- A research gap to advance LtB theory - Conceptual model - Research questions	- Results reported in chapters 2., 3., 4.
Phase I (exploratory)	<u>Inquiry-1</u> – qualitative: Face-to-face depth interviews; professional experts, N = 12	- Understand brand identity, and brand aligned behaviour in social banks and other services	- Full transcription of audio records - Content analysis, coding, grouping	- Support for conceptual model of LtB	- Contributes to research questions 1, 3 - Results reported in section 6.1.1.
	<u>Inquiry-2</u> – quantitative: Paper survey questionnaire: 41 items scaled 1-5, 3 open ended questions; attendants of conference social banking, N = 43	- Assess ability of measurement scales - Assessment of level of BO, POF, BI, LtB, and CIBP, Relationships - Understand brand related key themes	- Cronbach's alpha - Descriptive statistics including multiple regression - Content analysis, coding, grouping	- Support for conceptual model of LtB and its operationalisation	- Contributes to research question 1, 3 - Results reported in sections 6.1.2., 6.1.3.
Phase II (explanatory)	<u>Inquiry-3a</u> – quantitative: Self-administered Internet based questionnaire survey: 43 items scaled 1-5, 5 open ended questions; employees of case study bank SoBa1, N = 140	- Reliability and validity of measurement - Estimation of causal models - Explain relationships qualitatively - Assess sense making of LtB and value centrality of SoBa1 qualitatively	- Missing data analysis - Descriptive statistics, MANOVA - EFA / CFA - SEM / Reflective measurement theory - Content analysis, coding, and pattern matching	- Acceptable psychometrics and GoF - Confirmation of hypotheses - Qualitative support for the causal relationships - Sense making of LtB and value centrality of SoBa1 qualitatively confirmed	- Contributes to research questions 1, 2, 3 - Results reported in sections 5.6., 6.2.2., 6.2.3., 6.2.4., 6.2.8., 6.2.10.
	<u>Inquiry-3b</u> – quantitative: Identical to inquiry 3a; employees of case study bank SoBa2, N = 59 (literal replication case study)	- Estimation of path models SoBa2 - Qualitative data collection as for Inquiry-3a - Replication	- Missing data analysis - Descriptive statistics, MANOVA - Transform latent-to 1-indicator-constructs for path modelling - Content analysis as for Inquiry-3a	- GoF - Confirmation of hypotheses - Concurrent analysis of qualitative data from Inquiries-3a and 3b - Successful replication	- Contributes to research questions 1, 2, 3 - Results reported in sections 6.2.5., 6.2.6., 6.2.7., 6.2.8., 6.2.10.
	<u>Inquiry-4</u> – qualitative: Face-to-face depth-interviews with managers from SoBa1 and SoBa2, N = 7	- Validation of the findings from Inquiry-3a and 3b - Sectorial positioning of social banks as social enterprise	- Full transcription of audio records - Coding - Content analysis	- Support for the estimated causal models of living the brand and explanations for specific relationships	- Contributes to research question 1 - Results reported in sections 6.2.11.

This section has explained the overall methodology. In the following the data collection and data analysis methods applied in the Project are elaborated.

5.4. Data collection methods and samples

5.4.1. Collection of qualitative data

Two techniques of data collection and sampling were used. Inquiries 1 and 4 employed semi structured depth interviews that were conducted in German language by the author of the Project, whereas Inquiries 2, 3a and 3b embedded open-ended questions in quantitative surveys by questionnaires. Demographic information of the interviewees of Inquiry-1 and Inquiry-4 is depicted in table 5.2. For reasons of data protection and confidentiality all respondents are anonymised in the Project report.

Inquiry-1 performed 12 semi structured individual depth interviews with experts who were selected through purposeful sampling (Cresswell, 2009, p.217). Purposeful sampling means that test persons are chosen according to their experience with social banking or with brand and communications management. For Inquiry-1 a mix between social banking experts and brand experts from conventional banks and service organisations was chosen to collect opinions across the service industry sector.

The interviews were organised and processed in line with recommendations made by Wilson (2006, p.107). Thus the discussions were directed along an interview topic list (appendix 3) that was not shown to the interviewee. The topic list included concrete probing questions that helped to explore themes such as: Company's brand identity, internal brand management and brand behaviour, and individual employee performance. The interviews with social bank experts were extended by questions to understand social banking, strategies, challenges, and other issues of social banks.

All interviews lasted for 1 to 1.5 hours each and throughout all interviews there was relaxed, open, and uninterrupted conversation atmosphere. There were no specific signals such as e.g. body language, change of pitch of voice, laughter or

loudness that were adding or changing meaning of the verbal statements. Ethnographic data was thus neither explicitly captured nor reported as, given the one on one interview situations in private rooms and because the questions weren't psychologically loaden, it had not impacted on validity. Interest of interviewees was always maintained. An indication of this was the great length of the interviews.

Interviews were audiotaped and then fully transcribed in German language for analysis and interpretation. Audiotaping and accurately transcribing was deemed necessary "to work most reliably with the words of participants" (Seidman, 2006, p.114). It's then the consciousness of the participant that can be captured most precisely instead of the interviewer's consciousness in the case of paraphrasing; further benefits of audiotaping and full transcription were mentioned by Seidman (2006) such as possibiltiy of crosschecking if the response was understood correctly, self-control of interviewer, having a proof, and avoidance of premature judgements by the interviewer in case of partial or no transcription.

Table 5.2. lists the interview participants. The interviewees are anonymised throughout the Project report.

Inquiries 2, 3a, and 3b embedded open-ended questions and simultaneously collected quantitative and qualitative data by survey. These surveys are explained in section 5.4.2.

Inquiry-4 performed 7 semi-structured individual depth interviews with social bank experts. All interviewees were members of leadership teams of the case study banks SoBa1 or SoBa2. The interviews were conducted taking the same recommendations into account as described for Inquiry-1 and the interview situations were the same as described for Inquiry-1 and they lasted also for 1 to 1.5 hours each. The research results of their bank was shown to the interviewees, discussed and validated. Additionally it was explored in which sector of the economy the interviewees positioned their bank i.e. does a social bank belong to the: Public sector, private sector, or social economy sector. The conversations of Inquiry-4 were facilitated by schematics.

Table 5.2. Samples depth interviews Inquiry-1 and Inquiry- 4

Inquiry-	(code) Position and function of interviewee within company	Industry
1	(1) Management	Social bank
1	(2) Board	Social bank
1	(3) Account manager	Social bank
1 and 4	(4) Management	Social bank
1	(5) Marketing	Social bank
1	(6) Marketing	Social bank
1 and 4	(7) Management	Social bank
1	(8) Communications management	Conventional bank, national
1	(9) Brand management	Conventional bank, international
1	(10) Owner-manager, consultant	Internal Communications
1	(11) Academic director, consultant	Training and research
1	(12) Brand management	Telecom
4	(13) Manager	Social bank
4	(14) Manager	Social bank
4	(15) Management	Social bank
4	(16) Marketing	Social bank
4	(17) Board	Social bank

5.4.2. Quantitative data collection

This section describes how the data was collected by the three surveys (Inquiry-2, 3a, and 3b). For each Inquiry it explains what type of questionnaire and likert rating scale was used, how the sample was composed, how the questionnaire was distributed, and how the collected data was purified. The decisions were supported by literature that is referenced in the text. The selection of the measurement items and their validation is discussed in section 5.6.

5.4.2.1. Design of the questionnaires

For Inquiry-2 a paper questionnaire including - in this order - 14 socio demographic questions, 41-scaled items, and 3 open-ended questions was compiled in English language. The items were measured with a 5-point likert rating scale: I strongly disagree (value=1), I disagree (value=2), I neither agree nor disagree (value=3), I agree (value=4), I strongly agree (value=5). The choice in favour of a five-point rating scale vs. larger rating scales was made because other studies in the realm of the Project used 5-point rating scales (e.g. Morhart,

2008; Punjaisri & Wilson, 2007). The following seemed important to secure that the rather lengthy questionnaire was completed. A 5-point scale is easier understandable by respondents, less time consuming, and less tiring for respondents. A finer rating scale could have confused the respondents, had potentially demotivated them and could have increased measurement error. Most items referred to opinions and personal behaviour of the respondents therefore the 5-point uneven scale with the middle statement - I neither agree nor disagree -, which didn't force respondents to negative or positive statements was seen as an advantage.

With regard to reliability Churchill and Peter's (1984) meta-analysis of 131 studies didn't confirm the hypothesis "that a positive relationship exists between number of scale points and the reliability of the measure over the normal range". They found a mean number of 5.8 scale-points; unfortunately the more interesting mode number was not reported. To avoid bias of answering similarly sounding questions without reflection the original sequence of the questions was shuffled for the purpose of Inquiry-2. A slight disadvantage of thematically shuffled questions was however that the respondents had to change themes all the time and were constantly in a different mindset. Question 36 was negatively formulated to reduce potential directional bias of respondents. The open-ended questions asked about success factors and motivations for working with social enterprises as well as about importance of branding in social enterprises.

For Inquiries 3a and 3b and based on comments from respondents to Inquiry-2 that felt uncomfortable with shuffled questions the questionnaire for Inquiries 3a and 3b was designed sequentially and the reversely formulated question was positively formulated. According to Churchill and Peter (1984) positive/negative formulation of question didn't influence reliability. The socio-demographic variables were reduced to seven and two scaled items were added to the performance construct. Five new open-ended questions replaced the open-ended questions of Inquiry-2. Otherwise, with the exception of language, the questionnaire of Inquiry-2 remained unchanged for Inquiry-3a and Inquiry-3b. The new open-ended questions asked about: Motives for working for and working with a social bank, sense making of living the brand, and about effects of

brand-aligned behaviour on individual work success. Most important changes to the questionnaire were however the translation from English into German and the transformation from a paper based questionnaire into an electronic self-administered questionnaire. The author's language translation was examined and improved by a linguist. Five social bank employees then appraised understandability of the questions and the factual relevance of the questions. As a result of which a few questions were reformulated. A short introductory text explained the purpose of the study and defined the key terms. The questionnaire items English – German is appended (appendix 2).

The data collected through the scaled questions produced ordinal data. Strictly speaking likert-scales don't produce interval data as it can neither be assumed that for all respondents the difference between the linguistic expressions of the scale (strongly disagree to strongly agree) nor that the differences between the scale-points for a respondent are the same (Field, 2009, p.8). Nevertheless the Project interprets likert-scales as continuous metric scales as it is usually done in social sciences.

5.4.2.2. Samples, data purification, and questionnaire distribution methods

Inquiry-2 was designed as a small-scale survey for reasons of economy, time, and cohort accessibility. The questionnaire was distributed to 76 of 85 participants of the conference "International Summer School for Social Banking – Banking on Values – what Values?" that took place in Florence, Italy from 18th to 23rd July 2010. It was organised by the Institute for Social Banking, Bochum, Germany (ISB). The questionnaire distribution was organised by the conference receptionist who handed it out at the registration desk to every participant. The organiser officially supported the survey in his welcome speech and three reminders to hand in filled questionnaires were made during the conference week. The big majority of respondents were staff and managers employed by social enterprises like social banks and others. Of 44 returned questionnaires one was missing 70% of data and therefore not counted. The valid return rate was 57% and the valid sample was a good mix of positions, functions, and experience.

There was only 1.3% missing values in the final sample. For statistical analysis cases were excluded pairwise i.e. variables with missing value were excluded but not all data of the respective case. Sample demographics and frequency data of the valid sample of Inquiry-2 is summarised in table 5.3.

Table 5.3. Sample and frequency Inquiry-2

Inquiry-2 sample and frequency		
Demographics	Frequency	Valid %
1. Type of enterprise represented by respondent		
1.1. Social enterprises (of which 81% social banks)	31	72.1
1.2. Other enterprises and students	12	27.9
2. Position of respondent in enterprise		
2.1. Top-, middle-, lower-management, board, owner	12	27.9
2.2. Non-managerial staff	31	72.1
3. Function of respondents in enterprise		
3.1. Oriented towards external stakeholders (e.g. sales)	15	34.9
3.2. Other function	28	65.1
4. Time respondent was working for the enterprise		
4.1. Less than one year	7	16.3
4.2. One year and longer	35	81.4
4.3. Missing data	1	2.3
Total valid sample (N)	43	100
Total valid response rate		57

Inquiry-3a was an electronic questionnaire that was targeted to all staff and managers of all subsidiaries of SoBa1. This was a total population of 272 employees. All had the possibility to access the questionnaire and it was accessed 198 times. After data purification process the valid sample was 140 cases, which represented a response rate of 52%. The structure of the valid sample was very close to the real structure of SoBa1 population as confirmed by SoBa1 management. The biggest difference existed for the variable “hierarchical position”. It seemed that more employees felt they had managerial and leadership duties than were officially part of management. Table 5.4. presents sample the demographics and frequencies of the valid sample and a comparison with the composition of the universe.

Table 5.4. Sample and frequency Inquiry-3a

Inquiry-3a sample and frequency			
Demographics	Sample		Population
	Frequency	Valid %	%
1. Gender			
1.1. Female	75	53.6	57
1.2. Male	65	46.4	43
2. Work location			
2.1. Main office	112	80.0	76
2.2. Other location	28	20.0	24
3. Hierarchical position			
3.1. Not member of management	109	77.9	88
3.2. Member of management	31	22.1	12
4. Function			
4.1. Customer relations	65	46.4	same
4.2. Other function	75	53.6	same
5. Time respondent was working for SoBa1			
5.1. Less than two years	65	46.4	46
5.2. Two years and longer	75	53.6	54
6. Worked before joining SoBa1			
6.1. Not with a social enterprise	122	87.1	same
6.2. With a social enterprise	18	12.9	same
Total valid sample (N)	140	100	
Total valid response rate		52	

The missing data of Inquiry-3a was analysed by tabulating all cases and all variables and then calculating missing data in relation to variables and cases. Missing data fell into two categories. A first category included the respondents who failed to complete the entire questionnaire. Some started the questionnaire and proceeded answering all questions up to a certain point where they abandoned. Reasons for dropping out might have been length of questionnaire, boredom, and available time. Reason for missing a single question here and there was probably more due to overlooking. A second category pointed to refusal to answer questions. One reason to such respondent behaviour might have been “don’t know” but not wanting to choose the middle position of the scale (“neither agree nor disagree”) instead. Another reason for refusal might have been that the item was perceived not appropriate or psychologically, socially, or commercially sensitive. This conclusion was supported by the fact that an accumulation of

missing data was found for questions, which dealt with self-assessing individual performance in comparison to others.

Data purification resulted in deleting 44 cases because those respondents abandoned the questionnaire immediately or early after the demographic questions. Then 4 additional cases had to be deleted because they missed 72.6% of values. From the remaining 150 cases 10 were deleted because they missed all data of the variable Living the Brand and all data of the variable Individual Brand Performance. Three of these 10 cases also missed all data of the Person Organisation Fit variable. The final sample included 140 cases with in total 3% missing values, which were spread over all cases and variables. The missing values were then automatically imputed by the AMOS software during SEM. The method used in AMOS is a direct approach based on maximum likelihood estimation technique. This method is said to successfully reduce bias in data imputation even in cases where missing value is not completely at random (Byrne, 2010, p.359). The final data set for modeling had complete values for every case and variable.

Inquiry-3b was executed through an electronic questionnaire with the population of SoBa2. 59 of 80 employees and managers returned valid questionnaires. The response rate was 74%. The structure of the valid sample was fairly close to the real structure of SoBa2 population as confirmed by SoBa2 management. There was however an underrepresentation of respondents with customer contacts in the sample. This deviation from the population was considered acceptable. The demographic and frequency data of inquiry-3b including a comparison with the structural composition of the universe are shown in table 5.5.

The questionnaire was accessed 71 times. 10 cases had to be deleted because the questionnaire was abandoned and 2 cases had missing values of 100% and 49% respectively. The remaining 59 cases missed 0.1% of the values, which were imputed by means of the EM two-stage approach (Hair et al., 2010, p.50) that is used by the missing value analysis module of SPSS. This method attempts to find out the processes underlying missing data and to calculate and to impute the

most accurate and reasonable value, such process is comparable to the one used on Inquiry-3a data (Hair et al., 2010, p.50).

Table 5.5. Sample and frequency Inquiry-3b

Inquiry-3b sample and frequency			
Demographics	Sample		Population
	Frequency	Valid %	%
1. Gender			
1.1. Female	30	50.8	59
1.2. Male	29	49.2	41
2. Position			
2.1. Leadership position	20	33.9	28
2.2. Staff	39	66.1	72
3. Function			
3.1. With frequent customer contact	32	54.2	70
3.2. Other function	27	45.8	30
4. Time respondent was working for SoBa2			
4.1. Less than two years	9	15.3	16
4.2. Two years and longer	50	84.7	84
5. Worked before joining SoBa2			
5.1. Not with a social enterprise	51	86.4	80
5.2. With a social enterprise	8	13.6	20
Total valid sample (N)	59	100	
Total valid response rate		74	

Inquiries' 3a and 3b questionnaire distribution was administered electronically. Computer-assisted self interviewing - interviewer absent on line procedure was applied (CASI-IA) (Bronner & Kuijlen, 2007). The respondents remained anonymous. Following recommendation by Dillman (2000, p.394) forced answering technique wasn't used for this questionnaire because "the frustration associated with this requirement seems likely to lead to annoyance and premature termination". Forced answering allows the respondent to continue only after particular questions have been answered. Newer research by Albaum et al. (2010) however found a slight difference of completion rate in favour of forced answering, but the difference was non-significant.

For both surveys a password protected on screen questionnaire was stored on and administered through "Onlinefragebogen" oFb (2011). OFb is a provider of a

platform especially developed for online research in social sciences. OFb was originally created in 2003 at the Institute for Communication Sciences at the University of Munich, Germany and jointly developed with the University of Zurich, Switzerland. Today the service is publicly available and privately managed. It remained free of charge for academic projects including dissertations. At the time of the Project's field research some 1'000 projects were administered with the software on the oFb server (oFb, 2011). For Inquiry-3a the intranet news service of SoBa1 was used to advertise the survey, to remind and to post the Internet link to the electronic questionnaire. For Inquiry-3b e-mail signed by the CEO was used to introduce the survey to staff and to post the link to staff of SoBa2.

Efficiency, quality, and environmental were reasons for choosing CASI-IA in favour over other data collection modes for the quantitative surveys of the case studies of the Project. It's more accurate, faster and cheaper if respondent data is electronically captured and can be exported to analysis software such as e.g. SPSS compared to e.g. telephone, other personal, or paper based postal modes. Using paperless data collection procedures was also very much welcomed by the management of the case study banks as this method helped to reduce paper waste, which was fully in line with the ecological orientation of the social banks.

Beside the above mentioned and other advantages such as ease of data entry and return, interactivity, perceived urgency, flexibility and low cost of online surveys (Evans & Mathur, 2005; Griffis et al., 2003; Denscombe, 2009), Evans and Mathur (2005) mentioned a few weaknesses. These needed to be considered for the Project: Sample selection, lack of online expertise and computer access of employees, unclear answering instructions, and privacy issues, and perception that the questionnaire could be junk mail. The risk of junk mail perception was mitigated through the publication of the surveys by company internal media signed by management. Selection of sample wasn't a problem as in both case studies the universe i.e. the entire corporate population was the sample. Bank employees are in general computer literate and most of the case study banks employees had a screen on their workplace or easy access to public screens e.g. in meeting rooms. The questionnaire was relatively simply designed and self-

explanatory including definitions of important terms. As Bronner and Kuijlen (2007) reported privacy and anonymity is higher in the case of CASI-IA as compared to other data collection methods, which increases honesty and openness of respondents.

Manfreda et al. (2008) confirmed anecdotal evidence and common perception that response rates of online surveys were lower compared to non-web based surveys. Their meta-analysis based on 45 comparisons found in average an 11% lower response rate for web surveys. This risk was however accepted for the Project because of the case study mixed method approach and management support, which allowed access to the statistical universe.

Three features of online surveys that were very important in the context of the case studies balanced potential risk of loss of overall response rate: Lower item non-response rate, higher open-ended question response rate, and better quality of responses to open-ended questions. For the type of questions used in the Project Denscombe (2009) proved that fixed-choice opinion questions as well as open-ended questions of online surveys produced better item response rates than paper based questionnaires. Additionally “web respondents gave longer answers with more themes and more elaboration” as Smyth et al. (2009) concluded in their study.

5.5. Data analysis methods

5.5.1. Qualitative data analysis methods

Core to the qualitative data analyses process of the Project was content analysis of the transcribed statements, coding and mostly two level categorisation. The content was then interpreted with regard to the conceptual model and the research questions. For coding, identifying and selecting verbatim quotes for illustration in the report annotation method was applied (Wilson, 2006, p.126). The whole qualitative analysis process was performed manually and solely by the author of the Project, inconsistent coding was so less likely then if multiple coders were used.

Saldana (2010, p.49) presented a multitude of coding techniques but his writing showed too a lack of commonly agreed nomenclature and methods overlapping. Attribute codes (ibidem, p.55) were used to link statements to demographic data. Magnitude coding (ibidem, p.58) was just used in the sense of counting frequency of identically or similarly coded statements. Some statements had more than one meaning and were double coded i.e. simultaneous coding was applied (ibidem, p.62). All statements were descriptively coded (ibidem, p.70). This technique assigns a verbal code, typically a noun, which captures “the basic topic of a passage of qualitative data”.

Coded data was then structured and related to elements of the conceptual model of Living the Brand or to specific research questions. According to Saldana (2010, p.67) structural coding is especially suitable for interview transcripts and for open-ended survey responses.

Coding and categorizing “what is out there” wasn’t considered enough for the Project. Qualitative data was therefore further analysed for the deeper understanding of “the patterns, the recurrences, the plausible whys”; for it and for multicase studies pattern coding was recommended for surfacing “common themes and directional processes” and for mapping interactions (Miles & Huberman, 1994, p.69). Pattern coding was thus the basis for the explanations of antecedents and consequences of living the brand. These antecedents and consequences were derived from qualitative data (open-ended questions B, C, D of Inquiries 3a and 3b) to examine their potential support of the conceptual model of Living the Brand.

With the exception of Inquiry-2 all qualitative data was captured in German language. Throughout this Project report quotes from respondents are cited literally as translated into English by the author of the Project without making linguistic adaptations to the style.

The following looks more specifically at the qualitative analysis methods Inquiry by Inquiry.

Inquiry-1 was a series of exploratory depth interviews. A deductively based analytical procedure was applied (Saunders, et al., 2007, p.489) for decoding the

meaning of statements of the interview transcripts. The statements were examined based on four propositions, descriptively and structurally coded (Saldana, 2010, p.67, 70) and grouped into categories appropriate to the propositions. The analysis process was conducted manually. Typical statements were selected and are quoted in this report.

The propositions that guided the analysis of Inquiry-1 were:

- a) For the interviewed experts brand orientation and living the brand are issues of concern.
- b) Compatibility between personal values and organisational values as well as brand identification are considered important and affect living the brand.
- c) There are multiple aspects of living the brand that influence performance.
- d) Social banks and their employees are value driven and consequences of growth put challenges to brand identification and living the brand.

Inquiry-2 was a quantitative survey of explorative nature that included three embedded open-ended questions to understand individual success factors, branding, and motivation.

The open-ended questions were phrased:

- Question 1: What do you think makes you a successful employee of a social enterprise?
- Question 2: How important is branding for social enterprises and for what reasons?
- Question 3: Why do you choose to work for a social enterprise rather than for another organisation?

95 statements from 30 respondents were analysed and their essential meaning was captured by codes. 15 codes were developed during analysis and assigned to the statements. Coded statements were then summarised into six categories representing central ideas. These were afterwards examined if they accounted

for the constructs of the conceptual model of Living the Brand and thus if Inquiry-2 supported the conceptual model.

Inquiries 3a and 3b were quantitative surveys that included five embedded open-ended questions that were identical in both surveys.

The open-ended questions were phrased:

Question B: How do you feel when you should behave brand-compliant, does it hinder you or do you quite naturally behave in such manner?

Question C: How does it impact on your work performance when you behave brand-compliant?

Question D: Why does it make sense to you to behave brand-compliant?

Question A: How would you explain why someone should become a customer of your bank?

Question E: Why does it make sense to you to work for this bank and not for another organisation?

Purpose of questions B, C, and D was to find out how authentic and how sense-making living the brand appeared from the employee perspective. Thus questions B, C, and D contributed to answer research question two. The responses were also examined based on the conceptual model of Living the Brand to identify similar patterns of antecedents and consequences, which contributed to support the model. Questions A and E were asked to respond to research question three regarding value centrality of social banks.

The analytical procedure for Inquiries 3a and 3b qualitative data included the following steps:

- a) Per question all statements were copied from the electronic datasets and were tabled respondent by respondent along with demographic data. Typical and concise statements were marked for later quotation. Step a) was performed separately for each case study bank and for all questions.

- b) Every statement was deciphered on content, coded, categorised and counted on a spreadsheet. Codes were concurrently developed during content analysis. Step b) was performed separately for each case study bank and for all questions.
- c) For every category a physical paper card was produced containing the category description and the number of statements that fell into the category. Separate cards were produced per bank and whether the category related positively or negatively to the question. For every question all cards were laid on a cardboard, clustered by brand-concepts (e.g. identification, person-organisation fit, performance, brand orientation, values) and input/output relationships were mapped. The maps were then reviewed from the perspective of the proposed conceptual model of Living the Brand.
- d) The maps were condensed in tables including content-categories of the clustered statements, how they related to brand-concepts, and how the data was interpreted. As the statements from the respondents from either bank were either literally identical or of the same content the results of the analyses were merged for reporting in section 6.2.10.
- e) Steps c and d were the basis for searching if a structure similar to the structural model of Living the Brand emerged from the qualitative data and thus supported the conceptual model or not. Such pattern-matching logic looks for congruence of structures and matching patterns reinforce internal validity of case study results (Yin, 2009, p.136). The result of this examination is reported in section 6.2.10.5.

A total of 830 qualitative statements from Inquiries 3a and 3b were analysed. Although this was a qualitative analysis counts are reported to show that there was huge amount of data. Quantification was performed because it provided some weighting, it kept the analysis honest, and because the data was analysed with a view to support hypotheses that were verified statistically (Miles & Huberman, 1994, p.253). Therefore frequency data is reported in tables 5.6. and 5.7. as well as in section 6.2.10.

Table 5.6. Frequencies open-ended questions by case study bank; Inquiry-3a and Inquiry-3b

Inquiries 3a and 3b cumulative frequencies open-ended questions						
	SoBa1		SoBa2		TOTAL	
Question	Nr of respondents	Nr of statements	Nr of respondents	Nr of statements	Nr of respondents	Nr of statements
A	86	178	46	88	132	266
B	85	104	44	49	129	153
C	66	67	36	42	102	109
D	65	68	39	41	104	109
E	87	136	46	57	133	193
Total		553		277		830
Average	78	111	42	55	120	166

Table 5.7. informs about respondent demographics. This is important data as it indicates that the statements were not biased by a common rater effect i.e. there was a good distribution of respondent profiles and therefore the analysis was not overly influenced by one demographic group.

Table 5.7. Demographics open-ended questions; Inquiry-3a and Inquiry-3b

Inquiries 3a and 3b demographics open-ended questions								
Nr of respondents	Gender		Function		Position		Tenure SoBa	
	Female	Male	Customer	Other	Manager	Other	Less 2 years	2 years plus
Question								
A SoBa1	43	42	40	44	22	64	38	48
A SoBa2	22	24	25	21	14	31	8	38
E SoBa1	44	44	38	49	22	65	40	47
E SoBa2	22	24	25	21	14	31	5	41
Subtotal A & E	131	134	128	135	72	191	91	174
B SoBa1	43	42	42	43	21	64	38	47
B SoBa2	22	22	23	21	15	28	6	38
C SoBa1	28	38	28	38	19	48	24	41
C SoBa2	18	18	17	19	11	24	3	38
D SoBa1	31	34	32	33	15	50	32	32
D SoBa2	18	21	20	19	11	27	6	33
Subtotal B,C,D	160	175	162	173	92	241	109	229
Total	291	309	290	308	164	432	200	403

Inquiry-4 included validation depth-interviews with leaders from the two case study banks. First a chart of their bank's structural model of Living the Brand was explained and shown to the interviewees for comments. (For SoBa1 it was graph 6.6., chapter 6. For SoBa2 it was graph 6.5., chapter 6.). Second a theoretical model adapted from Ridley-Duff and Bull (2011, p.75) was submitted to the interviewee on which he/she was asked to position his/her bank within the appropriate economic sector(s) and to explain his/her choice (graph 3.1. without red fields, section 3.1.1.). The interview transcripts were analysed looking for confirmative or non-confirmative content and for explanations for the structural model and for the sectorial positioning of social banks. A summary sectorial position chart was produced that is reported as graph 3.1. (section 3.1.1.) together with explanatory verbatim quotes. Descriptive coding (Saldana, 2010, p.70) was applied.

5.5.2. Quantitative data analysis methods

Phase I and phase II of the Project included questionnaire surveys with scaled questions. Core to quantitative analysis of phase II was SEM (structural equation modelling). Assumptions of the statistical methods applied in the Project were checked. Normal distribution wasn't always achieved. But no excessive non-normal distribution was detected and no remediation was undertaken. It's however not surprising that variables measured by rating scales don't result in normally distributed data (Weiber & Mühlhaus, 2010, p.148). SPSS and AMOS software assisted the statistical analyses. The statistical analysis procedures are now briefly explained **Inquiry by Inquiry** and the methods are highlighted in bold for ease of locating in the text below.

Inquiry-2 was a small sample quantitative survey of explorative and preliminary character. Before the model was subjected to larger scale statistical research appropriateness and feasibility of the proposed model of Living the Brand and its operationalisation was tentatively appraised. For simplification of the analysis the three Living the Brand (LtB) components from the proposed conceptual model were lumped together into one "superconstruct" LtB. For Brand Orientation (BO), Person-Organisation Fit (POF), Brand Identification (BI), and

Individual Brand Performance (BP) the selected scales as described in chapter 5.7. were used. The questions that were prompted by Inquiry-2 were item 1 to 41 as tabled in appendix 2.

The purpose of analysis of the numeric data of Inquiry-2 was threefold:

- a) To test ability of the measurement scales to consistently represent the constructs to the proposed model of Living the Brand. Reliability was tested with **Cronbach's alpha (α)**, which should be .7 or greater for acceptable reliability and corrected item-total correlation should be .3 or greater (Field, 2009, p.681). According to Churchill (1979) coefficient alpha should be the first measure "one calculates to assess the quality of the instrument". Possibility of a scale to be multidimensional and therefore to be a composition of several constructs or potentially contain variables that explain little of the variance in the construct wasn't considered to be a deficiency at this stage of the Project because the scales were widely tested by other researchers before. Therefore no bigger sample was acquired and it was not intended at this stage to perform exploratory factor analysis (EFA) on Inquiry-2 data that had required bigger sample.
- b) To get an indication about the strength of the variables and their interdependency **means** and **correlations** were calculated for all constructs. For non-parametric data, small samples, and if many scores have the same rank Field (2009, p.181) recommended **Kendall's tau correlation** which estimates the correlation in the population more accurately than other methods. **Kolmogorov-Smirnov test of normality** (Field, 2009, p.148) showed that the scores of all constructs were normally distributed with the exception of person organisation fit POF, $D(43) = .204, p < .05$ that was non-normal.
- c) To tentatively estimate the potential predictive power of the proposed model of Living the Brand **multiple regression analysis** was performed for the dependent variable Living the Brand (LtB) and simple regression for the dependent variable Individual Brand Performance (BP). Regression analysis based on small samples can detect dependent variables that have a relatively

high prediction power for the dependent variable. For samples with fewer than 30 cases only simple regression is appropriate; for multiple regression Hair et al. (2010, p176) recommended a sample size of 50 to 100 observations for most situations. The aim of the regression analysis here wasn't generalisation and the model had only three independent variables to predict LtB; it was therefore justified to progress regression analysis with the given sample of 43 cases.

Inquiry-3a data was used to establish uni-dimensionality of the measurement scales through exploratory factor analysis (**EFA**). The measurement model was then validated through confirmatory factor analysis (**CFA**). These processes are discussed in section 5.6. All subsequent analysis described below were performed with the measurement model validated with Inquiry-3a data.

Descriptive statistics like mean, standard error of mean, and correlation were calculated for the seven constructs: BOI, POF, BI, LtBLoy, LtBCom, LtBAdv, CIBP

To assess distinctiveness of the constructs of the Living the Brand model and evaluate potential effects of demographic groups **MANOVA** and follow-up ANOVAs were performed. Multivariate analysis of variance was in this case the appropriate method because it can compare groups on several outcome variables (Field, 2009, p.585). There was some debate when MANOVA works best. Tabachnick and Fidell (2007 cited in Field, 2009, p.586) thought it's when the dependent variables are highly negatively or when they are moderately negatively or positively correlated. On the other hand Stevens (1980 cited in Field, 2009, p.586) found power in high intercorrelations. Eschweiler et al. (2009, p.374) recommended that dependent variables should correlate moderately as otherwise risk of multicollinearity increases. They also suggested a minimum group size of above 20 cases and Hair et al. (2010, p.453) required that each group sample must be greater than the number of dependent variables. These conditions were observed by the Project and homogeneity of the variance-covariance matrices was tested with the Box's test that should be non-significant (Field, 2009, p.608). Although the power of the four available MANOVA tests statistics seem to differ little for small and moderate sample sizes (Olson, 1974

cited in Field, 2009, p.604) Pillai's trace was used following Field's recommendation. Hair et al. (2010, p.464) considered too Pillai's criterion more robust for small and unequal sample sizes, and if homogeneity of covariances is violated. Significance value of this test should be less than .05 to indicate that groups differ significantly with respect to the dependent variables.

Central to research question 1 was how the proposed conceptual model of Living the Brand fits with the data of Inquiry-3a (and 3b). The structural models were validated through **SEM** - structural equation modelling. AMOS software was used for all SEM maximum-likelihood estimations. SEM seeks to explain the relationships among multiple variables. The variables to the Living the Brand model were the seven latent constructs BOI, POF, BI, LtBLoy, LtBCom, LtBAdv, and CIBP. They were measured by 20 indicator variables. Differences of SEM to other multivariate techniques are that the same construct can act as a dependent (endogenous) variable in one relationship and as an independent (exogenous) variable in another relationship. This was the case for the LtB constructs of the model. SEM can estimate all relationships simultaneously whereas multiple regression can only test relationship of multiple dependent variables with one independent variable at the same time (Hair et al., 2010, p.641, 648). SEM is also a more severe statistical method than for example regression because "SEM corrects for the amount of measurement error in the latent constructs and estimates what the relationship would be if there was no measurement error. These are the estimates of the causal relationships in the structural model between constructs" (Hair et al., 2010, p.637).

The initial structural model – in the Project called the focus structural model - was based on the proposed conceptual model of Living the Brand and thus a purely confirmatory modelling strategy was first applied (Hair et al., 2010, p.646). The focus model was then respecified and alternative structural models were developed by deleting some paths that were non-significant or for which little or ambiguous theoretical support was found (Hair et al., 2010, p.747). Such development strategy (Hair et al., 2010, p.647) was applied for improving model fit. Confirmatory modelling strategy of SEM was applied for estimating fit of the measurement model as is explained in section 5.6.

There were different views about required minimum sample size for SEM including CFA. Hair et al. (2010, p.661) discussed the issue and mentioned multivariate normality, estimation technique, model complexity, missing data, and item communality, but probably most importantly the issue of how well the sample represents the population, as important considerations for defining adequate sample size. Under ideal conditions a sample of 50 cases can produce stable and valid results but they suggested sample sizes in the range of 100 to 400. For models similar to the Living the Brand model their indication was some 150 cases. The samples to Inquiries 3a and 3b were an almost perfect representation of the population, had no missing data, and the model comprised seven constructs only and thus wasn't overly complex. Therefore the sample sizes of Inquiries 3a and 3b were considered appropriate.

For goodness of fit assessment Chi-square test was used. The p value of χ^2 should be non-significant to indicate "that the observed covariance matrix matches the estimated covariance matrix within sampling variance" (Hair et al. 720). Thus the higher the probability p of χ^2 the better the fit. For example p of .337 would mean that the relationships of the hypothesised model were found 337 times out of 1000 cases (Byrne, 2010, p.76). "Because Chi-square is a sensitive test and dependent on e.g. sample size and multinormality in distribution of all variables that is not always fulfilled (Hair et al., 2010, p.670; Weiber & Mühlhaus, 2010, p.160) complementary indices were calculated to provide evidence of model fit (Hair et al., 2010, p.672).

Indices and values that are usually applied in the literature to indicate good fit were referenced by Weiber and Mühlhaus (2010, p.290) as follows: $RMSEA \leq .08$; χ^2/df (or $CMIN/DF$) ≤ 3 ; $SRMR \leq .10$; $NFI \geq .90$; $TLI \geq .90$; $CFI \geq .90$. According to Hair et al. (2010, p.667,670) the indices should achieve: $GFI .90$, RMR below -4.0 or above $+4.0$, and for TLI and CFI the standard for good fitting models has become $.95$. For $CMIN/DF$ (or χ^2/df) < 2.5 was the benchmark indicated by Homburg and Baumgartner (1995, p.172 cited in Weiber & Mühlhaus, 2010, p.162). For comparing different models the information criteria AIC and BIC were recommended, whereas models with lower values of AIC and BIC fit the data relatively better than models with higher values (Field, 2009, p.304; Weiber

& Mühlhaus, 2010, p.290; Evanschitzky et al., 2006). Hair et al. (2010) added that, “what has become clear is that no single magic value always distinguishes good models from bad ones”.

SEM with AMOS provides the statistics for assessing the parameter estimates. For evaluating importance of a path relationship of the structural model guidance by Chin (1998a, p.8, cited in Weiber & Mühlhaus, 2010, p.185, 181) was taken into account that only factor loadings (shown as standardised regression weights [β]) above .2 were really meaningful. The standard error (SE) that is given for the unstandardised regression weight reflects how precisely a parameter was estimated i.e. small values indicate little mean variation thus suggesting accurate estimations, excessively large or small SE are also an indication of poor model fit, but there are no definite criteria of small or large (Byrne, 2010, p.67). To test if the parameter estimate is significantly different from zero (null-hypothesis) AMOS calculates the C.R. value (Critical Ratio) for each parameter by dividing the unstandardised regression weight (β) with its SE; “as such it operates as a z-statistic” (Byrne, 2010, p.68). If the C.R. value is $> \pm 1.96$ the null hypothesis can be rejected with a probability to be wrong of 5% (Byrne, 2010, p.68; Weiber & Mühlhaus, 2010, p.180). Values above 1.96 are thus an indication that the parameter delivers an important contribution to the model structure (Weiber & Mühlhaus, 2010, p.180).

The ‘Squared Multiple Correlations’ (SMC [R^2]) value of a construct indicates how many percentages of the variance of this endogenous construct is explained by its exogenous constructs (the predictors) in the model; as there are no clear recommendations for the interpretation of the SMC values, thus indicatively R^2 values around .19 might be rather low, around .33 moderate, and around .66 substantial (Weiber & Mühlhaus, 2010, p.181). Therefore it’s the practical significance that should be assessed when looking at the predictability of a model for a specific variable.

Inquiry-3b was a small sample replication of Inquiry-3a in a different setting i.e. with SoBa2. Purpose of the replication study was to increase external validity of the model of Living the Brand as well as to recognise the limitations of the

conclusions (Baumgarth & Evanschitzky, 2009, p.497). The contextual changes to Inquiry-3b vs. Inquiry-3a were the population and of course the brand.

The measurement model was already tested through Inquiry-3a. The same descriptive statistics and MANOVA as calculated with Inquiry-3a data were performed with Inquiry-3b data. Key interest was to estimate the structural model for SoBa2. A more parsimonious model was therefore developed. The mean of the indicator values belonging to every construct was calculated. Such parcelling of items resulted in one measured item for every construct. This 7-indicator path model was then estimated through SEM. For sake of looking at the models of the two banks side by side in section 6.2.8. the final structural model of SoBa1 was – for this purpose - also transformed into a 7-indicator path model as described.

5.6. Study measures

“What does it mean if a finding is significant or that the ultimate in statistical analytical techniques have been applied, if the data collection instrument generated invalid data at the outset?” (Jacoby, 1978 cited in Churchill, Jr, 1979). Although well-established scales were selected to avoid this trap the scales were again tested with rigour for this Project. Procedures and results of measures testing with data generated through Inquiry-3a are reported below.

5.6.1. Selecting measurements

Because the variables to the Living the Brand model were not new constructs literature was reviewed with regard to measurements in the realm of brand orientation, brand identification, living the brand and performance. Chapter 2. showed that previously used measurements were available. Reliability of the scales selected for the Project that are described here was tentatively and successfully evaluated as part of Inquiry-2 (section 5.5.2.; results section 6.1.3.1.). The scales were then subjected to the data from Inquiry-3a for rigorous testing result of which is reported below.

5.6.2. Establishing uni-dimensionality

With the data from Inquiry-3a Exploratory Factor Analysis (EFA) was performed on each of the five measurement scales, to assess variables' intercorrelation, item-loadings and to explore potential subscales. To establish uni-dimensionality Principal Component Analysis (PCA) was conducted with Varimax rotation. The sample size of $N = 140$ for every item was considered adequate and exceeded Hair's et al. (2010, p.102) sample size preference of 100 or larger. When multidimensionality occurred in a scale the set of variables was modified several times until meaningful subscales emerged and assessment criteria reached acceptable values. In line with Hair et al. (2010, p.109) factors with eigenvalues greater than 1 were considered significant and retained if the factors cumulatively explained some 60% of variance. According to Hair et al. (2010, p.117) factor loadings of approximately .43 are significant, based on the Inquiry-3a sample of $N = 140$. The following assessment recommendations were used: Sampling adequacy for EFA was verified with Kaiser-Meyer-Olkin (KMO), the value of which should be .5 as a bare minimum, .5 to .7 is mediocre, .7 to .8 is good, .8 to .9 is great, and above .9 is superb (Field, 2009, p.659). Hair et al. (2010, p.105) also suggested the measure of sampling adequacy to exceed .5 for both the overall test and for each individual variable. Individual variables were checked for this study by means of the anti-image correlation table as provided by SPSS. Sufficiency of correlation between items for PCA was checked with Bartlett's test of sphericity (Field, 2009, p.660). Bartlett's test should be significant $p < .05$. A look at the determinant of the correlation matrix checked the opposite problem too high correlation. This determinant should be greater than .00001 (Field, 2009, p.657). Items communality after extraction should be bigger than .5 (Hair et al., 2010, p.122). Reliability was measured by Cronbach's alpha and was deemed acceptable at a level of .6 for exploratory purposes (Hair et al., 2010, p.127).

In the following the data of final scales and subscales including the retained variables are reported. For each subscale a name was created that captured the essence of the items retained and which described the domain of the factor. The words factor, component, and subscale are here used synonymously.

5.6.2.1. Brand Orientation scale

Ewing and Napoli (2005) developed a 12-item and 3 factors “nonprofit brand orientation scale (NBOS)”. EFA reduced NBOS to 9-items and extracted 3 factors, but different ones to those of the original NBOS. Sampling adequacy KMO = .67, which was mediocre, KMO values for single items ranged from .78 to .56 and thus were acceptable. Bartlett’s test of sphericity $\chi^2 (36) = 260.55, p < .001$, confirmed sufficiency and there was no problem with multicollinearity. Items’ communality after extraction exceeded .5.

PCA extracted 3 factors with eigenvalues > 1 which together explained 59.5% of the variance. The structure of the Brand Orientation (BO) scale is reported in table 5.8.

This 9-item BO scale achieved acceptable test results and represented the relatively complex concept of brand orientation. All other variants subjected to EFA tested worse. The retained items implicitly covered the information that was intended to be generated by the deleted items B04Q4, B06Q6, and B012Q12 (see appendix 2, questions Nr. 4, 6, 12). The cross loading of B07Q7 is irrelevant as any loading smaller than .5 is too low to consider because it doesn’t contribute to the factor. The item was therefore assigned to subscale 3.

The subscales neatly measured sub constructs of BO. Subscale 1 described brand related intelligence. It covered the company’s efforts to understand how the brand is perceived and what stakeholders criticise, how this knowledge is disseminated internally and if brand related activities were internally made known. Subscale 1 was therefore termed “brand intelligence”. The items of subscale 1 together were forming brand orientation in the specific but essential sense of a company’s brand focused marketing intelligence system. The other two subscales covered wider issues of brand marketing, which in practice are informed by “brand intelligence”. “Brand promotion” paraphrased marketing activities that helped to orchestrate brand communication and promoted brand purchase. Subscale 3 served the notion of creation of positive brand experience and was named “brand value-delivery”.

Table 5.8. EFA 9-item BO scale

9-item BO scale			
	Subscales		
	1	2	3
Reliability α (based on standardised items)	.69	.64	.58
Eigenvalue after extraction	3.001	1.281	1.075
% variance explained after extraction	33.35	14.24	11.94
% variance explained after rotation	21.36	20.42	17.74
Items with loadings below .4 not reported	Rotated factor loadings		
B011Q11 My Company develops detailed knowledge of what our stakeholders dislike about our brand.	.815		
B02Q2 My Company has a system in place for getting stakeholders' comments to the people who can instigate change.	.715		
B010Q10 My Company ensures that managers within the Company are aware of all of the marketing activities that involve our brand.	.710		
B08Q8 My Company designs integrated marketing activities to encourage our customers directly to use our services.		.799	
B05Q5 My Company keeps "in touch" with current market conditions.		.731	
B09Q9 My Company designs integrated marketing activities to encourage our suppliers, distributors and other key stakeholders to promote our services.		.666	
B01Q1 My Company focuses on creating a positive service experience for our stakeholders.			.873
B03Q3 My Company invests adequate resources in service improvements to provide better value to our stakeholders.			.612
B07Q7 My Company creates a brand/sub brand structure that is well thought out and understood by our staff. (Note: cross loading was neglected; item assigned to scale 3)		.412	.566
Subscales named			
Subscale 1 focuses on "brand intelligence"			
Subscale 2 focuses on "brand promotion"			
Subscale 3 focuses on "brand value-delivery"			

5.6.2.2. Person-Organisation Fit scale

All items retained were adopted from the 3-item person-organisation fit scale developed by Cable and DeRue (2002, cited in Yaniv and Farkas 2005). Sampling adequacy was good with KMO = .72 with values for single items that ranged from .84 to .67. Sphericity $\chi^2(3) = 250.28, p < .001$ was sufficient and correlation matrix determinant of .161 indicated acceptable multicollinearity. Items' communality were all above .75 and better than benchmark.

PCA extracted 1 3-item factor with eigenvalue 2.45, which explained 81.79% of the variance. Factor loadings were significant and reached:

.929 for item POF2Q21 “My personal values match my company’s values and culture”.

.920 for item POF3Q22 “My company’s values and culture provide a good fit with the things that I value in life”.

.863 for item POF1Q20 “The things that I value in life are similar to the things that my company values”.

Reliability $\alpha = .89$ (standardised).

5.6.2.3. Brand Identification scale

PCA with the 7-item BI scale resulted in 2 factors. Although they cumulatively explained 60.1% of variance (factor 1 45.7% and factor 2 14.4%) factor 2 in itself didn’t constitute a meaningful subconstruct and there was cross loading. The scale was therefore reduced by 1 item (BI7Q19) (see appendix 2, item Nr. 19) as the other items covered its meaning sufficiently enough.

The remaining 6-item scale was identical to the original organisational identification scale by Mael and Ashforth (1992). KMO = .76, which is good, and values for single items ranged from .82 to .72 and thus were acceptable.

Sufficient item correlation was confirmed by Bartlett’s test of sphericity $\chi^2 (15) = 272.79, p < .001$. There was no problem with multicollinearity given the correlation matrix determinant of .135. With the exception of 2 items (BI6Q18 and BI3Q15) communality exceeded the minimum.

PCA extracted 1 factor with eigenvalue = 3.03 which explained 50.53% of the variance. Factor loadings of the retained items were significant and reached:

.805 for item BI5Q17 “When someone praises my company, it feels like a personal compliment”.

.788 for item BI1Q13 “When someone criticizes my company it feels like a personal insult”.

.717 for item BI4Q16 “The successes of my company are my successes.”

.716 for item BI2Q14 “I am very interested in what others think about my company”.

.655 for item BI3Q15 “When I talk about my company, I usually say “we” rather than “they”.

.555 for item BI6Q18 “If a story in the media criticized my company, I would feel embarrassed.”

Reliability $\alpha = .80$ (standardised).

5.6.2.4. Living the Brand scale

Not unexpectedly EFA revealed several components to the scale. LtB is a multifaceted behavioural construct covering internally and externally oriented actions by corporate agents. As argued in previous chapters the scale is a composition of scales by other authors that were used in the realm of behavioural branding and organisational behaviour.

The final analysis reduced the initial LtB scale from 12 to 11 items (deleted item see appendix 2 item Nr. 29). Sampling adequacy with KMO of .80 was great and KMO values for single items that ranged from .86 to .77 were good. Bartlett’s test of sphericity $\chi^2 (55) = 660.84, p < .001$. Correlation matrix determinant reached a value of .007.

PCA extracted 4 factors with eigenvalues > 1 which together explained 77.05% of the variance. The structure of the LtB scale is reported in table 5.9.

The retained items were adapted: From Boselie and van der Wiele (2002) also cited in Punjaisri et al. (2009b) items LtB10Q32 to LtB12Q34; from Arnett et al. (2003) items LtB4Q26 to LtB6Q28; from Morhart et al. (2009) items LtB1Q23 to LtB3Q25; from Hankinson et al. (2007) items LtB8Q30 and LtB9Q31.

Table 5.9. EFA 11-item Living the Brand scale

11-item LtB scale				
	Subscales			
	1	2	3	4
Reliability α (based on standardised items)	.85	.84	.84	n.a.
Eigenvalue after extraction	4.232	1.767	1.349	1.128
% variance explained after extraction	38.47	16.06	12.26	10.26
% variance explained after rotation	21.20	20.95	20.74	14.16
Items with loadings below .4 not reported	Rotated factor loadings			
LtB10Q32 I will be happy to spend the rest of my career in my current Company.	.874			
LtB11Q33 I do not have an intention to change to another Company.	.873			
LtB12Q34 My intention to stay is driven by the fact that I am competent in delivering the brand promise.	.821			
LtB5Q27 I bring up my Company in a positive way in conversations I have with friends and acquaintances.		.850		
LtB6Q28 In social situations, I often speak favourably about my Company.		.846		
LtB4Q26 I "talk up" my Company to people I know.		.803		
LtB1Q23 In stakeholder-contact situations, I pay attention that my personal appearance is in line with our corporate brand's appearance.			.866	
LtB2Q24 I see that my actions in stakeholder contact are not at odds with our standards for brand-adequate behaviour.			.859	
LtB3Q25 I adhere to our standards for brand-congruent behaviour.			.726	
LtB8Q30 I am regularly participating in brand and communication related trainings such as seminars and workshops.				.830
LtB9Q31 I behave always co-operatively towards my work-colleagues helping them to deliver the brand promises.				.769
Subscales named				
Subscale 1 focuses on "loyalty"				
Subscale 2 focuses on "advocacy"				
Subscale 3 focuses on "compliance"				
		Subscale 4 focuses on "sharing"		

EFA demonstrated that LtB was multidimensional as already suggested by the proposed conceptual model of Living the Brand. The analyses proved that the construct embraced the assumed and important elements of LtB that together explained 77% of variance. The analysis positively exceeded all benchmarks. The

four components made up subscales each of which had the capability to measure a distinct part of Living the Brand. Subscale 1 stands for employee's "loyalty" i.e. his or her intention to stay with the brand. Subscale 2 "advocacy" focused on brand promoting behaviour. Subscale 3 that was the "compliance" part of LtB covered employees' working in line with brand standards. Subscale 4 was the "sharing" subscale and measured if employees cared about their ability to live the brand and if they helped others to do so. Although this subscale was not yet substantiated by theory and despite it consisted of 2 indicators only instead of recommended 3, it was decided to retain it for the time being.

5.6.2.5. Individual Brand Performance scale

This scale was amalgamated from items developed by other researchers and turned out to be a multidimensional scale that measured comparative, formal, and appraisal related aspects of individual brand performance as self assessed by the respondents. All items excluding item BP9 and BP8 (table 5.10) were used in previous research studies and all items seemed appropriate for the Project. Merging items from more than one scale was done to ensure that enough items remained at the end of the item validation process. Sometimes EFA works fairly well but follow-up CFA requires to drop items. This is not a problem if there remain a few items that have also face validity.

The final analysis reduced the initial 9-item BP scale to 8 items (deleted item see appendix 2 item Nr. 37) and created 3 subscales. KMO = .69, which was mediocre, the KMO values for single items ranged from .77 to .56 and thus were mediocre. Sphericity was significant $\chi^2 (28) = 413.52, p < .001$, and the correlation matrix determinant of .047 signalled no problem with multicollinearity. Items' communality was better than benchmark.

PCA extracted 3 factors with eigenvalues > 1 which together explained 73.05% of the variance in BP. The structure of the BP scale is reported in table 5.10.

The retained items were adapted: From Wieseke et al. (2009) items BP5Q39 to BP7Q41; from O'Reilly III and Chatman (1986) and from Williams and Anderson (1991) both cited in Punjaisri et al. (2009) items BP1Q35 to BP4Q38. Own items BP8Q42 and BP9Q43.

It wasn't possible to measure individual Brand Performance through one condensed scale. Three subscales emerged that together explained 73.05% of variance in BP. They each stood for separate parts of individual brand performance.

Table 5.10. EFA 8-item BP scale

8-item BP scale			
	Subscales		
	1	2	3
Reliability α (based on standardised items)	.90	.64	.58
Eigenvalue after extraction	2.683	2.041	1.120
% variance explained after extraction	33.54	25.52	14.00
% variance explained after rotation	31.83	21.05	20.17
Items with loadings below .4 not reported	Rotated factor loadings		
BP5Q39 Compared with other employees I provide more services.	.931		
BP7Q41 Compared to other employees my job performance is higher.	.915		
BP6Q40 Compared with other employees my stakeholders are more satisfied.	.887		
BP2Q36 Seldom I neglect aspects of the job I am obliged to perform.		.794	
BP1Q35 The quality level of my work meets the brand standards of my Company.		.725	
BP4Q38 I effectively fulfil the promise that the brand has with stakeholders.		.710	
BP9Q43 My superiors are always very satisfied about how I am representing the Company.			.810
BP8Q42 My effort has been appraised ++ in the personal performance assessment.			.768
Subscales named			
Subscale 1 focuses on "comparative-BP"			
Subscale 2 focuses on "normative-BP"			
Subscale 3 focuses on "appraised-BP"			

The "comparative-BP" subscale measured BP compared to respondents' peers in the company. "Normative-BP" stood for respondents' performance in delivering the brand promise, and subscale 3 "appraised-BP" focused on how a respondent perceived his or her being appraised by his or her superior. It was accepted that subscale 3 captured the essence of "appraised-BP" with 2 items only.

5.6.2.6. Summary of exploratory factor analysis

EFA showed that POF and BI were uni-dimensional and that BO, LtB, and BP constructs were multidimensional. For these uni-dimensionality was established. All scales with in total 37 items were then subjected to more severe statistical testing to assess measurement quality. The results of Confirmatory Factor Analysis (CFA) are reported in the next section.

5.6.3. Validating measurement model

In line with the typical approach in behavioural marketing research and “consistent with classical test theory” reflective measurement theory was applied; which means that the constructs cause their measured variables and “that the error results in an inability to fully explain these measured variables” (Hair et al., 2010, p.701). The opposite approach is formative constructs. As it was recommended by Hair et al. (2010, p.671) measurement model fit was examined in one model including all constructs and items retained after EFA. The constructs were: BO, POF, BI, LtBLoy, LtBCom, LtBAdv, LtBSha, IBP. After a few iterations with fewer indicators including the deletion of LtBSha CFA lead to the final specification of the measurement model. LtBSha was abandoned for reasons of low validity and for causes already mentioned after EFA. Quality of the final model was assessed applying commonly used measures and cut-off values. No variable value was substantially *kurtoic* above benchmark of 7, although critical ratio (C.R.) of multivariate kurtosis was 14.85 and above C.R. benchmark of 5 (Byrne, 2010, p.104) distribution wasn’t considered to be extremely non-normal. No substantial *outliers* and no negative variances (*Heywood cases*) or any other senseless numbers, e.g. standardized coefficients > 1 were observed. There were no identification problems in the model.

Item Construct reliability (CR) that indicates internal consistency of the variables was met for all constructs at or well above benchmark of .7 (Hair et al., 2010, p.695). *Reliability* was assessed with Cronbach’s alpha and it did well exceed .7 threshold value for all constructs (Hair et al., 2010, p.127). All variables exceeded standardised *factor loadings* minimum of .5 or the ideal minimum of .7 (Hair et al., 2010, p.695). Items with below ideal minimum were BO11Q11 FL = .608 and

BI1Q13 FL = .644 but both were retained for reasons of nomological validity. *Average variance extracted (AVE)* measured convergent validity for all constructs above .5 threshold (Hair et al., 2010, p.695). It means that 50% of the variation in the construct is explained by its items. The psychometric properties of the measurement scales are displayed in table 5.12. *Discriminant validity* denotes if a construct is genuinely different from other constructs i.e. if it does measure a phenomenon, which is distinct from the other constructs of the model. Discriminant validity is usually assessed through the Fornell/Larcker criterion (Fornell & Larcker, 1981) whereby the squared correlation of each construct should be smaller than every AVE (Backhaus et al., 2011, p.142). All constructs of the model were discriminately valid that is demonstrated by table 5.11.

Table 5.11. AVE and squared correlations Inquiry-3a

AVE and squared correlation (discriminant validity testing) Inquiry-3a								
Construct	AVE	1	2	3	4	5	6	7
		Squared correlations						
1. BOI Brand Intelligence	.543	-						
2. POF Person-Org. Fit	.734	.12						
3. BI Brand Identification	.677	.02	.21					
4. LtB Brand Compliance	.637	.05	.26	.20				
5. LtB Brand Loyalty	.651	.24	.13	.05	.14			
6. LtB Brand Advocacy	.637	.08	.20	.35	.26	.11		
7. Comparative Individual BP	.766	.08	.03	.00	.00	.07	.00	-

All squared correlations are smaller than each AVE; discriminant validity is achieved.

For the evaluation of the overall fit of the final measurement model generally accepted fit-indices and hurdle values adequate to the characteristics of this model were applied. They have been described in section 5.6.2. f. The absolute goodness of fit value Chi-square was $\chi^2 = 154.33$, degrees of freedom (df) = 149, and it was non-significant ($p = .37$), which showed that the model did represent reality and that the model could be accepted.

According to Weiber and Mühlhaus (2010, p.161) models with $p < .1$ are rejected in praxis. On the other hand Hoelter test (1983, cited in Weiber & Mühlhaus, 2010, p.161) required minimum sample size of 161 for a χ^2 test, $p = .05$ and a minimum sample size of 173 for a χ^2 test, $p = .01$ to adequately represent the sample data.

The sample size to this study $N = 140$ was according to Hoelter's indication not fully satisfactory to confirm a good fit of the model by means of χ^2 test. However all other fit indices supported acceptable fit of the data with the model: GFI = .902, SRMR = .044, RMSEA = .016, TLI = .995, CFI = .996, CMIN/DF = 1.036.

Table 5.12. Psychometric properties of the measurement scales

Psychometric properties of the measurement scales of the Project				
Constructs (scales) and items	FL***	α	CR	AVE
BOI Brand Intelligence		n.a.	.698	.543
B010Q10 My Company ensures that managers within the Company are aware of all of the marketing activities that involve our brand.	.846			
B011Q11 My Company develops detailed knowledge of what our stakeholders dislike about our brand.	.608			
POF Person-Organisation Fit		.888	.891	.734
POF1Q20 The things that I value in life are similar to the things that my company values.	.748			
POF2Q21 My personal values match my company's values and culture.	.919			
POF3Q22 My company's values and culture provide a good fit with the things that I value in life.	.893			
BI Brand Identification		.794	.806	.677
BI5Q17 When someone praises my company, it feels like a personal compliment.	.890			
BI4Q16 The successes of my company are my successes.	.750			
BI1Q13 When someone criticizes my company it feels like a personal insult.	.644			
LtBCom Brand Compliance		.835	.840	.637
LtB1Q23 In stakeholder-contact situations, I pay attention that my personal appearance is in line with our corporate brand's appearance.	.840			
LtB3Q25 I adhere to our standards for brand-congruent behaviour.	.707			
LtB2Q24 I see that my actions in stakeholder contact are not at odds with our standards for brand-adequate behaviour.	.840			

Psychometric properties of the measurement scales of the Project (cont.)				
Constructs (scales) and items	FL***	α	CR	AVE
LtBLoy Brand Loyalty		.849	.848	.651
LtB10Q32 I will be happy to spend the rest of my career in my current Company.	.808			
LtB11Q33 I do not have an intention to change to another Company.	.780			
LtB12Q34 My intention to stay is driven by the fact that I am competent in delivering the brand promise.	.832			
LtBAdv Brand Advocacy		.839	.840	.637
LtB4Q26 I "talk up" my Company to people I know.	.754			
LtB5Q27 I bring up my Company in a positive way in conversations I have with friends and acquaintances.	.817			
LtB6Q28 In social situations, I often speak favourably about my Company.	.822			
CIBP Comparative Individual Brand Performance		.905	.907	.766
BP5Q39 Compared with other employees I provide more services.	.930			
BP7Q41 Compared to other employees my job performance is higher.	.874			
BP6Q40 Compared with other employees my stakeholders are more satisfied.	.818			
Model Fit: $\chi^2 = 154.332$, $df = 149$, probability .366. $CMIN/df = 1.036$, $GFI = .902$, $SRMR = .044$, $RMSEA = .016$, $TLI = .995$, $CFI = .996$. *** all items significant at $p < .001$				

In summary CFA analysis performed with Inquiry-3a data validated the measurement theory for the case studies. *Nomological or face validity* of the scales was secured in earlier research and in this Project through expert opinion. Although items retained in EFA were deleted during CFA there was a minimum of three items per construct (Hair et al., 2010, p.701) with one exception. The finally remaining items did still well capture the domain of the respective construct. And relevant goodness of fit indices confirmed an acceptable fit of the final measurement model with the data. Table 5.12. gives an overview of the psychometric properties of the measurement scales of the Project based on Inquiry-3a data.

Chapter 5. has described the methodology of the Project. It has explained the philosophical stance, has configured its qualitative and quantitative approaches to data collection and analysis, and it has validated the measurement model. The following chapter present the qualitative and quantitative results of the Project.

6. Results

This chapter is organised by Project phase I and II. Phase I results are reported in this sequence: first results from qualitative research followed by findings from quantitative research. Reporting of phase II results includes quantitative results by case studies and confirmation of the hypotheses thus answering research question 1. This is followed by the presentation of the findings of the analysis of the open-ended questions of both case studies thus answering research questions 2 and 3. The chapter closes with a qualitative validation of the results of phase II by case study banks experts.

6.1. Results of phase I

Phase I was explorative research and split into two parts: Inquiry-1 was qualitative through depth-interviews with experts of social enterprises and of for-profit service enterprises. Inquiry-2 was a quantitative survey with open-ended and scaled questions. Phase I reinforced the Project idea and thus encouraged the further testing of the proposed conceptual model of Living the Brand and it also delivered insights into value-centricity of employees of social banks.

6.1.1. Qualitative results of Inquiry-1 - explorative depth-interviews

The objective of Inquiry-1 was to explore how feasible the proposed conceptual model of living the brand is and how brand values are perceived in social banks. In the following the results of the analysis of the expert interviews are summarised. The statements from interviewees were examined based on the propositions established in section 5.5.1. The subtitles a) to d) below mirror the said propositions. Original quotes from interviewees are inserted in the text for illustration and evidence. The numbers in brackets denote the respondent as per table 5.2., chapter 5.

a) Brand orientation penetrates organisations and makes brands lived.

Although interviewees didn't spontaneously use the terms brand orientation and living the brand they were explicitly concerned about the importance of the brand to their corporate strategies and about the role of employees in demonstrating brand values:

"Yes, definitely, the brand is an important asset to our strategy. The recent strategy development has included finding out what our brand means to the different stakeholders. We found the core values. I am a brand ambassador and think I can now rattle off the brand values" (5).

There was conviction that brand orientation was needed and that it develops living the brand behaviour that is necessary for brand promise delivery:

"Strategy must comply with the company's genetic code. ... The customer expects that brand values described in our genetic code are lived and our success confirms that they are indeed lived. The living of the values has developed even into our architecture. Our new subsidiary buildings e.g. demonstrate modernism and rural anchorage combined" (8). "Brand promise goes largely beyond communication into behaviours i.e. how we do deliver our services. Our shared values are an element to steer service delivery. It's then up to the division leaders to translate the brand promise into divisional context" (9).

However, it was surfaced that just implementing brand values in the minds isn't enough because,

"if you want employees to adopt brand values and if you also want them to present those proudly and convincingly you also have to convince them that the values are in the products" (10).

Creation of brand-aligned behaviour of employees was clearly aspired by interviewees. It was supported through a variety of brand oriented strategies and tactics. Classics such as communication through diverse media, training, engagement projects, and more recently story telling were found e.g.:

"We are not communicating value terms anymore but stories because we have recognised that it's difficult for employees to understand abstract values. What does e.g. 'we stand for reliability' mean? So we look for respective in-house stories of lived reliability and communicate them in an exciting manner. They are taken up by

employees and passed on to others. This behaviour multiplies the story and pays into the brand" (12).

Brand orientation has for example materialised in business travel strategy and the application of living the brand in daily work was demonstrated:

"For local commuting we make bicycles available to our employees, that's a consequence of adhering to our own values, it goes without saying" (3). "I try hard to work the company's seven brand cores into the text of this business letter, I think it has then a different effect on the customer than if I would just write the letter without thinking about how to include the brand" (5).

Conclusion

The analysis showed that brand orientation is applied in service organisations and is linked to living the brand. Living the brand to achieve brand success is considered to be the desired employee behaviour. Brand orientation and brand aligned behaviour is operationalised in many ways and often managed explicitly. The findings justified causal linkage of brand orientation with Living the Brand as proposed in the conceptual model in graph 3.1.

b) Value fit and brand identification enables employees to live the brand.

The experts anonymously confirmed that a certain congruency of personal values of employees or potential employees with brand values and identification with brand values is necessary. It helps the brand to be lived by employees as

"in fact an employee who lets recruit himself into a bank must share a similar canon of values" (9), and "we want to conduct our banking business in a manner by which employees should try to get to the bottom of a situation but not from an intellectual viewpoint rather out of real live. If such openness appeals to someone then there is a fit that can engage. It's also important to me that every employee develops identification with the corporate objectives irrespective of where he stands in the organisation and irrespective of what kind of duties he fulfils" (2).

Such fit with brand values and identification should lead to living the brand by which the employee

"understands the consequences of his own actions and how they make sense in line with the brand values. This e.g. means that in customer relationship situations to point out that a financial investment is not primarily about rent but a decision about in what

kind of world the customer wants to live” (3). Such living the brand can develop if there is identification with brand values as “a central value to me is credibility. I am a marketing person and have learned to reinforce the positive and to sweep under the carpet or at least to brighten a bit the negative when selling. It’s a totally different situation here that I didn’t know from before. I can behave very authentic and remain credible, that’s exciting. There is congruency between what I do personally and what the company does” (5).

Others saw differences of importance of brand identification and living the brand depending on their corporate functions and felt that

“marketing people are generally more conscious about brand identity and living the brand and identify with the company values because it’s part of their daily work, however IT professionals for example can do an excellent job everywhere, it has less to do with our corporate values” (8).

Although it’s almost self-evident to suggest that the human resources department can be a gatekeeper for achieving high level of value fit and thus for enabling living the brand if human resources management recruits candidates with high level of person-organisation fit.

“But I am not sure how far recruiters do it explicitly, as people tend to employ people who are like them. Often it’s the line manger that has the final say and he may choose someone who doesn’t really fit with the brand values but with him. But we can influence living the brand through on-boarding, training and performance management” (10). Others examined degree of value compliance before hiring and they “put much weight on recruits fit with the corporate brand. Recently a recruit appeared for an interview in suit and tie, as it’s usual. We asked him to come casual to the next interview because we wanted to see how he fits with our ‘casual’ brand” (12).

Conclusion

The analysis suggested that person-organisation fit and brand identification are important assets to organisations. Value fit and brand identification seem both to exist to a certain degree already pre-employment but they also develop during employment. The responses let to propose that value fit and brand identification can lead to adopting living the brand behaviour by employees without much internal marketing control intervention. The findings justified therefore the causal linkage of Person-Organisation Fit and of Brand Identification with Living the Brand as was proposed by the conceptual model in graph 4.1.

c) Living the brand is multidimensional and it impacts on performance of employees.

When interviewees talked about brand values aligned employee behaviour it became evident that there are several facets of living the brand. The interviews surfaced three dimensions of living the brand and influence of brand aligned behaviour on individual job performance of employees.

Living the Brand Loyalty

The Project assumed from literature review that brand values influence employees' intentions to stay with the company and that such employee behaviour is a dimension of living the brand. The interviews confirmed that remaining loyal to the brand was more influenced by person-organisation fit and brand identification than for example by fiduciary considerations.

“Nobody changes employer for five to ten percent more salary unless he is very unsatisfied with our culture and values, and it's not so clear how it feels elsewhere” (9).

“The salary reduction compared to my former employer was serious. Nevertheless after a few months I said to myself it's the first time in my life that I can imagine to stay on here and to get old. It has a lot to do with the core brand values of authenticity and pulling together with likeminded collaborators” (5).

Living the Brand Compliance

One aspect of living the brand is complying with brand standards such as appearance and dress, being welcoming, friendliness, helpfulness, punctuality, technical standards, decision-making discretion, use of specific language etc. The interviews surfaced that such brand compliant behaviour was imposed by rules and regulations and it sometimes became part of an individual's balanced scorecard. Some companies formally controlled the compliance part of living the brand through the individual appraisal process between employee and supervisor. Others conducted quantitative surveys and measured perception of stakeholders about how brand values were lived. Internal surveys were sometimes conducted to determine how far employees knew brand promises and values and how these were applied in daily work.

It showed that all companies interviewed had hard rules or soft guidelines for how employees should live the brand. Some companies followed a rather normative approach to living the brand by imposing standards others favoured a more formative approach to it and left it to the discretion of employees themselves to adopt a brand aligned behaviour. But all companies seemed to make sure that employees understood brand values. Thus application of brand standards was appreciated to harmonise expression of brand identity. Nevertheless individualism shouldn't be neglected when discussing living the brand because

“everyone of us has his own experiences, origin, and image of the bank. This diversity is enriching but I think to be successful it's necessary to try to bring together these variations to create a unified image of the bank. Therefore I think making myself aware of the brand makes a difference. The question however is how far an employee is prepared to engage. There are hardcore individualists who don't want to be influenced, that's a hard one to crack” (5).

This issue was also pointed out from a risk management perspective. For banks living the brand standards is a requirement and must be enforced because

“if the customer makes different experiences depending on with whom he talks it's not beneficial for our business, furthermore if employees behave uncoordinated and fully autonomous our risk increases, therefore and irrespective if somebody generates a lot of business if we are not convinced that he acts in line with our strategy and lives our values, we have an issue” (9). On the other hand enforcement is substituted when “behavioural rules over time become organisational culture e.g. even if the rule to be ready for customers from 9.00 am is taken away but all people are still ready at their desks by 9.00 am then the punctuality standard has become culture. As more of living the brand is embedded in the culture as less enforcement is required, that's very effective” (10).

Living the Brand Advocacy

Anecdotal evidence and experience suggest that people like to speak and frequently do speak about their jobs and their employers in social situations. Sometimes people want to get rid of their job frustrations sometimes they want to share the positive, engage others, or seek confirmation for what they do professionally. If somebody identifies with the brand of his/her employer it's likely that she/he grasps opportunities to speak favourably about the brand

inside and outside work. To advocate the brand was welcomed as a highly desired employee behaviour that was encouraged by employers. In the proposed conceptual model Brand Advocacy is a dimension of Living the Brand that affects performance. The interviewees shared such thinking:

“People who live the brand and who are not just performing a job somewhere but rather consider their work as some sort of mission, I think, do on average perform better - qualitatively and quantitatively. And it’s the perfected art of living the brand to live it also externally, to extend it to outside of the company and to say I will make 50% of my customers brand ambassadors” (1). “Yes, of course when together with friends people like to talk about where they work and try to convince other people to change to our bank. I have already motivated a few to open an account with us or to come to us for work. I didn’t experience this impulse to somehow mission for a cause when I was employed elsewhere” (5).

Living the Brand and individual performance

There were different views about the relationship between living the brand and performance. General logic was

“if the brand values and corporate strategy are well aligned then the logic is: If the employees behave according to the brand values then it must be good for corporate strategy ergo it must be good for the company” (10).

This pointed rather to an impact of living the brand on corporate performance, which is the aggregate of individuals’ performances. Viewed from a normative perspective living the brand seems to impact on individual job performance because

“if someone lives the brand in the sense we have formulated it he will offer services differentiated to those of our peers and we know he will be more successful, thus the productivity of those having a high degree of living the brand is indeed higher” (9). On the other hand such belief was objected as “it’s a hypothesis, we think it’s like this but we cannot proof it so far” (12).

There was even discussion about feasibility of a relationship between living the brand and individual job performance e.g.:

“I don’t think that it’s helpful to make this direct link that suggests this could be quantified, this thinking wouldn’t fit with us” (4). Another expert was less cautious and suggested: “If this (living the brand) isn’t just trained but if it comes from inner

conviction, which we could see was the case with colleagues who really wanted to be with us, you quickly felt there was a match between company and them, and they had much more success and could convince the customers" (3).

Conclusion

The examination of the interviews from the perspective of multi-dimensionality of living the brand suggests that living the brand is a construct consisting of at least three distinct and probably related dimensions. For the Project these components are called: Living the Brand Loyalty, Living the Brand Compliance, and Living the Brand Advocacy. It was further revealed that it's plausible to assume that Living the Brand is positively related to Individual Brand Performance. The analysis of the depth-interviews therefore justified causal linkages of Living the Brand components with Individual Performance as proposed by the conceptual model in graph 4.1.

d) Social banks are value driven and growth puts challenges to brand identity.

Agents of social banks expressed motivation to engage in a new way of dealing with money. This motivation seemed rooted in the will to always act responsibly and was value driven. It was stressed that

"our brand shall make people think about sustainability and responsibility for the future" (1). This includes weighing strongly the human element "which shall always be present in the business or in other words, it's giving soul to the matter" (2).

There was a believe that always having in view the triple bottom line (people, planet, profit) and balancing conflicting objectives can finally help to create a better world. The will to live own values to the good of many and to personally develop putted pay into values related perspective. Philosophically speaking some saw remuneration transforming from a compensation for work productivity to an enabler of individual and spiritual development. Value centricity was substantiated through the words of social bank managers e.g.:

"It's the objective to really change something in society that unites us all" (7). "Why am I here, because I want to support doing business in an alternative way, I want to see that it can happen in a more just way" (3). "We pay good salaries that's in effect a precondition that one can work. You don't work to earn money but you receive income

that you can work, that you can perform. You see we turn the thinking around, that's what people coming to us should know" (4).

The notion of the latter view seems to be that salary is considered a means that provides opportunity and freedom to the individual to deploy his/her talents and to bring own values to live, and it might include a mental attitude by which the incumbent unselfishly works for the needs of others. Undoubtedly brand values such as ethical, ecology, and humanness are key and drive employees and business. In essence there are two levels of major importance to social banks.

There is

"the bank level, which means we are a bank that shall professionally deliver excellent services, these are basics. Part of it is profitability in terms of the triple bottom line, which means not maximising profit but it stands on an equal footing with other values. Now, a values level is added to the bank level that's our ethical business model, which is why we are here ... ethical banking is exciting because the abstract character of money is broken up and becomes a face. One of the benefits of social banking is that I can see what happened with my money, for example that it helped to build a hydropower plant, that's engaging and it's real" (1).

Social banks reported exceptional growth rates during the last few years.

Employees physically felt this growth (e.g. overtime, more crowded office space) and there was a perception of potential threat to brand identity through new recruits e.g.:

"With the enormous current growth questions arise: Are we changing? Are we being changed? How can we stick to our own values?" (3).

It seemed that this growth was strategically speaking less intentional but mainly caused by external macroeconomic factors such as the financial crisis and customer frustration with some of the conventional banks. The challenge to social banks remained to operationally, financially, and culturally manage this enduring huge and fast inflow of cash, and at the same time to keep up to their brand values. Danger of brand identity dilution appeared coming from three sides: First from recruiting many new staff that are unfamiliar with the brand values, potentially having a low level of fit between personal and organisational values and maybe also having lower level of brand identification compared to social bank employees of the first hour. Thus it might take longer to develop

brand identification. It's the apprehension that such circumstances could change brand identity of a social bank through e.g. a less pronounced and lower level of living the brand, therefore for social banks

“it will be a challenge during the coming years to keep the balance between professional economic operation, being efficient too, and our values” (5). “I see that we are growing very fast now and that we must maintain the identity of the bank, strengthen it even, that's my hope” (4).

Second threat of identity blurring was related to investing the new monies without giving up some of the strict and consistently applied investment decision rules and ethical principles. Will it be possible to find fast enough investment opportunities that are sustainable and improve the triple bottom line and at the same time meet risk criteria of the bank? The third challenge is the steady increase of customer numbers that creates a more heterogenic customer structure. Diversity of customer demands broadens. Customers' may possibly focus more on rent to the potential detriment of primacy of sustainable use of money. Therefore it could become more difficult to make customers brand ambassadors as an interviewee has suggested. Despite the challenges growth is seen by most agents of social banks as an opportunity to strengthen the socio ecological approach to banking. Interviewees from other industries than social banks didn't express identity threats due to growth.

Conclusion

This analysis supports the thinking that intrinsic and non-pecuniary values are the core of social banking. Employees seem clearly driven by ethical brand values and they were expected to and do live the brand. Although social banks and their employees welcomed and were proud of volume growth they were also aware of the inherent challenges of fast growth. It's a potential threat that could dilute the strongly value focussed brand identity. The challenges to brand identity and therefore the increasing importance of brand orientation and living the brand was recognised by interviewees of social banks. The findings from the depth-interviews empirically support that social banks are value-centric. That conclusion contributes to answering research question 3 positively.

e) Summary result from depth-interviews of Inquiry-1

Summarizing the results from the explorative depth-interviews administered through Inquiry-1 it became evident that the proposed conceptual model of Living the Brand was qualitatively supported. The interviews also revealed how employees of social banks substantiated value centrality of their banks.

6.1.2. Qualitative results of Inquiry-2 – open-ended survey questions

The objective was to explore, which values were central to employees of these social enterprises, and how they accounted for the constructs of the proposed conceptual model of Living the Brand. The key themes of concern to employees of social enterprises that were found through the open-ended question in Inquiry-2 were characterised by brand values traits. The analyses further revealed personal idealism and striving for a more responsible future, which gave sense to employees' engagement and behaviour and fostered brand identification. Capability to perform in order to contribute to the achievement of the corporate mission, self-development, strategic importance of the brand as well as personal satisfaction were themes close to the heart of employees of these social enterprises. Pay and other tangible rewards however didn't seem to be important drivers for working with and for being successful in these social enterprises. Neither positive nor negative reference was made related to remuneration. For illustration literal quotes are inserted in the text below and the essence from the content analysis of the open-ended questions of Inquiry-2 is summarized in table 6.1.

Respondents agreed that branding is important for social enterprises including social banks because the need was felt to differentiate social banking from conventional banking. Branding was seen as a

“highly important bearer of the unique selling proposition and a way to make social banking part of peoples' life-style and for making them proud of being a social bank customer”. “Better branding could facilitate penetration of better values in business. It's important to educate people about the concept of social banking”. “Branding is very important, but I think we have to re-think how to use it in a new way related to our

'social' mission ... we can't totally give to our brand the same role which for example Coca Cola gives", nevertheless "it's important to have and communicate a profile, but we need a different term than branding". Branding for social enterprises is "as important – if not more – as it's for normal enterprises".

A number of statements directly or indirectly related to brand values of the employing enterprise and the potential of social enterprises to change the world to the better. Also the sense making of social enterprises was frequently expressed. Although brand values were considered to be a key asset it was recognised that without professionalism social enterprises would not be successful:

"I want to live my values and work for a world being a better place". Such vision is helped when "first of all people and planet are under spotlight and not profit" and "if you can live your own values in your job, you will do a better work". "I match with values of my social bank" but "background in mainstream finance, entrepreneurial spirit, professional experience in service sector... is necessary"

People working for social enterprises seemed to feel comfortable with their employer and personal engagement, involvement, commitment, and identification were indicated as motives for staying with a social enterprise e.g.:

"There is a good balance between the professional and the private life" with "enough time for reflection", and they expressed "satisfaction with work and colleagues, and with values".

From a brand values and sense making perspective much that was said in the survey might be well summarised by the respondents who wrote:

"I felt disappointed with traditional finance, need to bring sense into my job, support a more sustainable future, be part of change and knowing that the financial world is at the heart of it". "I fell in love with the project (i.e. the idea of social banking)".

The content of the responses to the open-ended questions were grouped around their central ideas and thus major areas of concern to employees of social enterprises were depicted. It was also evaluated to which construct of the conceptual model of Living the Brand the central ideas related. This analysis is summarised in table 6.1.

Table 6.1. Key themes of concern to employees of social enterprises

Central ideals of concern to employees of social enterprises; Inquiry-2		
Content of statement	Central idea	Accounts for
Responsibility	Sense making	Brand identification and person organisation fit
Innovation		
Worthwhile		
Personal and corporate values	Attachment	
Committment		
Identity		
Brand highly important	Brand	Brand orientation
Brand important but ...		
Involvement	Behaviour and capabilities	Living the Brand and performance
Professionalism		
Team	Brand culture	Loyalty and satisfaction
Comfort, comfortable		
Leadership		
Enterprise as such		

Note: Meaning of the word 'worthwhile' in first column in above table: Respondents felt that it's worthwhile working for a social enterprise because such a job makes sense.

Conclusion

The central themes that emerged from the content analysis and interpretation of the responses to the open-ended questions of the explorative survey (Inquiry-2) accounted for several of the constructs of the proposed conceptual model of Living the Brand. The statements from the respondents did thus qualitatively confirm that the constructs proposed in the conceptual model of Living the Brand are relevant, are related and help to explain brand-aligned behaviour in social banks. The responses to the open ended questions of Inquiry-2 thus contributed to answering research question 1.

6.1.3. Quantitative results of Inquiry-2 – scaled survey questions

Qualitative data has so far provided support for the proposed conceptual model of Living the Brand. It is now demonstrated that the results of the analysis of numerical data that were collected through the survey Inquiry-2 of phase I also led to endorse the conceptual model and its operationalisation. These results

provided justification for more severe testing of the conceptual model in phase II of the Project.

6.1.3.1. Scale reliability alpha

It was an objective of Inquiry-2 to preliminary test reliability of the chosen measurements in order to decide if they were appropriate to measure the constructs of the proposed conceptual model and if it would be worthwhile to later submit the measurements to more stringent psychometric tests in phase II of the Project.

Cronbach's alpha test achieved the following results based on Inquiry-2 data (item Nr. refer to question Nr. in appendix 2):

Brand Orientation scale (BO): Cronbach's $\alpha = .822$. Item-total correlation of item Nr. 5 .227, if deleted overall $\alpha = .827$.

Person-Organisation Fit scale (POF): Cronbach's $\alpha = .944$.

Brand Identification scale (BI): Cronbach's $\alpha = .757$. Item-total correlation of item Nr. 14 .278, if deleted overall $\alpha = .762$.

Living the Brand scale (LtB): Cronbach's $\alpha = .860$. Item-total correlation of item Nr. 23 .183, if deleted overall $\alpha = .868$, item-total correlation of item Nr. 24 .232, if deleted overall $\alpha = .865$.

Individual Brand Performance scale (BP): Cronbach's $\alpha = .749$. Item-total correlation of item Nr. 36 .187, if deleted overall $\alpha = .782$.

Because all scales achieved reliability values above benchmark of $\alpha = .7$ and deletion of items had not substantially improved reliability no items were eliminated.

6.1.3.2. Correlations and means

Table 6.2. reports Kendall's tau correlation (τ) for all constructs of the proposed conceptual model. Kendall's τ compared to Pearson's correlation (r) delivered smaller effect sizes and a significant correlation between POF and BP whereas Person's r was non significant. Table 6.2. depicts the correlations between the

constructs and the mean values of the constructs based on Inquiry-2 of the exploratory phase of the Project.

Table 6.2. Correlations and means

Correlations and means; Inquiry-2					
Kendall's tau (τ)	BO	BI	POF	LtB	BP
BO	1				
BI	.253*	1			
POF	.156	.527**	1		
LtB	.354**	.359**	.459**	1	
BP	.284*	.329**	.303**	.403**	1
Mean (M)	3.42	3.55	3.93	3.62	3.54
SD	.54	.65	1.0	.62	.54
Sample size	43	43	43	43	43

Kendall's τ , * $p < .05$, ** $p < .01$, (2-tailed). Correlation coefficients of $\pm .1$ represent a small effect, $\pm .3$ a medium effect, and $\pm .5$ a large effect (Field, 2009, p.170).

Because the constructs Person-Organisation Fit (POF) and Brand Identification (BI) are conceptually similar a dependent paired t -test was applied to see if their means were indeed different. Although it's not hard to prove a significant difference between the two supported the view that respondents perceived the concepts as distinct. On average, respondents assessed their POF significantly higher ($M=3.93$, $SE=.15$) than they assessed their BI ($M=3.55$, $SE=.10$), $t(42)=3.02$, $p=.004$. That POF and BI was perceived as something different supports the use of them both in the the conceptual model. Means were also compared between demographic groupings but they were not significantly different and thus indicated that demographics didn't affect the mean values. The detailed mean analysis is therefore not reported.

6.1.3.3. Regression

Before the proposed model of Living the Brand was subjected to structural equation modelling in phase II of the Project its relationships were preliminarily assessed through multiple regression analysis. The hypotheses read:

- h1: The more employees perceive their organisation as brand oriented (BO) the more pronounced is their Living the Brand (LtB) behaviour.

- h2: The more employees' personal values fit with the values of their organisation (POF) the more they live the brand (LtB).
- h3: The more employees identify with their organisation (BI) the more they live the brand (LtB).
- h4: The more employees live the brand (LtB) the higher their individual brand performance (BP).

Table 6.3. presents the result of the regression analysis and shows how much of the variance in Living the Brand (LtB) was explained by the predictor variables Brand Orientation (BO), Person-Organisation Fit (POF), and Brand Identification (BI).

Table 6.3. Multiple regression analysis

Multiple Regression; dependent variable: LtB (Inquiry-2)					
Models 1,2,3, and predictors	Unstandardised Coefficients		Standardised Coefficients		Collinearity
	<i>B</i>	Std.Error <i>B</i>	β	Sig. <i>p</i>	VIF
BO	.601	.152	.526	.000	1.000
BO	.436	.126	.382	.001	1.076
POF	.335	.068	.542	.000	1.076
BO	.385	.132	.337	.006	1.196
POF	.283	.080	.458	.001	1.495
BI	.158	.129	.166	.228	1.658
	<i>R</i> ²	ΔR^2	<i>F</i> -change	Sig. <i>F</i> Change	Durbin-Watson
Model 1	.277	.277	15.715	.000	
Model 2	.550	.273	24.265	.000	
Model 3	.567	.017	1.503	.228	1.857

The overall predictability of model 1 and model 2 were significant $p < .001$, whereas when the independent variable BI (F -ratio = 17.0, $p < .001$) was added model 3 showed a non significant increase of predictability (F -change = 1.503, $p > .05$).

Durbin-Watson is a statistic to check "whether the assumption of independent errors is tenable, the closer to 2 that value is, the better" and it should be between 1 and 3 (Field, 2009, p.236); it thus seemed that the residuals in the models were uncorrelated. Multicollinearity was assessed by the Variance

Inflation Factor (VIF), which indicates if predictors have strong relationship with other predictors. VIF values should be below 10 and average VIF should not be substantially above 1 (Field, 2009, p.242). All VIF values were clearly below 10 and average VIF was 1.449 (table 6.3.); therefore there was no unacceptable multicollinearity in the data.

Table 6.4. is the result of simple regression analysis and shows how much of the variance in Individual Brand Performance (BP) was explained by the predictor variable Living the Brand (LtB).

Table 6.4. Simple regression analysis

Simple regression analysis; dependent variable: BP (Inquiry-2)					
Predictor	Unstandardised Coefficients		Standardised Coefficients		Collinearity
	<i>B</i>	Std.Error <i>B</i>	β	Sig. <i>p</i>	VIF
LtB	.475	.116	.538	.000	1.000
	R^2	ΔR^2	<i>F</i> -Change	Sig. <i>F</i> Change	Durbin-Watson
LtB	.290	.290	16.726	.000	1.589

Note: Regression analysis is based on Pearson's correlation; *B* is higher than Kendall's τ in table 6.2.

The proposed antecedents BO and POF explained together 55% of the variance in LtB (Model 2 $R^2 = .55$, $p < .05$). BI added only 1.7% and this change was non-significant ($\Delta R^2 = .017$, $p > .05$). BO contributed 27.7% and if BO remained constant POF added 27.3%. LtB explained 29% of the variance in BP ($R^2 = .29$, $p < .05$). The model therefore predicted slightly above half of Living the Brand behaviour (LtB) and that in turn predicted 29% of employees' individual performance (BP).

Regression analysis supported hypotheses: h1 (Brand orientation influenced Living the Brand (LtB) positively), h2 (Person-organisation fit influenced LtB positively) and h4 (LtB influenced individual brand performance positively). h3 was not confirmed (Brand identification did not influence LtB).

6.1.3.4. Summary of statistical analysis of Inquiry-2

The statistical analysis of the numerical data gathered through Inquiry-2 of the exploratory phase I of the Project suggested ability of the scales to reliably measure the constructs of the proposed conceptual model of Living the Brand. It

also demonstrated significance of the suggested relationships between the constructs of the model. The mean scores showed that the phenomena Brand Orientation (BO), Person-Organisation Fit (POF), Brand Identification (BI), Living the Brand (LtB), and Individual Brand Performance (BP) did fairly strongly exist in the cohort of respondents. Although bearing in mind that for various reasons a small scale survey was performed and that scales could have been biased by multidimensionality, the findings from the analysis of Inquiry-2 suggested that the conceptual model might be feasible for social banks. Therefore more empirical research for further analysing the scales and for estimating the proposed conceptual model of Living the Brand (graph 4.1.) through subjecting it to more severe statistical testing with data from the social banks subject to the multiple case study was appropriate.

The results from Inquiry-2 contributed to answering research question 1.

Nothing from phase I analysis suggested adaptations of the conceptual model nor of the measurement for the multiple case study research in phase II of the Project. Therefore neither the conceptual model of Living the Brand as per graph 4.1. nor the measurements were changed for implementing phase II of the Project. The results of which are reported in the next section.

6.2. Results of phase II

Core to phase II was structural equation modelling (SEM) to estimate models of Living the Brand of the case study banks and thus to answer research question 1. Furthermore it included the analysis of the qualitative data of the case studies surveys and thus to explain antecedents and effects of living the brand as well as to answer research questions 2 and 3.

The section of results of phase II of the Project is organised in the following way: It opens with graph 6.1. that depicts the structural theory behind the proposed conceptual model of Living the Brand. Then descriptive statistics and MANOVA results for Social Bank 1 (SoBa1) and SEM results for SoBa1 are reported. That is followed by reporting the results of the same analysis performed with the survey data collected from Social Bank 2 (SoBa2). The differences of the estimations of the structural models of the two banks are thereafter described.

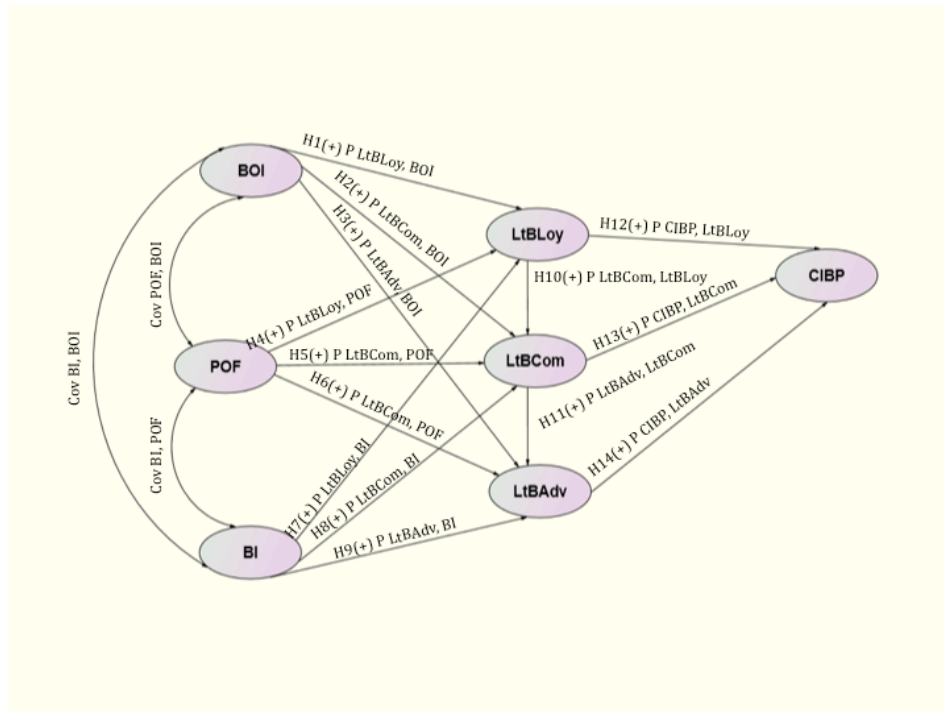
Then the result of the analysis of qualitative data of SoBa1 and SoBa2 that was collected through open-ended survey questions is presented. These results are reported consolidated for both banks.

Eventually it's reported how experts evaluated the results of phase II i.e. of the multiple case study. For sake of clarification: Data of SoBa1 was collected through Inquiry-3a and data of SoBa2 was collected through Inquiry-3b. The qualitative validation of results of phase II was performed through Inquiry-4.

6.2.1. Focus model Living the Brand

The conceptual model (graph 4.1.) was implemented as the structural model. Graph 6.1. visualizes the structural theory of the focus model including latent constructs, covariances, causal paths and notation of the hypotheses. It is the representation of the paths relationships (Hair et al., 2010, p.727) between the seven constructs. This focus model was the reference model that was then estimated individually with the data from SoBa1 and SoBa2.

Graph 6.1. Structural theory of the focus model of Living the Brand



Note:

Notation in graph 6.1. is according to Hair et al. (2010, p.741) as follows: Hypothesis nr (indication of positive or negative relationship), path endogenous variable, exogenous variable. For example H1(+)^P LtBLoy, BOI reads: Hypothesis 1 assumes a path of positive influence from BOI to LtBLoy.

Legend:

BOI = Brand Orientation Intelligence, POF = Person-Organisation Fit, BI = Brand Identification, LtBLoy = Living the Brand Loyalty, LtBCom = Living the Brand Compliance, LtBAdv = Living the Brand Advocacy, CIBP = Comparative Individual Brand Performance

In the following the results of phase II of the Project are segregated by case study bank, starting with descriptive statistics and MANOVA for Social Bank 1 (SoBa1).

6.2.2. Social Bank 1: Correlations and comparison of means

a) Descriptive statistics of the seven constructs of the model was performed with the data from Social Bank 1 (SoBa1). Means, standard deviations (SD), and correlations between variables are reported in table 6.5.

Table 6.5. Correlations and means SoBa1

SoBa1: Mean, standard deviation (SD), and correlations (Inquiry-3a)									
Construct	Mean	SD	1	2	3	4	5	6	7
			Correlations						
1 BOI Brand Intelligence	3.33	.890	1.0						
2 POF Person-Organisation Fit	4.14	.606	.342	1.0					
3 BI Brand Identification	3.55	.866	.143	.458	1.0				
4 LtB Brand Compliance	4.14	.588	.232	.512	.451	1.0			
5 LtB Brand Loyalty	4.16	.838	.488	.362	.23	.376	1.0		
6 LtB Brand Advocacy	4.15	.738	.279	.447	.588	.508	.326	1.0	
7 Comparative Individual BP	3.25	.767	-.291	-.169	.029	.036	-.268	-.068	1.0

Mean based on 5-point likert scale (1 = fully disagree).

b) MANOVA and follow-up ANOVAs were performed with the data of SoBa1 and are reported in table 6.6. This allows evaluation of whether the influence of the constructs differed amongst these demographic groups: **G** (gender, female - male), **F** (job function, customer relation - other), **P** (hierarchical position, non-manager - manager), **PJ** (previous job, not with a social enterprise - with a social enterprise), **M** (job doesn't include managing people - job does include managing people), **D** (duration of employment with current employer, i.e. less than 2 years, 2 to 4 years, longer than 4 years). The analysis was based on group means but overall construct means are reported as well.

G - Gender: According to Pillai's trace, there was a significant effect of Gender on the constructs, $V = .100$, $F(7, 132) = 2.09$, $p < .05$. However, separate univariate ANOVAs on the constructs revealed that Gender effected only on Brand Intelligence $F(1, 138) = 4.29$, $p < .05$, and on Comparative Brand Performance $F(1, 138) = 11.12$, $p < .01$. (Numbers in brackets signify group degrees of freedom, error degrees of freedom). Thus female assessed Brand Orientation Intelligence higher but Comparative Brand Performance lower than men.

Table 6.6. MANOVA SoBa1

Comparison of means SoBa1, MANOVA (Inquiry-3a)							
Mean	Constructs of Living the Brand model (dependent variable)						
	Brand Intelligence (BOI)	Person-Organisation Fit (POF)	Brand Identification (BI)	Brand Loyalty (LtB_Loy)	Brand Compliance (LtB_Com)	Brand Advocacy (LtB_Adv)	Comparative Brand Perf. (CIBP)
Overall mean	3.33	4.14	3.55	4.16	4.14	4.15	3.25
Group	Mean per Construct and Group						
G: Female	3.48	4.20	3.55	4.28	4.19	4.15	3.05
G: Male	3.17	4.07	3.55	4.03	4.09	4.14	3.47
F: Customer rel.	3.29	4.24	3.65	4.13	4.17	4.11	3.26
F: Other	3.37	4.05	3.47	4.19	4.12	4.18	3.24
P: Non-managers	3.30	4.08	3.50	4.18	4.13	4.13	3.20
P: Mangers	3.45	4.36	3.72	4.10	4.18	4.19	3.42
PJ: Not with SoE	3.31	4.14	3.56	4.20	4.17	4.16	3.26
PJ: With SoE	3.51	4.14	3.48	3.95	3.95	4.07	3.17
M: no people mgt	3.29	4.08	3.50	4.17	4.11	4.11	3.18
M: people mgt	3.56	4.43	3.80	4.15	4.33	4.35	3.59
D: less 2 years	3.58	4.22	3.49	4.33	4.15	4.24	3.02
D: 2 to 4 years	2.90	4.17	3.59	4.13	4.20	4.22	3.29
D: above 4 years	3.23	4.02	3.61	3.97	4.11	3.99	3.53
Numbers in bold signify significant difference ($p < .05$) between the respective groups. Mean based on 5-point likert scale (1 = fully disagree).							

F – Function: No significant effects

P – Position: According to Pillai's trace, there was a non-significant effect of Position on the constructs. However, separate univariate ANOVAs on the constructs revealed that Position effected on Person-Organisation Fit $F(1, 138) = 5.62, p < .05$. Thus there was no influence of Position on the model of Living the Brand overall, if however looked at the construct of Person-Organisation Fit in isolation the effect was that employees belonging to the management had a higher Person-Organisation fit than non-managers.

PJ – Previous Job: No significant effects

M – People Management: According to Pillai's trace, there was a significant effect of People Management on the constructs, $V = .126, F(7, 132) = 2.71, p < .05$.

However, separate univariate ANOVAs on the constructs revealed that People Management effected only on Person-Organisation Fit $F(1, 138) = 6.86, p \leq .01$, and on Comparative Brand Performance $F(1, 138) = 5.93, p < .05$. Thus employees with people management duties had a higher Person-Organisation Fit and a higher Comparative Brand Performance than employees without man management duties.

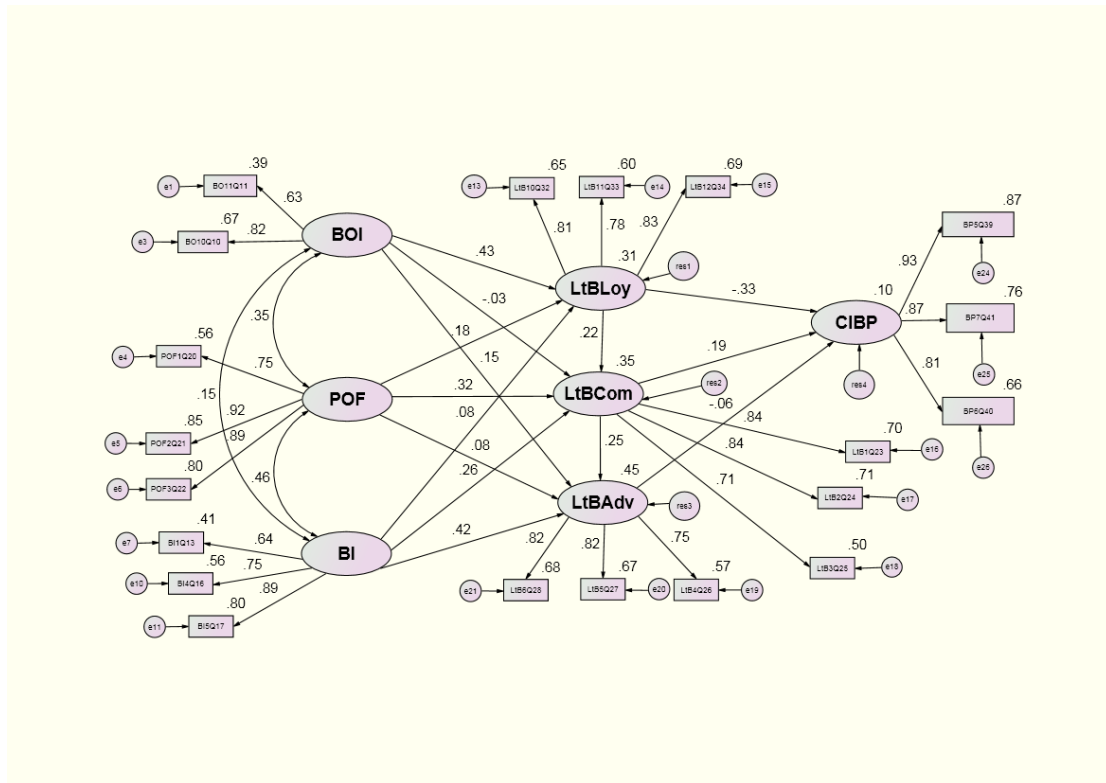
D - Duration: According to Pillai's trace, there was a significant effect of Duration on the constructs, $V = .217, F(14, 264) = 2.30, p < .05$. However, separate univariate ANOVAs on the constructs revealed that Duration effected only on Person-Organisation Fit $F(2, 137) = 6.32, p < .05$, and on Comparative Brand Performance $F(2, 137) = 6.75, p < .05$. Thus it seemed that employees in the middle range of duration of employment assessed Brand Orientation Intelligence of the company lowest and those with the longest duration of service had the highest Comparative Brand Performance. However, Box's test of equality of covariance matrices was significant $V = 88.00, F(56, 20821.08) = 1.43, p < .05$, assumption of covariance equality for MANOVA was thus violated. Results were possibly biased.

6.2.3. Social Bank 1: Assessing structural models

6.2.3.1. SoBa1: Validating the structural focus model

The focus model for SoBa1 as it is illustrated in graph 6.2. was subjected to SEM with the data of SoBa1 for path estimation and validity assessment. The following fit statistics were achieved: $\chi^2 = 160.601, df 153, \chi^2$ was non-significant. $\chi^2/df = 1.050, GFI = .898, RMSEA = .019, RMR = .040, SRMR = .0526, NFI = .898, RFI = .874, IFI = .995, TLI = .993, CFI = .995, AIC = 274.601, BIC = 442.275$. These fit indices met or exceeded minimum accepted benchmarks or benchmarks as suggested adequate for the sample size of this study. The data therefore represented a decent fit with the structural model. Compared with the fit statistics of the measurement model discussed in section 5.7. there were no substantial differences. Chi-square of the structural model ($\chi^2 = 160.601, df = 153, non-significant$), Chi-square of the measurement model ($\chi^2 = 154.33, df = 149, non-significant$).

Graph 6.2. Focus structural model SoBa1 (standardised regression weights)



Unstandardised and standardised direct effect estimates including probability statistics for all estimated causal paths of the focus model SoBa1 depicted in graph 6.2 are exhibited in table 6.7.

Table 6.7. Path estimates of the focus structural model SoBa1

Unstandardised and standardised regression weights (factor loadings) focus model SoBa1 (Inquiry-3a)							
			Unstandardised Estimate (β)	SE	C.R.	<i>p</i>	Standardised Estimate (β)
LtBLoy	<---	BOI	.352	.110	3.189	**	.434
LtBLoy	<---	BI	.072	.090	.804	n-s	.084
LtBLoy	<---	POF	.228	.141	1.622	n-s	.180
LtBCom	<---	POF	.329	.111	2.955	**	.319
LtBCom	<---	BI	.182	.072	2.526	*	.260
LtBCom	<---	LtBLoy	.178	.092	1.932	*	.219
LtBCom	<---	BOI	-.022	.079	-.284	n-s	-.034
LtBAdv	<---	LtBCom	.278	.121	2.308	*	.248
LtBAdv	<---	BOI	.107	.075	1.441	n-s	.146
LtBAdv	<---	POF	.095	.123	.769	n-s	.082
LtBAdv	<---	BI	.326	.088	3.684	***	.415
CIBP	<---	LtBLoy	-.298	.098	-3.040	**	-.334
CIBP	<---	LtBCom	.210	.134	1.565	n-s	.191

<i>CIBP</i>	<---	<i>LtBAdv</i>	<i>-.059</i>	<i>.112</i>	<i>-.525</i>	<i>n-s</i>	<i>-.060</i>
BO10Q10	<---	BOI	1.000				.821
BO11Q11	<---	BOI	.616	.143	4.303	***	.625
POF3Q22	<---	POF	1.000				.892
POF2Q21	<---	POF	1.114	.079	14.134	***	.920
POF1Q20	<---	POF	.795	.075	10.659	***	.747
LtB4Q26	<---	LtBAdv	1.000				.753
LtB5Q27	<---	LtBAdv	.945	.105	9.013	***	.817
LtB6Q28	<---	LtBAdv	1.023	.116	8.864	***	.823
BP6Q40	<---	CIBP	1.000				.815
BP7Q41	<---	CIBP	1.120	.092	12.124	***	.870
BP5Q39	<---	CIBP	1.158	.090	12.823	***	.935
LtB12Q34	<---	LtBLoy	1.058	.113	9.338	***	.833
LtB3Q25	<---	LtBCom	.810	.094	8.621	***	.707
BI5Q17	<---	BI	1.000				.893
BI4Q16	<---	BI	.756	.083	9.124	***	.748
BI1Q13	<---	BI	.908	.121	7.499	***	.642
LtB1Q23	<---	LtBCom	1.000				.839
LtB2Q24	<---	LtBCom	.844	.082	10.239	***	.840
LtB10Q32	<---	LtBLoy	1.000				.805
LtB11Q33	<---	LtBLoy	1.019	.108	9.441	***	.778

Hypothesized paths are in bold, non-significant regression weights are in italic;
* $p < .05$; ** $p < .01$; *** $p < .001$; *n-s* = non-significant.
Notification β was used for standardised and unstandardised regression estimates and for endogenous and exogenous linkages.

Note: The standardised β values of the item loadings of table 6.7. did match with the factor loadings of the measurement model as per CFA (table 5.11., section 5.6.3.). As some of the literature suggested a link from BI to performance the path CIBP <--- BI was estimated but it was non significant (standardised $\beta = .086, p > .05$)

6.2.3.2. SoBa1: Validating the alternative structural model

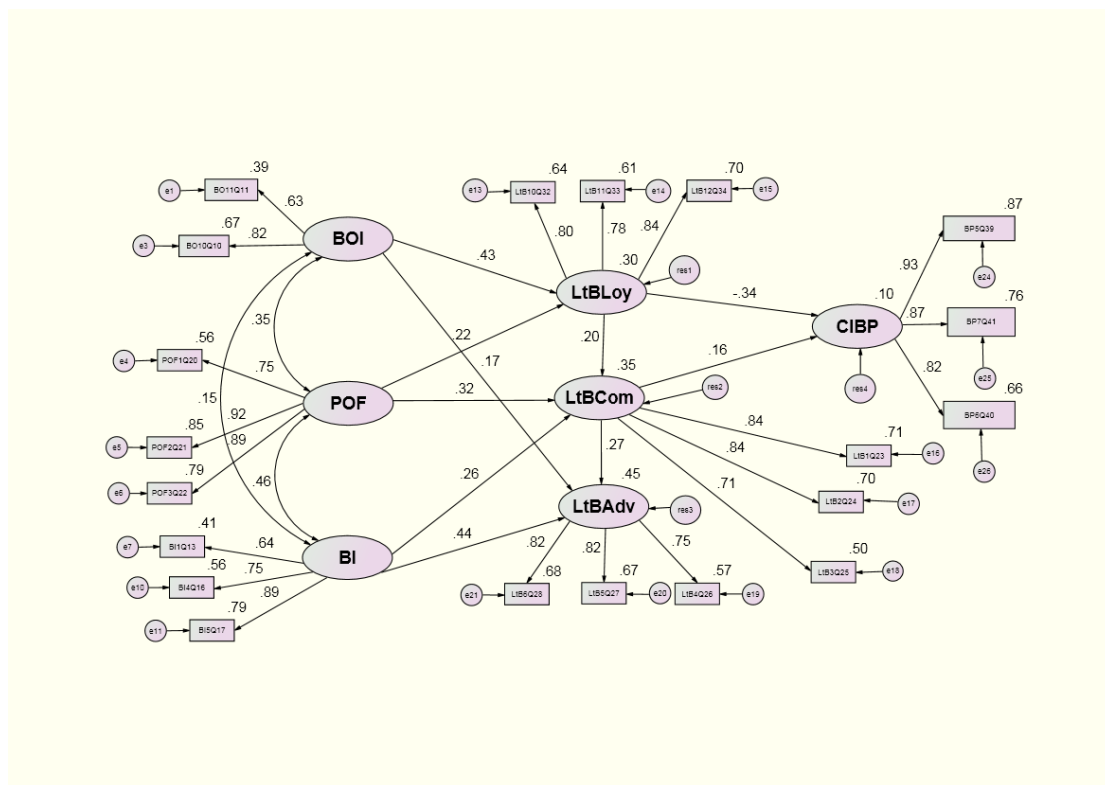
The results of the estimation of the focus model with SoBa1 data showed that 7 of 14 hypothesised paths were non-significant (table 6.7.). An alternative model was therefore developed by deleting those paths that were non-significant at a level $p > .05$, had a standardised regression weight $\beta < .15$ and were ambiguously supported by literature.

This resulted in deleting 4 hypothesised paths of the focus model. The deleted paths were:

- H2(+) P LtBCom, BOI
 H6(+) P LtBAdv, POF
 H7(+) P LtBLoy, BI
 H14 (+) P CIBP, LtBAdv.

Thus the alternative model of SoBa1 had 10 hypothesised paths that were estimated. The alternative model is depicted in graph 6.3.

Graph 6.3. Alternative structural model SoBa1 (standardised regression weights)



The alternative model for SoBa1 as illustrated in graph 6.3. was subjected to SEM with the data of SoBa1 for path estimation and validity assessment. The following fit statistics were achieved: $\chi^2 = 162.236$, $df = 157$, χ^2 was non-significant $p = .371$, $\chi^2/df = 1.033$, $GFI = .896$, $RMSEA = .015$, $RMR = .042$, $SRMR = .0544$, $NFI = .897$, $RFI = .876$, $IFI = .996$, $TLI = .995$, $CFI = .996$, $AIC = 268.236$, $BIC = 424.144$. These fit indices met or exceeded minimum accepted benchmarks or benchmarks as suggested adequate for the sample size of this study. The data therefore represented a decent fit with the alternative structural model. The fit indices pointed to a slightly better fit of the alternative structural model of SoBa1 (graph 6.3.) than the focus structural model SoBa1 (graph 6.2.). AIC and BIC had

lower values in the case of the alternative model, which indicated a better fit with the data.

Unstandardised and standardised direct effect estimates including probability statistics for all estimated causal paths of the alternative structural model SoBa1 depicted in graph 6.3. are exhibited in table 6.8.

Table 6.8. Path estimates of the alternative structural model SoBa1

Unstandardised and standardised regression weights (factor loadings) alternative model SoBa1 (Inquiry-3a)							
			Unstandardised Estimate (β)	SE	C.R.	p	Standardised Estimate (β)
LtBLoy	<---	BOI	.350	.109	3.206	**	.433
LtBLoy	<---	POF	.280	.124	2.257	*	.221
LtBCom	<---	POF	.326	.110	2.963	**	.316
LtBCom	<---	BI	.182	.072	2.526	*	.260
LtBCom	<---	LtBLoy	.167	.078	2.127	*	.205
LtBAdv	<---	LtBCom	.309	.114	2.698	**	.275
<i>LtBAdv</i>	<---	<i>BOI</i>	<i>.124</i>	<i>.073</i>	<i>1.708</i>	<i>n-s</i>	<i>.168</i>
LtBAdv	<---	BI	.347	.085	4.071	***	.441
CIBP	<---	LtBLoy	-.307	.097	-3.149	**	-.343
<i>CIBP</i>	<---	<i>LtBCom</i>	<i>.170</i>	<i>.114</i>	<i>1.492</i>	<i>n-s</i>	<i>.155</i>

Significant paths are in bold, non-significant regression weights are in italic;
 * $p < .05$; ** $p < .01$; *** $p < .001$; *n-s* = non-significant.
 Notification β was used for standardised and unstandardised regression estimates and for endogenous and exogenous linkages.

The alternative structural model SoBa1 did approximately explain thirty percent of the variance of Living the Brand Loyalty (LtBLoy) and Living the Brand Compliance (LtBCom) and it explained half of the variance of Living the Brand Advocacy (LtBAdv) ($R^2 = .451$), however the model had little predictive power for Comparative Individual Brand Performance (CIBP) ($R^2 = .102$) as can be seen in table 6.9.

Table 6.9. Variance explained in endogenous constructs of the alternative structural model SoBa1

Alternative structural model SoBa1 Squared Multiple Correlations (variance explained) (Inquiry-3a)	
Variable	SMC (R^2)
LtBLoy	.304
LtBCom	.352
LtBAdv	.451
CIBP	.102

6.2.3.3. SoBa1: Conclusion for the acceptance of the alternative structural model as the final model

To reinforce this alternative structural model for SoBa1 (graph 6.3., tables 6.8. and 6.9.) a number of further model reconstructions were estimated. As a matter of principle it was refrained from correlating error terms for improving model fit, as there is no theoretical explanation for doing so. Direct paths from all exogenous constructs to CIBP were sequentially added and the models were diagnosed one by one. These relationships had negligible regression weights (standardised β values clearly below .2) and they were non-significant. It was therefore concluded that the alternative structural model of SoBa1 presented in graph 6.3., and in the tables 6.8. and 6.9. was a good fit with the data of SoBa1 and it had mediocre predictive power for Living the Brand. Furthermore the model was substantiated by theory as explained in chapter 2., and the model was in principle supported by exploratory research (section 6.1.). Therefore the alternative structural model for SoBa1 (graph 6.3., tables 6.8. and 6.9.) was accepted as the final model of SoBa1.

6.2.4. Social Bank 1: Confirming the hypotheses

After having assessed the alternative structural model of SoBa1 and having it declared the final structural model of SoBa1 in section 6.2.3.3. the hypotheses established in chapter 4. are evaluated in table 6.10.

From the 14 original hypotheses (section 4.2.2.) that were included in the focus structural model SoBa1 8 paths could be confirmed. Looking at the final

structural model SoBa1 that included 10 paths 8 of which were significant and above threshold of a standardised $\beta \geq .2$.

Table 6.10. Evaluation of hypotheses SoBa1

Hypotheses SoBa1 (Inquiry-3a)		
Causal path	Standardised coefficient β	Hypothesis number based on section 4.2.2. and interpretation
BOI → LtBLoy	.433 ***	H1 confirmed
<i>BOI → LtBCom</i>	<i>(-.034, n-s)</i>	<i>H2 no more hypothesised in final model SoBa1</i>
BOI → LtBAdv	.168, n-s	H3 not confirmed
POF → LtBLoy	.221 *	H4 confirmed
POF → LtBCom	.316 **	H5 confirmed
<i>POF → LtBAdv</i>	<i>(.082, n-s)</i>	<i>H6 no more hypothesised in final model SoBa1</i>
<i>BI → LtBLoy</i>	<i>(.084, n-s)</i>	<i>H7 no more hypothesised in final model SoBa1</i>
BI → LtBCom	.260 **	H8 confirmed
BI → LtBAdv	.441 ***	H9 confirmed
LtBLoy → LtBCom	.205 *	H10 confirmed
LtBCom → LtBAdv	.275 **	H11 confirmed
LtBLoy → CIBP	-.343 **	H12 path confirmed but negative relationship
LtBCom → CIBP	.155, n-s	H13 not confirmed
<i>LtBAdv → CIBP</i>	<i>(-.060, n-s)</i>	<i>H14 no more hypothesised in final model SoBa1</i>

Bold means confirmed, * $p \leq .05$, ** $p \leq .01$, *** $p \leq .001$, n-s non-significant; β based on alternative structural model SoBa1, (β) in brackets and italic means based on focus structural model SoBa1, Legend: BOI = Brand orientation, POF = Person-Organisation Fit, BI = Brand Identification, LtBLoy = Loyalty, LtBCom = Compliance, LtBAdv = Advocacy, CIBP = Performance

H3: BOI → LtBAdv was almost significant ($p = .09$). Thus the probability that a positive path from Brand Orientation (BOI) to Advocacy (LtBAdv) would exist was 91%. Further this path reached the benchmark for regression weight ($\beta = .2$, rounded) and it was justified in section 4.2.2.

H12: Although LtBLoy → CIBP was a significant path but the affect was, contrary to what was hypothesised, negative. H12 could therefore not be confirmed. Variation in Loyalty (LtBLoy) caused opposite variation of Performance (CIBP). This result didn't say that loyal employees performed less well than others but that according to the model changes of the level of employees' self assessed intention to stay with their social bank had the opposite effect on employees' self assessed individual performance. This indicated that LtBLoy wasn't an ideal

lever for progressing CIBP in SoBa1. The unexpected negative relationship between LtBLoy and CIBP is discussed further in section 6.2.11. and 7.4.2.4.

In the following section the quantitative results related to Social Bank 2 are reported.

6.2.5. Social Bank 2: Correlations and comparison of means

a) Descriptive statistics related to the seven validated constructs was performed with the data from Social Bank 2 (SoBa2). Means, standard deviations (SD), means, and correlations between variables are reported in table 6.11

Table 6.11. Correlations SoBa2

Mean, standard deviation (SD), and correlation SoBa2 (Inquiry-3b)									
Construct	Mean	SD	1	2	3	4	5	6	7
			Correlations						
1 boi Brand Intelligence	3.13	.823	1.0						
2 pof Person-Organisation Fit	4.06	.634	.091	1.0					
3 bi Brand Identification	3.38	.733	.043	.332	1.0				
4 ltbLoy Brand Loyalty	3.45	.915	.144	.450	.294	1.0			
5 ltbCom Brand Compliance	4.20	.499	.043	.272	.132	.199	1.0		
6 ltbAdv Brand Advocacy	3.99	.562	.132	.468	.330	.284	.475	1.0	
7 cibp Indi. BP Comparative	3.32	.786	-.183	-.029	.111	-.125	.243	.078	1.0
Mean based on 5-point likert scale (1 = fully disagree).									

b) MANOVA and follow-up ANOVAs were performed with the data of SoBa2. Thus examining if the influence on the constructs differed amongst these demographic groups: **G** (gender, female - male), **F** (job function, customer relation – other), **P** (hierarchical position, non-manager - manager), **PJ** (previous job, not with a social enterprise – with a social enterprise), and **D** (duration of employment with current employer, less than 2 years – 2 to 4 years – longer than 4 years). The analysis was based on group means but overall means are reported as well.

Table 6.12. MANOVA SoBa2

Comparison of means SoBa2, MANOVA (Inquiry-3b)							
Mean	Constructs of Living the Brand model (dependent variable)						
	Brand Intelligence (boi)	Person-Organisation Fit (pof)	Brand Identification (bi)	Brand Loyalty (ltb_Loy)	Brand Compliance (ltb_Com)	Brand Advocacy (ltb_Adv)	Comparative Brand Perf. (cibp)
Total mean	3.13	4.06	3.38	3.45	4.20	3.99	3.32
Group	Mean per Construct and Group						
G: Female	3.25	4.06	3.33	3.38	4.19	3.97	3.22
G: Male	3.00	4.06	3.42	3.53	4.21	4.02	3.41
F: Customer rel.	3.16	4.16	3.51	3.84	4.31	4.08	3.27
F: Other	3.09	3.94	3.22	2.99	4.06	3.89	3.37
P: Non-managers	3.19	4.07	3.25	3.48	4.15	3.97	3.24
P: Managers	3.00	4.03	3.63	3.40	4.28	4.05	3.47
PJ: Not with SoE	3.17	4.01	3.31	3.43	4.19	3.95	3.27
PJ: With SoE	2.87	4.37	3.83	3.58	4.25	4.25	3.58
D: less 2 years	3.11	3.85	3.18	3.41	4.11	4.07	3.44
D: 2 years plus	3.13	4.09	3.41	3.46	4.21	3.98	3.29
Numbers in bold signify significant difference ($p \leq .05$) between the respective groups. Mean based on 5-point likert scale (1 = fully disagree).							

G – Gender: No significant effects

F - Function: According to Pillai's trace, there was a significant effect of Function on the constructs, $V = .264$, $F(7, 51) = 2.62$, $p < .05$. However, separate univariate ANOVAs on the constructs revealed that Function effected only on living the brand loyalty (ltbLoy) $F(1, 57) = 16.15$, $p < .001$, and on ltbCompliance $F(1, 57) = 3.88$, $p \leq .05$. (Numbers in brackets signify group degrees of freedom, error degrees of freedom). Thus employees in customer relationship functions had higher living the brand loyalty (ltbLoy) and higher living the brand compliance (ltbCom) then employees in non-customer relationship jobs.

P – Position: According to Pillai's trace, there was non-significant effect of Position on the constructs. However, separate univariate ANOVAs on the constructs revealed that Position effected on brand identification (bi) $F(1, 57) = 3.83$, $p \leq .05$. Thus there was no influence of Position on the model of Living the Brand overall, looked at the construct of brand identification (bi) in isolation the

effect was that employees belonging to management had a higher brand identification (bi) than non-managers.

PJ – Previous Job: No significant effects

D – Duration: No significant effects

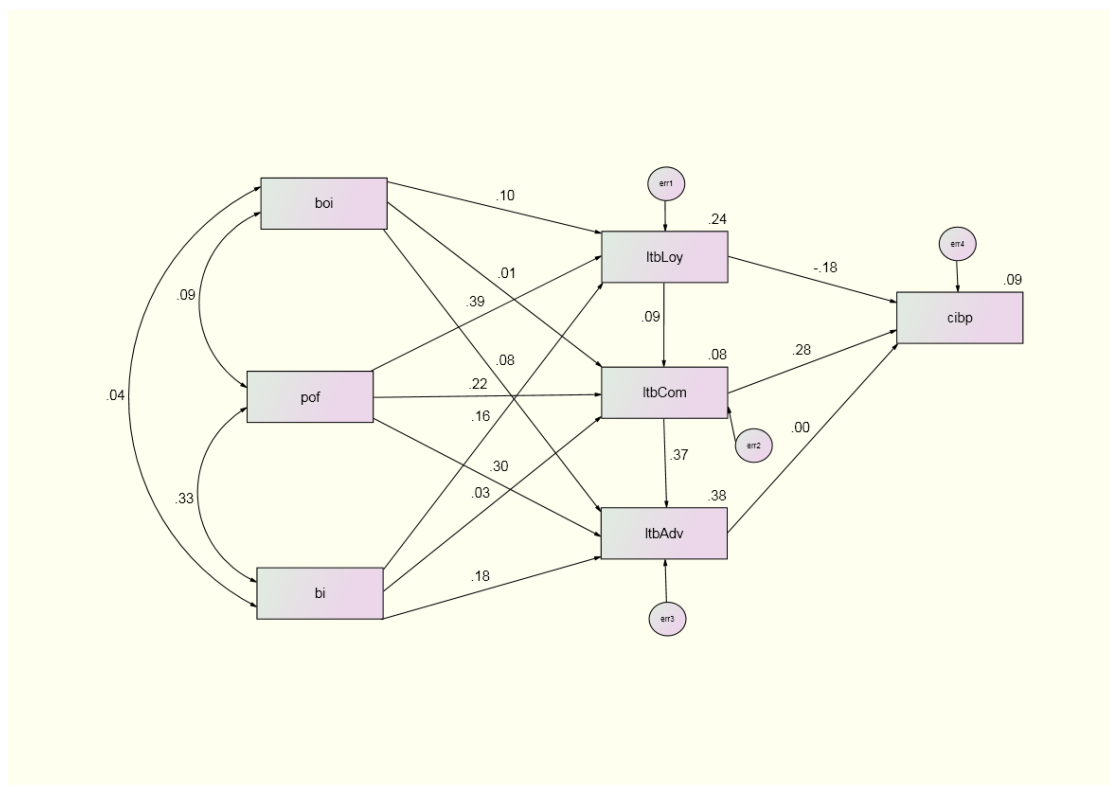
6.2.6. Social Bank 2: Assessing structural models

The structural models for SoBa2 consisted of seven one-indicator constructs. Thus the focus model for SoBa2 contained the relationships as illustrated in graph 6.1. and as did the focus model for SoBa1. For estimation of the structural models with SoBa2 data the multi indicator constructs were transformed into constructs with one indicator each through item parcelling.

6.2.6.1. SoBa2: Validating the structural focus model

The focus model for SoBa2 as illustrated in graph 6.4. below was subjected to SEM with the data of SoBa2 for path estimation and validity assessment.

Graph 6.4. Focus structural model SoBa2 (standardised regression weights)



The following fit statistics were achieved: $\chi^2 = 3.286$, $df = 4$, χ^2 was non-significant ($p = .511$, $\chi^2/df = .821$, $GFI = .985$, $RMSEA = .000$, $SRMR = .0403$, $NFI = .898$, $RFI = .874$, $IFI = .995$, $TLI = .993$, $CFI = .995$, $AIC = 51.286$, $BIC = 101.146$. These fit indices met or exceeded minimum accepted benchmarks or benchmarks as suggested adequate for the sample size of this study. The data therefore represented a decent fit with the structural model.

Unstandardised and standardised direct effect estimates including probability statistics for all estimated causal paths of the focus model SoBa2 depicted in graph 6.4. are exhibited in table 6.13.

Table 6.13. Path estimates of the focus structural model SoBa2

Unstandardised and standardised regression weights (factor loadings) focus model SoBa2 (Inquiry-3b)							
			Unstandar- dised Estimate (β)	SE	C.R.	p	Standar- dised Estimate (β)
<i>ltbLoy</i>	<---	<i>boi</i>	.113	.128	.882	<i>n-s</i>	.102
<i>ltbLoy</i>	<---	<i>bi</i>	.202	.152	1.327	<i>n-s</i>	.161
ltbLoy	<---	pof	.558	.176	3.171	**	.387
<i>ltbCom</i>	<---	<i>pof</i>	.174	.114	1.523	<i>n-s</i>	.221
<i>ltbCom</i>	<---	<i>bi</i>	.022	.092	.237	<i>n-s</i>	.032
<i>ltbCom</i>	<---	<i>ltbLoy</i>	.049	.079	.620	<i>n-s</i>	.089
<i>ltbCom</i>	<---	<i>boi</i>	.005	.077	.067	<i>n-s</i>	.009
ltbAdv	<---	ltbCom	.411	.121	3.410	***	.366
<i>ltbAdv</i>	<---	<i>boi</i>	.056	.071	.787	<i>n-s</i>	.081
ltbAdv	<---	pof	.267	.100	2.673	**	.302
<i>ltbAdv</i>	<---	<i>Bi</i>	.137	.084	1.634	<i>n-s</i>	.176
<i>cibp</i>	<---	<i>ltbLoy</i>	-.154	.113	-1.370	<i>n-s</i>	-.180
cibp	<---	ltbCom	.442	.225	1.965	*	.281
<i>cibp</i>	<---	<i>ltbAdv</i>	-.006	.204	-.030	<i>n-s</i>	-.004

Significant paths are in bold, non-significant regression weights are in italic;
* $p < .05$; ** $p < .01$; *** $p < .001$; *n-s* = non-significant.
Notification β was used for standardised and unstandardised regression estimates and for endogenous and exogenous linkages.

Note: As some of the literature suggested a link from brand identification to performance the path CIBP <--- BI was estimated but it was non significant (standardised $\beta = .15$, $p > .05$)

6.2.6.2. SoBa2: Validating alternative structural model

The results of the estimation of the focus model with SoBa2 data showed that 9 of 14 hypothesised paths were non-significant (table 6.13.). An alternative model was therefore developed by deleting those paths that were non-significant at a level $p > .05$ and had standardised regression weights $\beta < .10$. This resulted in deleting 5 hypothesised paths of the focus model. The deleted paths were:

H2(+) P LtBCom, BOI

H3(+) P LtBAdv, BOI

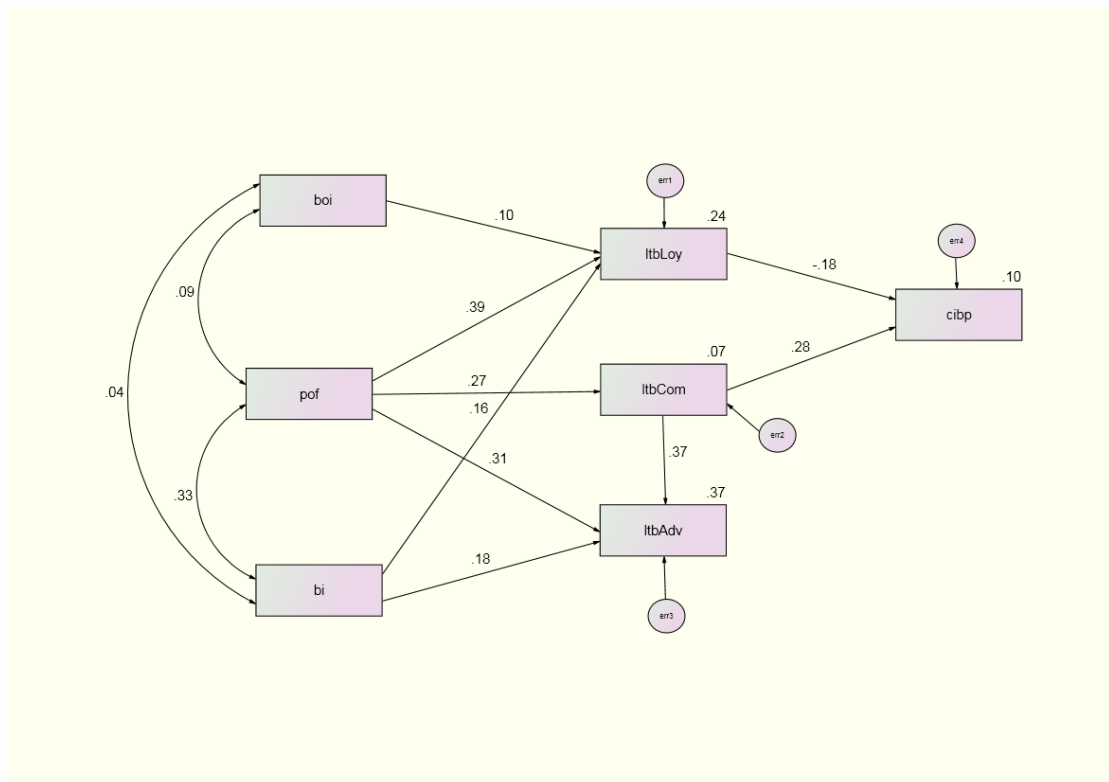
H8(+) P LtBCom, BI

H10(+) LtBCom, LtBLoy

H14 (+) P CIBP, LtBAdv.

Thus the alternative model SoBa2 had 9 hypothesised paths that were estimated. The alternative model is depicted in graph 6.5.

Graph 6.5. Alternative structural model SoBa2 (standardised regression weights)



The alternative model for SoBa2 as illustrated in graph 6.5. was subjected to SEM with the data of SoBa2 for path estimation and validity assessment. The following fit statistics were achieved: $\chi^2 = 4.428$, df 9, χ^2 was non-significant $p =$

.881, $\chi^2/df = .492$, GFI = .979, RMSEA = .000, RMR = .028, SRMR = .0483, NFI = .932, RFI = .841, IFI = 1.082, TLI = 1.244, CFI = 1.000, AIC = 42.428, BIC = 81.901.

These fit indices met or exceeded minimum accepted benchmarks or benchmarks as suggested adequate for the sample size of this study. The data therefore represented a decent fit with the alternative structural model. The fit indices, pointed to a slightly better fit of the alternative structural model of SoBa2 (graph 6.5.) than the focus structural model SoBa2 (graph 6.4.), AIC and BIC had lower values in the case of the alternative model, which indicated a better fit with the data.

Unstandardised and standardised direct effect estimates including probability statistics for all estimated causal paths of the alternative structural model SoBa2 depicted in graph 6.5. are exhibited in table 6.14.

Table 6.14. Path estimates of the alternative structural model SoBa2

Unstandardised and standardised regression weights (factor loadings) alternative model SoBa2 (Inquiry-3b)							
			Unstandardised Estimate (β)	SE	C.R.	<i>p</i>	Standardised Estimate (β)
<i>ltbLoy</i>	<---	<i>boi</i>	.113	.128	.882	<i>n-s</i>	.102
ltbCom	<---	pof	.214	.099	2.155	*	.272
<i>ltbLoy</i>	<---	<i>bi</i>	.202	.152	1.327	<i>n-s</i>	.161
ltbLoy	<---	pof	.558	.176	3.171	**	.387
<i>ltbAdv</i>	<---	<i>bi</i>	.138	.084	1.635	<i>n-s</i>	.180
<i>cibp</i>	<---	<i>ltbLoy</i>	-.155	.110	-1.411	<i>n-s</i>	-.180
cibp	<---	ltbCom	.439	.201	2.180	*	.278
ltbAdv	<---	ltbCom	.413	.121	3.407	***	.368
ltbAdv	<---	pof	.273	.100	2.724	**	.309

Significant paths are in bold, non-significant regression weights are in italic;
 * $p < .05$; ** $p < .01$; *** $p < .001$; *n-s* = non-significant.
 Notification β was used for standardised and unstandardised regression estimates and for endogenous and exogenous linkages.

The alternative structural model SoBa2 did approximately explain one quarter of the variance of Living the Brand Loyalty (ltbLoy) and almost 40% of Living the Brand Advocacy (ltbAdv). It predicted 10% of performance (cibp) but it had a

negligible level of prediction of Living the Brand Compliance (ltbCom) ($R^2 = .07$) as can be seen from table 6.15.

Table 6.15. Variance explained in endogenous constructs of the alternative structural model SoBa2

Alternative structural model SoBa2 Squared Multiple Correlations (variance explained) (Inquiry-3b)	
Latent Variable	SMC (R^2)
ltbLoy	.236
ltbCom	.074
ltbAdv	.375
cibp	.097

6.2.6.3. SoBa2: Conclusion for the acceptance of the alternative structural model as the final model

To reinforce this alternative structural model for SoBa2 (graph 6.5., tables 6.14. and 6.15.) a few further model reconstructions were estimated but didn't improve the alternative structural model depicted in graph 6.5. It was therefore concluded that the alternative structural model of SoBa2 presented above (graph 6.5., tables 6.14. and 6.15.) was an acceptable fit with the data of SoBa2. All relationships in the model were substantiated by theory as explained in chapter 2., and the model was in principle supported by exploratory research (section 6.1.). Therefore the alternative structural model for SoBa2 (graph 6.5., tables 6.14. and 6.15.) was accepted as the final model of SoBa2.

6.2.7. Social Bank 2: Confirming the hypotheses

After having assessed the alternative structural model of SoBa2 and having it declared the final structural model of SoBa2 in section 6.2.6.3. the hypotheses established in chapter 4. are evaluated in table 6.16.

From the 14 original hypotheses (section 4.2.2.) that were included in the focus structural model SoBa2 five paths could be confirmed. Looking at the final structural model SoBa2 that included 9 paths 5 of which were significant and above threshold of a standardised $\beta \geq .2$.

Table 6.16. Evaluation of hypotheses SoBa2

Hypotheses SoBa2 (Inquiry-3b)		
Causal path	Standardised Coefficient β	Hypothesis number based on section 4.2.2. and interpretation
<i>boi</i> → ltbLoy	.102, n-s	H1 not confirmed
<i>boi</i> → ltbCom	<i>(.009, n-s)</i>	H2 no more hypothesised in final model SoBa2
<i>boi</i> → ltbAdv	<i>(.081, n-s)</i>	H2 no more hypothesised in final model SoBa2
pof → ltbLoy	.387 **	H4 confirmed
pof → ltbCom	.272 *	H5 confirmed
pof → ltbAdv	.309 **	H6 confirmed
<i>bi</i> → ltbLoy	.161, n-s	H7 not confirmed
<i>bi</i> → ltbCom	<i>(.032, n-s)</i>	H8 no more hypothesised in final model SoBa2
<i>bi</i> → ltbAdv	.180, n-s	H9 not confirmed
<i>ltbLoy</i> → ltbCom	<i>(.089, n-s)</i>	H10 no more hypothesised in final model SoBa2
ltbCom → ltbAdv	.368 ***	H11 confirmed
ltbLoy → cibp	-.180, n-s	H12 not confirmed
ltbCom → cibp	.278 *	H13 confirmed
<i>ltbAdv</i> → cibp	<i>(-.004, n-s)</i>	H14 no more hypothesised in final model SoBa2
Bold means confirmed, * $p \leq .05$, ** $p \leq .01$, *** $p \leq .001$, n-s non-significant; β based on alternative structural model SoBa2, (β) in brackets and italic means based on focus structural model SoBa2, Legend: boi = Brand orientation, pof = Person-Organisation Fit, bi = Brand Identification, ltbLoy = Loyalty, ltbCom = Compliance, ltbAdv = Advocacy, cibp = Performance		

H9: *bi* → ltbAdv was almost significant ($p = .10$). Thus the probability that a positive path from Brand Identification (*boi*) to LtB Advocacy (ltbAdv) would exist was 90%. Further this path reached the benchmark for regression weight ($\beta = .2$ rounded) and it was justified in section 4.2.2.

The following section looks at the quantitative analysis and at the final models of SoBa1 and SoBa2 in parallel.

6.2.8. Model Social Bank 1 alongside model Social Bank 2

To better appreciate the expressiveness of the constructs of the Living the Brand model their mean values were compared between the two banks. The final structural models were regarded in parallel SoBa1 and SoBa2 to appraise the relationships and to see which hypotheses were tenable in both models.

6.2.8.1. Comparison of means

MANOVA was performed with the data of SoBa1 and SoBa2 for comparing means of the constructs of the structural models. The results are presented in table 6.17.

Table 6.17. MANOVA SoBa1 and SoBa2

Comparison of means SoBa1 and SoBa2 based on 1-indicator constructs							
Construct Group	Brand Intelligence (boi)	Person-Organisation Fit (pof)	Brand Identification (bi)	Brand Loyalty (ltb_Loy)	Brand Compliance (ltb_Com)	Brand Advocacy (ltb_Adv)	Comparative Perf. (cibp)
SoBa1	3.33	4.14	3.55	4.16	4.15	4.15	3.25
SoBa2	3.13	4.06	3.38	3.45	4.20	3.99	3.32

Numbers in bold signify significant difference between the respective groups. Mean based on 5-point likert scale (1 = fully disagree).

According to Pillai's trace, there was a significant effect of the bank on the constructs, $V = .151$, $F(7, 191) = 4.871$, $p < .001$. Separate univariate ANOVAs on the constructs revealed that the effect was only on Brand Loyalty $F(1, 197) = 28.40$, $p < .001$. (Numbers in brackets signify group degrees of freedom, error degrees of freedom). Thus employees of SoBa1 assessed their intention to stay employed (LtB Loyalty) with their bank higher than employees of SoBa2 did. All other effects were not significantly different.

6.2.8.2. Comparing relationships in the final structural models of SoBa1 and SoBa2

For looking at the models of both banks in parallel the final structural model of SoBa1 was transformed into a 7-indicator path model as it was described in section 5.5.2. The models of both banks thus included the same constructs that were defined by one indicator each but the models differed in path structure. The 7-indicator path model for SoBa2 is shown in graph 6.5. the one for SoBa1 is depicted in graph 6.6.

The estimations of the 7-indicator final structural models of SoBa1 (graph 6.6.) and of SoBa2 achieved both acceptable fit with the data of SoBa1 and SoBa2 respectively. The fit indices of both models are depicted in table 6.18.

Graph 6.6. Final model SoBa1 transformed to 7-indicators (standardised regression weights)

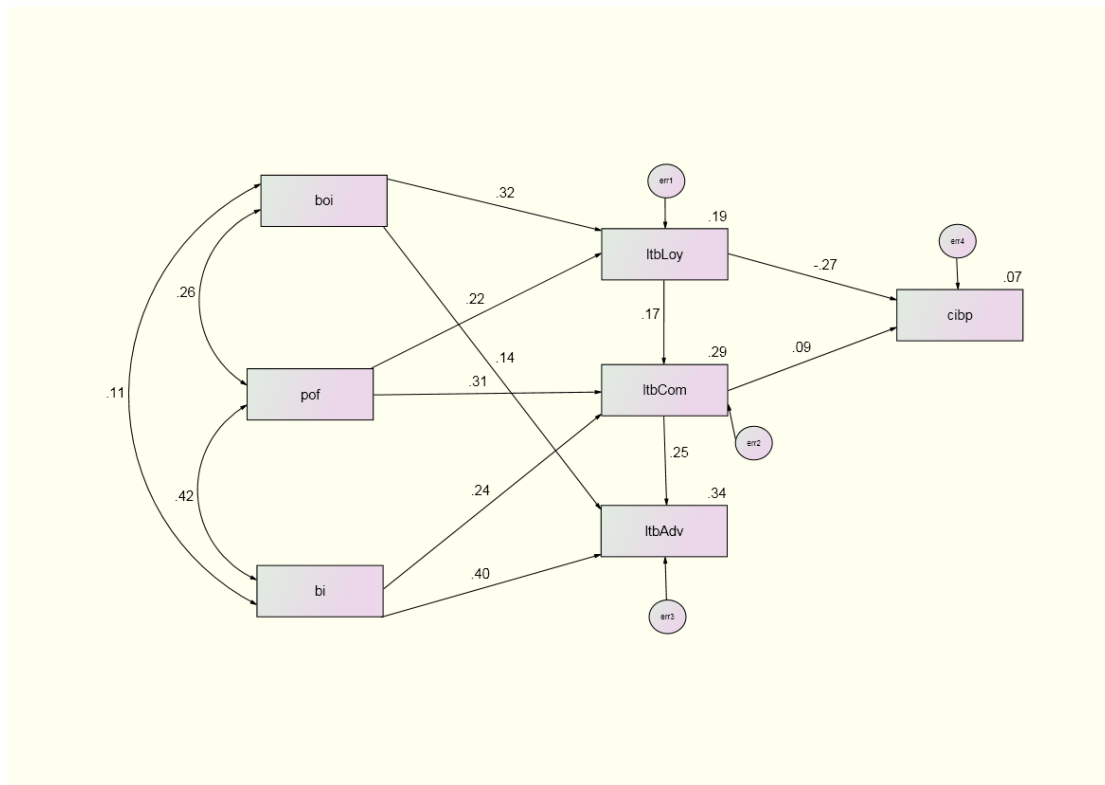


Table 6.18. Fit analysis of the final 7-indicator path models

Overview of the fit indices as results of the estimation of the 7-indicator models with the data of SoBa 1 (Inquiry-3a) and SoBa2 (Inquiry-3b)		
Fit indices (benchmark for good fit) *	Final 7-indicator path model	
	SoBa1	SoBa2
χ^2 (should be non-sig., $p > .05$)	11.628, $p > .05$, df = 8	4.428, $p > .05$, df = 9
CMIN/df (≤ 3)	1.454	.492
CFI ($\geq .90$, new .95)	.979	1.000
TLI ($\geq .90$, new .95)	.945	1.244
RMSEA ($\leq .08$)	.057	.0
NFI ($\geq .90$)	.940	.932
RMR (below -4.0, above +4.0)	.028	.028
SRMR ($\leq .10$)	.047	.048
GFI ($\geq .90$, new .95)	.977	.979
AIC (lower values better fit)	51.628	42.428
BIC (lower values better fit)	110.461	81.901
Note: * see section 5.5.2.		

To regard the path weights in the final models of SoBa1 and SoBa2 alongside each other table 6.19. is presented.

Table 6.19. 7-indicator final models for SoBa1 and SoBa2 alongside.

Overview of paths of the 7-indicator final models SoBa1 (Inquiry-3a) and SoBa2 (Inquiry-3b)			
Causal path		Standardised Coefficient β	
		Final model SoBa1	Final model SoBa2
boi → ltbLoy	H1 (+)	.325 ***	.102 n-s ($p = .38$)
boi → ltbCom	H2 (+)	N.H.	N.H.
boi → ltbAdv	H3 (+)	.137 *	N.H.
pof → ltbLoy	H4 (+)	.223 **	.387 **
pof → ltbCom	H5 (+)	.312 ***	.272 *
pof → ltbAdv	H6 (+)	N.H.	.309 **
bi → ltbLoy	H7 (+)	N.H.	.161 n-s
bi → ltbCom	H8 (+)	.236 **	N.H.
bi → ltbAdv	H9 (+)	.397 ***	.180 n-s ($p = .10$)
ltbLoy → ltbCom	H10 (+)	.171 *	N.H.
ltbCom → ltbAdv	H11 (+)	.254 ***	.368 ***
ltbLoy → cibp	H12 (+)	-.270 **	-.180 n-s
ltbCom → cibp	H13 (+)	.093 n-s ($p = .28$)	.278 *
ltbAdv → cibp	H14 (+)	N.H.	N.H.

N.H. = not hypothesised in final model. Bold = sig in both models (note: H9 only if $p = .10$ is considered significant). * $p \leq .05$, ** $p < .01$, *** $p < .001$, n-s = non-significant

The 7-indicator final model SoBa1 had one significant paths more than the 20-indicator final model SoBa1; namely boi → ltbAdv. The paths that were not hypothesised (N.H.) for the final models were estimated in the respective focus models but were non-significant. Contrary to what was hypothesised the path from Loyalty (ltbLoy) to Performance (cibp) was negative in all estimations.

The following four paths and hypotheses were tenable in Social Bank 1 as well as in Social Bank 2:

H4 Person-Organisation Fit (POF) influences Loyalty (ltbLoy) positively

H5 Person-Organisation Fit (POF) influences Compliance (ltbCom) positively

H11 Compliance (ltbCom) influences Advocacy (ltbAdv) positively

H9 Identification (BI) influences Advocacy (ltbAdv) positively

(Note: H9 was only confirmed under the condition that 90% probability was accepted as significant in the case of SoBa2.)

6.2.9. Summary of statistical results of phase II

11 of the 14 original paths of the focus model were significant in either SoBa1 or SoBa2; and four of the seven hypotheses that were estimated in the final models of both banks were confirmed in both banks (7-indicator models). Thus there was partial replication of the structure. For achieving good fit with the data individual alternative models were reconstructed for SoBa1 and for SoBa2 and in the final structural models a majority of the paths were significant and the respective hypotheses were confirmed.

Hypothesis 12 assumed a positive relationship between employees' intention to stay with the bank (LtB Loyalty) and self-assessed performance (CIBP). It turned out however that LtB Loyalty and CIBP were negatively related in the final models of both banks.

Overall the modelling supported that Brand Orientation Intelligence (BOI), Person-Organisation Fit (POF), and Brand Identification (BI) let emerge Living the Brand behaviours, that such behaviours influenced Comparative Individual Brand Performance (CIBP) and mediated the relationship between BOI, POF, BI with CIBP. This conclusion was based on the Project's understanding of Living the Brand as a behavioural concept that consists of three behaviours: Living the Brand Loyalty, Living the Brand Compliance, and Living the Brand Advocacy. It meant that any of those behaviours represented Living the Brand although not in its entirety.

Thus it can be argued that if one or more of these behaviours are affected by one or more of the antecedents (BOI, POF, BI) then Living the Brand itself is affected. Similarly if one or more of the Living the Brand behaviours relate with Individual Performance (CIBP) it can be argued that Living the Brand itself affects Performance. These conditions were clearly met by the final structural models of SoBa1 and SoBa2.

The analysis thus supported the conceptual model of Living the Brand and it contributed to answering research question 1 that Living the Brand emerges through Brand Orientation and values based organisational concepts such as Person-Organisation Fit and Brand Identification. It was also demonstrated that Living the Brand influences Comparative Individual Brand Performance (CIBP).

Quantitative analyses of phase II revealed that: Gender, job function, leadership function, and duration of employment had different effects on the levels of expressiveness, measured by the mean values, of the seven constructs of the conceptual model of Living the Brand. The differences were however often non-significant. Employees of SoBa1 assessed their LtB Loyalty i.e. their intention to stay with the company significantly higher than employees of SoBa2.

6.2.10. Results from open-ended questions of phase II

The surveys administered with SoBa1 (Inquiry-3a) and SoBa2 (Inquiry-3b) included five open-ended questions that were identical in both surveys (section 5.5.1.). First objective of the open-ended questions was to assess sense making of living the brand from the perspective of the bank employees and thus to answer research question two. Second objective was to examine value-centricity of social banks and thus to answer research question three. Third objective was to examine how responses to the open-ended questions supported the conceptual model of Living the Brand (graph 4.1.).

All responses to the open-ended questions of both banks were analysed separately but were then merged for reporting. This was justified by the fact that the statements from the two banks were highly similar many even literally identical. For every question a few typical quotes are inserted in the report as examples. The interpretation of the findings is summarised in the tables.

6.2.10.1. Sense making of living the brand

Three open-ended questions (questions D, B, C, section 5.5.1.) provided 574 statements from 112 respondents and were analysed to answer research question 2 about sense making of living the brand. The results are reported and

interpreted in paragraphs a) to c) here below. The summary answer to research question 2 is given in section 6.2.10.2.

a) Employees' rationale for brand compliant behaviour (question D)

94% of statements clearly confirmed that it made sense to the respondents to live the brand and to apply behavioural brand standards e.g.:

"It's convenient to have a few standards for orientation instead of looking each time for individual explanations" [male, customer related function]. "I understand that brand-compliant behaviour is important for an expanding enterprise that must recruit and culturally embed many new co-workers" [male, customer related function, manager].

And only 6% of statements revealed that the concept of living the brand wasn't understood or denied it's sense making e.g.:

"I don't need brand-compliant behaviour, I can represent the bank well without being given specifications, customers feel it when I speak about our social bank with bright eyes" [male, internal function].

Values were perceived most important for the development of brand-compliant behaviour. Person-organisation fit and brand identification were dominant explanations for feeling oneself a brand ambassador, for the sense making of living the brand, and its influencing of performance e.g.:

"It's my values that underlie my behaviour, luckily they fit with SoBas" [female, customer related function, manager]. "For my customers I am the bank, I must let them experience the bank, create a shared perception, this is possible only if I act brand-compliant irrespective if I have a personal benefit or not" [female, customer related function]. "It communicates a unique image of the bank externally and internally that creates more orientation for all" [female, customer related function].

Interpretation

The content analysis of responses to question D discovered that employees appreciated living the brand as greatly sense making. Because living the brand of a social bank meant for their employees to live their own values. They confirmed that living the brand affected performance positively.

The respondents linked brand orientation, person-organisation fit, and brand identification with living the brand. These interpretations are explained and summarised in table 6.20.

Table 6.20. Sense making of living the brand

Rationale of employees of SoBa1 and SoBa2 for the sense making of living the brand behaviour (question D, Inquiry-3a and 3b)		
Content	Relates to	Interpretation
Coincides with my intrinsic values (27)	Person-organisation fit (27)	LtB is an effect and a sense making expression of person-organisation fit and brand identification. (58)
Enables identification with the Bank (21)	Brand identification (31)	
LtB has (deeper) sense (10)		
Employees become brand ambassadors (7)	Organisational performance (32)	LtB is sense making and causes directly and indirectly positive variation of performance. (44)
Adds to credibility, reliability of the bank (7)		
Manifestation of identity and brand strength (14)		
Customers expect it, makes them loyal, it's advertising (4)		
Gives personal satisfaction (4)		
It supports my work (4)	Individual performance (12)	
Better team effectiveness (3)		
It inspires (1)		
Doesn't make sense, I don't need it (3)	Brand orientation (7)	Creates ambiguity (7)
Don't understand concept (4)		
LtB = living the brand behaviour. Number in brackets = number of statements		

b) Employees' feelings when they live the brand (question B)

72% of statements indicated feeling of harmony between own intrinsic values and the brand values of the social bank and feeling of authenticity when living the brand e.g.:

"The SoBa brand completely matches with my own values it's therefore totally natural for me to represent the bank in a brand-compliant manner" [female, customer related function]. "Because I identify 100% with the bank's values my behaviour matches with the required brand-compliant behaviour that doesn't hinder me" [male, internal function]. Living the brand is "authentic, although I make some compromise, I can behave brand-compliant" [male, customer related function].

22% of statements expressed mixed feelings about having to behave brand compliant e.g.:

“As long as I live the brand intuitively based on my inner motivation I feel good and free when interacting with customers, as soon as I should speak and act based on a prescribed brand-card it becomes unnatural and noncredible. The customers, especially the loyal SoBa customers, will notice it and I feel uncomfortable” [male, customer related function]. “It’s difficult as it’s unclear what brand-compliant really means and how it should and could be lived” [male, internal function, manager].

Interpretation

The content analysis of responses to question B is substantiated in summary in table 6.21.

Table 6.21. Employees’ feelings when living the brand

Feelings of employees of SoBa1 and SoBa2 when living the brand (question B, Inquiry-3a and 3b)		
Content	Relates to	Interpretation
Meeting brand standards goes naturally (68)	Personal authenticity (80)	LtB is authentic behaviour to employees of social banks. (110)
Feeling of authenticity (12)		
Bank’s values are my personal values (14)	Person-Organisation Fit (14)	
Identification (13)	Brand-Identification (16)	
Representing the company (3)		
Standards help me in job (5)	Normative LtB (33)	LtB norms are welcomed by employees. (9)
I see it’s important (4)		
Partly ridiculously detailed standards (8)		
I feel pressured, is not key (3)		
Perceived as hindrance (5)		
Depending on the situation if it’s natural behaviour or hindrance (8)		
Clarification about brand standards needed (9)	Brand orientation (10)	Brand orientation seems a prerequisite to LtB. (10)
Operational standards to be improved (1)		
LtB = living the brand behaviour. Number in brackets = number of statements		

The analysis revealed that employees felt that living the brand was natural behaviour. Similar values sets of employees and bank and feeling authentic were

conditional for accepting and complying with brand related behavioural standards. Nevertheless living the brand did also create bad feelings and was felt to reduce liberty of action especially if brand standards were perceived to be too prescriptive. On the other hand sometimes a lack of internal information about brand standards and living the brand pointed to insufficient brand knowledge dissemination i.e. to a lack of brand orientation as an enabler to effectively live the brand. It surfaced that respondents related authenticity such as values congruence, identification, and brand orientation including brand norms to their living the brand behaviour.

c) Employees' self assessment of the impact of living the brand on their performance (question C)

50% of statements confirmed an overall positive affect of living the brand on individual performance.

“Customers react positively it fulfils their expectations and generates business (if I live the brand). Because I identify with the values of the brand I want to live it and this effects very positively on my work performance” [male, customer related function, manager].

Some responses revealed ambiguity about the concept of performance and its measurement at an individual level.

“Difficult to say, I should first work non-brand-compliant to see the difference” [male, customer related function].

Interpretation

Table 6.22. explains and summarises the interpretations of the responses to the open-ended question related to the impact of living the brand on individual performance.

Content analysis of the responses to question C showed that living the brand was perceived to positively affect individual performance although it seemed difficult to say what was exactly meant by performance.

Many however mentioned that brand compliant behaviour and individual work performance were unrelated. A few saw even a negative relationship between the two concepts.

Table 6.22. Impact of living the brand on individual work performance

Self-assessment of impact of LtB on individual work performance of employees of SoBa1 and SoBa2 (question C, Inquiry-3a and 3b)		
Content	Relates to	Interpretation
Brand standard compliant behaviour and performance are unrelated, cannot be measured (7)	LtB Compliance (31)	LtB is unrelated with individual work performance (24)
No change, no effect (10)		
Don't understand, don't know (7)		
Slows down, hinders (3)		LtB influences individual work performance negatively (7)
No or negative effect (4)		
Helps to identify and to remain oneself (18)	Brand Identification (18)	LtB causes brand identification (18)
It impacts positively on my work (41)	LtB Compliance (46)	LtB influences individual work performance positively (60)
No or positive effect (5)		
I work more successfully (6)	Personal effectivity (14)	
Facilitates work processes (2)		
It creates success (4)		
I am more efficient (2)		
LtB = living the brand behaviour. Number in brackets = number of statements		

6.2.10.2. Summary of results from sense making assessment of living the brand and answering research question 2

The analysis of the qualitative data in paragraphs a) to c) above and their interpretation answers research question 2: Living the brand made a lot of sense to employees of Social Banks. Because there was a lot of values congruence between employees personal values and the brand values of their banks and thus employees felt good and authentic when behaving brand compliant. Employees seemed to express brand identification through living the brand behaviour and a great majority of social bank employees acknowledged positive effects of brand compliant behaviour on performance either on individual work performance or on organisational performance or on both.

6.2.10.3. Assessing value centrality of Social Banks

As reported in chapter 2., social banks and their employees were said to be value centric. The aim of this section is to provide empirical support for this belief and to answer research question 3. For this purpose two open-ended questions (section 5.5.1.) were surveyed with SoBa1 (Inquiry-3a) and with SoBa2 (Inquiry-3b). Question A investigated motives for doing business with SoBa. Question E looked at motives for working with SoBa. The analysis is presented in paragraphs a) and b) here below. Interpretation and the answer to research question 3 is summarised in section 6.2.10.4.

a) Customers' rationale for doing business with SoBa

From the viewpoint of SoBa employees the rationale of customers for doing business with SoBa segregated into two overriding value centric perspectives. The business model of Social Banks that is highly transparent, deeply sustainability based, and that doesn't focus on maximising monetary shareholder value was suggested as a key reason for doing business with a Social Bank. This opinion was expressed through 53% of the statements like:

"As depositor I enable SoBa to grant credits under social, ecological and economical considerations because SoBa regards money as means for production and not as means for making more money" [female, customer related function], "for SoBa ecological-ethical banking isn't just one of many business segments as it's the case for many conventional banks, it's the sole business activity of SoBa i.e. it's the reason being of SoBa" [female, internal function].

Social Banks' competitive advantage was seen to be their socio-ecological differentiation from conventional banks this included a consultancy strategy that consistently putted customers' needs first, refrained from high risk based offerings, hard selling and from steering client counselling to the benefit of the bank e.g.:

"Employees are not pressured by sales targets that prevents them from hard selling and from foisting investment products on their customers" [female, internal function].

47% of statements held a perspective that focused on mission inherent brand values of Social Banks. It was characterised by responsibility towards the

Creation and by aspiration to contribute to a more socio-ecological-human future

e.g.:

“If you feel responsible for the environment, if you want to know and participate in the decision-making about what the bank uses your money for, then you must come to SoBa” [male, internal function, manager]. “If you are a SoBa customer you are causing positive effects in this world for the human beings, for the earth and for yourself” [female, customer related function].

Table 6.23. summarizes content analysis of all statements related to reasons for doing business with SoBa and emerges two value centric perspectives.

Table 6.23. Value centric rationale for being a SoBa customer

Value centric rationale for being customer SoBa1 and SoBa2 (question A, Inquiry-3a and 3b)		
Content	Underlying concepts	Interpretation of the central perspectives
All investments and financing of the bank are sense making (29)	Corporate social responsibility (69)	The bank establishes a strong belief in higher non-pecuniary brand values and sensemaking. It fosters a value based culture, which is based on human values and responsibility towards human beings and nature. This is articulated internally and externally through branding. There is a mission for “building a better world”. (125)
The bank and its customers take responsibility for the social, ecological, and economic impact of the money (18)		
Shareholders, customers, and employees participate in the decision making of the bank (12)		
The bank approaches all activities humanly and socially (28)	Ethics (56)	
The philosophical base and ethics play a central role in the bank (14)		
The bank engages for a better future of the world (10)		
The bank exclusively supports the real economy and not bad aspects of capitalism (4)		
The bank publishes its investments and is fully transparent (39)	Transparency (39)	The business model of the bank is built on sustainability considerations and not on generating monetary shareholder value. Responsibility for the triple bottom line is at the heart of all activities.
The bank operates sustainably and is generally “green” (35)	Sustainability (38)	
The bank optimizes the “triple bottom line” (3)		
The bank isn’t maximising financial returns nor for itself	Profitability (no profit maximisation) (24)	Central to the business model is too that the bank’s activities

nor for the customers (15)	Profitability (no profit maximisation) (24)	are publicly made transparent. The uniqueness of the bank grounds in the holistic socio-ethical approach, which aims to create sustainable competitive advantages and making a profit to economically sustain. (141)
The bank doesn't perform speculative activities and there is no budget pressure (5)		
There is no rip off, the bank can be trusted (4)		
The bank is a socio ethical enterprise and so differs from other banks (10)	Differentiation (22)	
The bank is the best bank, is part of a network of social banks, and is growing (7)		
The banks lives other values than mainstream competitors (5)		
The bank delivers good professional services (10)	Service quality (18)	
The bank offers good products and provides a universal bank-services portfolio (5)		
The bank is customer oriented and it's good for customer's self-image to be customer of the bank (3)		
Number in brackets = number of statements		

b) Employees' rationale for working with a Social Bank

Employees' rationale for working for SoBa splited into three overriding value centric perspectives.

68% of statements cristallised sense making including human job and workplace as dominant reasons for working with SoBa e.g:

"None of my previous employers had such a strong preoccupation with questions of meaning and consequences of their activities" [female, internal function, manager], "SoBa stands for and lives values which I keep up in my private life, here I can be myself" [male, internal function]. "I am working in a social enterprise where co-workers are being treated very well, it makes a lot of fun to be with such a dynamic and growing SoBa and moreover my work is doing good" [male, customer related function]

Thus it was brand values and organisational culture of SoBa that motivated employees most to work for SoBa.

From 26% of the statements a second perspective emerged, which was related to employees' perception that the values SoBa promoted were indeed consistently lived by SoBa, e.g.:

“Positive values are lived here and not just talked about” [female, customer related function]. “The ideals of SoBa do impact throughout the organisation not only in the ads” [female, internal function].

This perspective was implicitly confirming brand orientation and that the brand was holistically lived.

A minority of 6% of statements expressed a performance related perspective. This perspective however emerged less unambiguously, more multidimensional, and far less pronounced than the other two central perspectives. It suggested that SoBa employees were successful without individually having to deliver exaggerated quantitative targets exerted on them e.g.:

“Because I am not charged with targets that I cannot fulfil” [female, customer related function].

Individual performance based on internal competition didn't seem to exist at a level worth mentioning. The statements that lead to the first central perspective supported this interpretation. Pressure to perform didn't seem to be at the same level in SoBas as it might be the case in profit oriented enterprises.

The rationale for employment with a Social Bank was related to values and it was the sensemaking of Social Banks.

The table 6.24. summarises content analysis of all statements including first level categorisation followed by second level aggregation into underlying ideas and concepts, from which three central perspectives were derived.

Table 6.24. Rationale for working for SoBa

Employees' rationale for the sense making of being employed with a SoBa (question E, Inquiry-3a and 3b)		
Content	Underlying ideas	Interpretation of the central perspectives
Bank's values fit with my personal values (34)	Person-Organisation fit (34)	Value fit, feeling that own work is important, and a human centric organisational culture. (132)
My work makes sense (22)	Sense making (32)	
I like to contribute to a change to a "better world" (9)		
It makes me proud to work for this bank (1)		
I can easily identify with the banks targets (11)	Brand Identification (11)	
Co-workers are fairly treated, good work culture (27)	Workplace quality (55)	
It makes fun to work for the bank and it feels good (16)		
The human being is in the centre (includes customer) (8)		
Job safety (4)		
The bank exercises a social ethical approach towards money and it operates in the real economy (17)	Brand values and living the brand (51)	
Transparency, honesty, fairness (14)		
The bank is a social enterprise (14)		
The consistently true and consistently lived ideals of the bank; it's the only alternative for me in the finance sector (6)		
It's a dynamic and growing enterprise (5)	Performance (10)	Success is achieved without high performance HR-strategies. (10)
I am not pressured by overstretched targets (2)		
It's not better and I am working there just by chance (3)		
Number in brackets = number of statements		

6.2.10.4. Summary of results from value centrality assessment of Social Banks and answering research question 3

Three analytical steps of the Project assessed value centrality of SoBas and of their employees and thus contributed to resolve research question 3.

Inquiry-1 found that agents of social banks engaged in a new way of dealing with money shaped by ethics and sustainability. Inquiry-2 revealed employees desire to live their own intrinsic values at work and to help building a better world. Inquiries 3a and 3b then deepened the understanding of value centrality of SoBas and added that a strong believe in higher non-pecuniary brand values and sense making existed amongst employees and that they perceived these brand values as true, consistently implemented and lived. They were further convinced that their banks pursued a holistic socio-ethical-ecological approach that was seen as unique in banking and created sustainable competitive advantage. Profit or remuneration wasn't mentioned once as motives for being with SoBas.

High degree of similarity of results was demonstrated when the themes that emerged from the analysis of the qualitative data were compared. Interpretation of data from all Inquiries revealed a dominance of socio-ethical and ecological values and of values based constructs such as person-organisation fit and brand identification. Brand values were seen to penetrate all organisational activities. This view pointed to brand orientation of Social Banks. From the viewpoint of employees these perspectives drove their willingness to work for SoBa and to live the brand. Employees thought too that value centrality of SoBas created individual job satisfaction, success at work, and meant that value centrality of their banks was the reason for customers for doing business with SoBas.

This summarised how the Project provided empirical evidence that Social Banks *are* value centric. Thus anecdotal evidence that social banks were driven by intrinsic values was confirmed empirically. Research question 3 is therewith considered resolved.

6.2.10.5. Support from qualitative data for the Living the Brand model

The qualitative analysis presented in section 6.2.10.1. served also to explain and to qualitatively support the conceptual model of Living the Brand as depicted in

graph 4.1. From an ‘antecedents – consequences’ perspective the analysis and interpretation of the responses to the open-ended questions unfolded that employees of SoBas needed to have a feeling of acting naturally to be able to properly adopt behavioural standards and thus to live the brand. This personal authenticity was interpreted as being an inherent part of brand identification. Employees didn’t want to be obliged to act in a manner non compliant with their own values and to behave “contre coeur”. Elements of brand orientation like need for information about the brand concept was frequently required for enabling employees to live the brand. Respondents were sensitive regarding how prescriptive normative brand values were formulated. Thus brand orientation, person-organisation fit, and brand identification were often seen as antecedents of living the brand.

The big majority of employees thought living the brand increased performance, either individual performance or corporate performance. On the other hand many didn’t see an effect of living the brand on individual brand performance because in their opinion there was no relationship between the two, or the relationship wasn’t measurable. Only a few statements explicitly meant that living the brand weakened performance and hindered to perform best. Much of this perception seemed rooted in there being too stringent, dictated, and detailed behavioural brand standards.

It was concluded that in essence the proposed conceptual model of Living the Brand (graph 4.1.) was in tendency supported through qualitative data collected through surveys with SoBa1 and SoBa2 (Inquiries 3a and 3b).

6.2.11. Qualitative validation of results of phase II

Interviews to check plausibility of the findings from structural modelling of phase II (section 6.2.) and of the analysis of the open-ended questions (section 6.2.10.) were conducted with experts from SoBa1 and SoBa2. These experts from the case study banks considered the structural model of their bank valid and agreed with the relationships that were estimated through structural equation modelling. There was no doubt that brand aligned employee behaviour had positive effects on performance and for the bank in general. This clearly

coincides with the qualitative data from the surveys (section 6.2.10.) and with literature (chapter 2.). This belief that living the brand affected performance overall positively wasn't distressed by the fact that a negative path was found between LtB Loyalty within the bank, that was defined as one of the three elements of the Project's concept of Living the Brand, and Comparative Individual Brand Performance (CIBP). Interviewees considered this outcome logical in the context of the Project and under the circumstances of their Social Bank. The level of the mean values of the constructs forming part of the conceptual model of Living the Brand appeared to be at a level more or less as expected by the interviewees. Equally plausible were the effects and non-effects of demographic variable category on the mean values. In the following opinions to a few relationships of the structural model are further examined and original quotes are inserted in the report for illustration.

There was agreement about adequacy of the antecedents of Living the Brand that the model has suggested: Brand Orientation, Person-Organisation Fit, and Brand Identification. In the opinion of the experts these constructs did influence the emergence of Living the Brand behaviours. The experts considered the level of brand compliant behaviour of their banks to be high as it was indicated by the means. Nevertheless ambiguous views about fostering employees' adoption of brand values surfaced.

"There are basically two groups of employees. Some try to integrate brand values even in their private life but feel free to shop with mass merchandisers and to use holiday planes, others – the 'hard core brand compliers' – can make a big fuss if for example non-truly-organic snacks and drinks are served at our company reception." And "at a recent corporate 'away day seminar' the issue how far a company can expect their employees to live the company values was debated very controversially, thus I am positively surprised about the study results."

Furthermore all experts saw only positive effects of Living the Brand, although they might be difficult to measure. They admitted that for some of their employees the relationship between adoption of brand compliant behaviour and their work performance might not obviously be seen positive and consequence of Living the Brand could be seen by some employees as a hindrance.

“One of our behavioural brand standards is to take time to explore the customers’ needs thoroughly and to honestly consult him in line with our brand values, this takes time, which some might falsely consider lost time and hence potentially lost business.”

Especially newer front line employees who worked for a conventional bank before are now confronted with a detailed list of negative investment criteria set by the Social Bank. This narrows their portfolio of investment offerings for their customers. Thus employees are cited to sometimes be saying:

“I don’t have the same product range as before and cannot therefore achieve the same I formerly did.”

Another observation brought forward as a reason for potentially less effect of living the brand was that

“High level of person-organisation fit is like having talent, then it’s easy to comply with brand standards because it’s authentic to me, but it isn’t making me any better. So, people who feel too authentic, who live the brand automatically or think they do, don’t develop themselves and living the brand has maybe no effect.”

The validation interviews did explore the fact that the structural models of both banks estimated a negative path from LtB Loyalty to Performance (CIBP) which meant that intention to stay with the Social Bank influenced self assessed Comparative Individual Brand Performance negatively. Although performance is not a sector wide construct and local to each bank, the inverse relationship between the performance construct CIBP and LtB Loyalty didn’t come as a big surprise to the experts and various explanations were given for it:

“People who are with us since long are more experienced but also know what they are not very good at and thus they are modest when comparing themselves with others. People being with us since a short time have normally no intention to leave and have respect for the more experienced. They resist saying to be better even if they think they are.”

It was also explained that the negative relationship between loyalty and performance might have had to do with some very loyal people’s addiction to remain in their comfort zone, with people who have become a bit complacent and while still performing well have maybe reduced their ambitions especially

“if we talk about those employees who feel too comfortable here and say ‘well I work, get monthly salary, it’s a safe job’.” Hence if “loyalty increases comfort and isn’t challenged then performance declines.” “Very loyal people, who highly identify with the brand, who built strong customer relationships, and who have developed their own work practices might lose broader perspective and in effect become somehow unfree. They can hardly imagine working for another bank and have perhaps stopped challenging job and employer. I can imagine that for people in such positions loyalty can maybe influence individual performance negatively as there is maybe less drive for renovation.”

Furthermore it was elaborated that ideological, spiritual or missionary reasons can make collaborators of Social Banks very loyal but don’t necessarily always foster job performance e.g.:

“For some ‘fundamentalists’ maintaining our values must always come first. If such a value is for example employee participation and democratic processes then they tend to keep holding their ‘political’ meetings even at times of great workload and customer pressure because from their perspective and consistently with their values prioritisation such meeting is equally important as serving customers instantly. Those colleagues are loyal to the ideology and want to stay with us on the other hand their behaviour can sometimes and short term affect work performance negatively.”

Lack of rewards and limited career opportunities were mentioned to influence the relationship between loyalty and performance e.g.:

“The bank is currently faced with many challenges e.g. low margins, many new customers bring a huge inflow of money, and the need to increase equity due to new regulations. Most employees are delivering a lot of extra work, some employees work long hours to fulfil the work demands. Some feel that psychological and financial compensation is not adequate to their efforts. Those might have developed a higher intention to leave but at the same time assess their performance higher than others.” Similarly “people with career ambitions are often quite self confident and assess their performance highly but they recognise that there are less opportunities to progress hierarchically in our flat organisation, hence their intention to stay can reduce.”

Requiring excessive individual work performance or stimulating performance of employees financially didn’t seem to be part of the organisational culture of a Social Bank. Social Banks neither instigated internal competition between individuals nor had they implemented high performance human resources management strategies. Therefore individual performance in comparison with

others, as it was measured in the structural model, was probably prudently self-assessed by the respondents. This was also substantiated by the relatively low mean value of performance (CIBP).

“What this means is that people say they perform well but at the same time they admit that others do a good job as well and so demonstrate respect for their peers. I like that.”
 “We don’t want to launch senseless internal competition. I experience enough individual willingness to perform above average. A few employees who came to us from big conventional banks felt depressed about the ‘bonus culture’ and performance systems there and tell me: ‘Although I am working long hours and much harder than before, it feels good, I do more better and I am more successful without having the target pressures I had before!’”.

Interpretation

The experts from the case study Social Banks who validated the results of phase II of the Project in principle confirmed the structural models for their banks. They also appreciated the mean value of the constructs to the models as a fair reflection of the situation in their banks. The interviews helped to explain the negative relationship between employees’ intention to stay with the Social Bank (LtB Loyalty) and their Comparative Individual Brand Performance (CIBP). Literature and the conceptual model of Living the Brand suggested a positive relationship between loyalty and performance. The outcome of a negative relationship in the structural models seemed plausible in the context of the Social Banks of the case study and due to the measurement theory adopted for the Project.

In summary the interviews with Social Banks experts surfaced four explanatory perspectives for this negative path:

- i. Modesty of employees when self assessing individual comparative performance
- ii. Feeling of being in a comfort zone
- iii. Ideology
- iv. Potential dissatisfaction with the mental and pecuniary rewards for work efforts.

Despite this negative influence of one component of Living the Brand the experts unanimously suggested that brand compliant behaviour of employees affected

Social Banks overall positively but they admitted that the impact of living the brand is difficult to measure in the context of a Social Bank.

6.2.12. Answering research question 1

Various parts of the Project contributed to answering research question 1 about how Living the Brand emerges and how it impacts on performance. The explorative phase I supported that preconditions for the development of living the brand were organisation's focus on brand values and brand orientation as a corporate strategy. Value based concepts such as person-organisation fit and brand identification were found to be feasible antecedents for the emergence of living the brand. Overwhelming part of information saw an impact of living the brand behaviour on performance. Testing of structural models of Living the Brand in phase II with data from the case study banks confirmed that Brand Orientation Intelligence, Person-Organisation Fit, and Brand Identification influenced one or more components of Living the Brand, that were LtB Loyalty, LtB Compliance, and LtB Advocacy. Two of these components – LtB Loyalty and LtB Compliance – affected Comparative Individual Brand Performance.

Depth interviews with leaders from the case study banks validated these findings and generally confirmed that living the brand had positive effects on performance although difficulty measuring this relationship was admitted.

Thus the answer to research question 1 is: In highly value driven private social business organisations such as social banks Living the Brand behaviour of employees emerges through elements of brand orientation of the organisation such as Brand Orientation Intelligence (BOI), fit between personal values of employees with brand values of the organisation (POF), and through identification of employees with the brand values (BI). One component of Living the Brand – intention to stay with the enterprise (LtB Loyalty) influenced Comparative Individual Brand Performance (CIBP) negatively whereas another component of Living the Brand – LtB Compliance – influenced performance (CIBP) positively.

The next chapters will summarise and discuss the findings of the Project and elaborate implications for marketing science and for management practice.

7. Final conclusions and implications

This chapter of the thesis concludes the Project report. In chapter 6. much of the discussion, conclusions and interpretation of specific results have already been done. Thus in the following the background to the Project and the findings are summarised briefly. The contributions from every research question are reviewed, the new model of Living the Brand is presented, and the limitations of the Project are explained. A major part of the chapter discusses the consequences and implications of the Project for marketing science and marketing practice. The latter offers a few recommendations for brand management in social enterprises. Then a number of suggestions for future research are made. Closing thoughts mark the end of the Project.

7.1. Background and findings

How living the brand behaviour of employees emerges in value driven social enterprises and how such behaviour affects individual performance? This has been the main question that has guided this research Project. It has been considered relevant for the following reasons:

- a) The capability of employees to integrate brand values in their daily work and to behaviourally express and enhance brand equity through their interactions with internal and external stakeholders has the potential to become a sustainable competitive advantage of an organisation and is thus a valuable resource worth investigating.
- b) The examination of earlier research has revealed that living the brand, as phenomenon of behavioural marketing is not definitely conceptualised yet. Living the Brand has never been linked to Comparative Individual Brand Performance in quantitative research before.
- c) Social enterprises in particular social banks are yet a gap in scholarly marketing research and they haven't been subjected to behavioural branding research before.

d) The recent global financial turmoil, discussions about alternative economic approaches and the fact that the year 2012 has been recognised as the Year of Co-operatives by the United Nations has shown that the Project has indeed been contemporary. Notionally social banks are co-operatives and many have chosen the co-operative as their legal entity.

For situating the Project in the social enterprise sector it has been necessary to decide about adequate units of analysis. After having identified that social banks are very similar to social enterprises (chapter 3.) two social banks have been selected for case study research (chapter 5.).

However, the review of literature (chapter 2.) has shown that the idea of living the brand is multifaceted and so is its conceptualization and terminology. Brand behaviour has been researched within the broad framework of internal marketing and has been linked to tactical antecedents (Punjaisri et al., 2009b), norms and artefacts (Baumgarth, 2010), brand determinants (Burmman et al., 2009), or leadership and leadership styles (Morhart et al., 2009; Vallaster & de Chernatony, 2005).

The Project has proposed a distinct model of Living the Brand that has conceptualised Living the Brand including three components – LtB Loyalty, LtB Compliance, LtB Advocacy – that have affected Comparative Individual Brand Performance (CIBP) and that have been modelled as dependent variables of Brand Orientation Intelligence (BOI), Person-Organisation Fit (POF), and Brand Identification (BI). This focus model (graph 6.1.) has been estimated with the data from the case study banks SoBa1 and SoBa2.

It has however not been possible to fully replicate the focus model with the data collected from the case study banks. A final structural model for each bank has therefore been estimated and has been evaluated as follows:

- a) Final model SoBa1: 7 of 10 hypotheses have been confirmed.
- b) Final model SoBa2: 5 of 9 hypotheses have been confirmed.
- c) 7 hypotheses have been the same in both models 4 of which have been confirmed in both models (one hypothesis H9 conditional).

Although the focus model (graph 6.1.) has not been confirmed in its entirety. The Project has provided empirical support that Living the Brand is partly explained by Brand Orientation Intelligence, Person-Organisation Fit, and Brand Identification and that Living the Brand affects Comparative Individual Brand Performance (CIBP).

The negative relationship between LtB Loyalty and individual performance (CIBP) that has been found in the final model SoBa1 (chapter 6.) has been contradictory to literature (chapter 2.) that has assumed that loyalty to the employer increases performance. An exception was Valentine et al. (2010) who found a weak and non-significant relationship between intention to stay and ethical job performance ($r = .18, p < .10$) and Punjaisri et al. (2009b) found only a weak path between intention to stay and performance ($\beta = .11, p < .05$). These findings have provided marginal support to the finding of the Project. Further support has come from Social Banks experts' who have considered this negative relationship contextually plausible (chapter 6.) but they have argued for an overall positive relationship between employee loyalty and performance in general.

Of the seven constructs of the Living the Brand model it has only been LtB Loyalty that has had an expressiveness (measured by the mean value) that has been different in the two banks.

Qualitative data analysis has supported, in general, that brand orientation, person-organisation fit and brand identification have instigated living the brand behaviour of social bank employees. Respondents have also confirmed that they have felt authentic by living the brand and that living the brand has influenced performance positively. Qualitative data has also revealed that social banks and their employees have been driven by other than monetary values.

7.2. Contributions

7.2.1. Contributions from research question 1

By answering research question 1 this Project has contributed a new model of Living the Brand (LtB) (graph 7.1.). In this model Living the Brand is multidimensional including the constructs: LtB Loyalty as the time/durability dimension, LtB Compliance as the normative dimension, and LtB Advocacy as the promotion dimension (these have been discussed in section 4.2.2.).

The Project has provided evidence that one or more of these components have been influenced by one or more of the following exogenous constructs of the model: Brand Orientation Intelligence (BOI), Person-Organisation Fit (POF), and Brand Identification (BI). It has been supported that Brand Orientation Intelligence (BOI) and value based concepts (POF and BI) have let emerge Living the Brand behaviour. In other words Brand Orientation Intelligence, Person-Organisation Fit, and Brand Identification have motivated employees to live the brand. These antecedent constructs have explained an important share of the variation in the Living the Brand components: Up to 45% of LtB Advocacy, up to 35% of LtB Compliance, and up to 30% of LtB Loyalty.

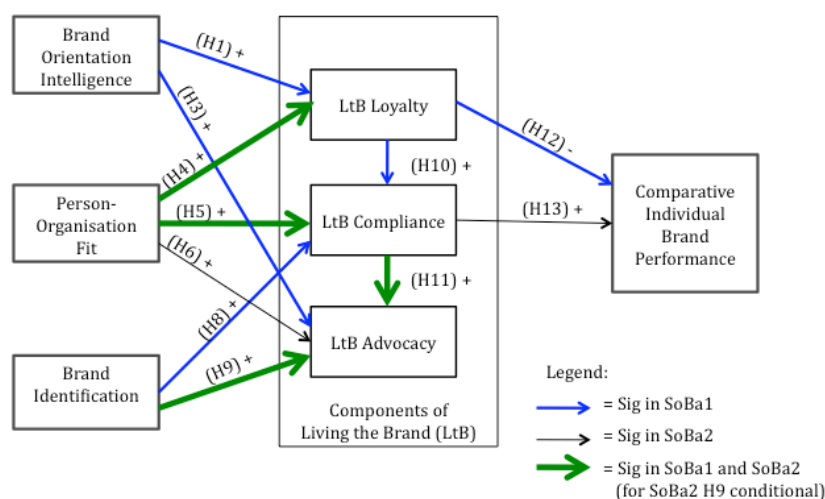
Overall Person-Organisation Fit and Brand Identification have had the strongest and Brand Orientation Intelligence has had less strong positive influence on Living the Brand components. Positive effect of LtB Loyalty on LtB Compliance and of that one on LtB Advocacy has also been demonstrated. The predictive power of the model for Comparative Individual Brand Performance (CIBP) has been 10%. In the final model, SoBa1, the affect on performance (CIBP) has been the negative relationship with LtB Loyalty. In the final model of SoBa2 a positive effect on performance (CIBP) has come from LtB Compliance.

Positive influence of living the brand on performance in general has been strongly supported qualitatively through the analysis of employee statements and through the validation interviews with experts (chapter 6.) as well as by the explorative phase I (chapter 6.).

How Living the Brand has emerged and how it has impacted is shown in graph 7.1. The graph depicts all significant paths of the final model of SoBa1 and of SoBa2 in one combined model. The H9 path is conditional on the acceptance of 90% probability in the case of SoBa2. The graph summarises what has been explained above and demonstrates how the conceptual model (graph 4.1.) has developed as a result of the Project to the new model of Living the Brand (graph 7.1.).

The new model of Living the Brand includes all paths illustrated in graph 7.1.

Graph 7.1. Path structure of the new model of Living the Brand



It has been concluded that the new model of Living the Brand (graph 7.1.) is appropriate for social banks and also valid for highly value driven private social enterprises that adhere to a triple bottom line philosophy. In the light of what has been discussed it's thus cautiously proposed to generalise the model (graph 7.1.) to social banks, to some other types of banks (such as e.g. co-operative banks, saving banks, and local banks) and to social enterprises. At least it can be considered a starting point for further structural estimations with data from industries other than social banks.

7.2.2. Contributions from research question 2

By answering research question 2 the Project has contributed knowledge that living the brand has been perceived as authentic and that employees have felt authentic when complying with brand standards. Reasons have been high fit between individual values and brand values as well as identification with the brand. Respondents have often said that living the brand is very natural to them and comes naturally. These have been important information as fostering living the brand without preparedness of the employees to participate had the potential to be counterproductive. It has become evident that there is a limit to prescribing and demanding brand standard compliant behaviour. Some employees have perceived norms embarrassing. They have felt hindered in their efficiency and effectiveness if very detailed behavioural instructions have been given and many behavioural brand rules have had to be respected. This has seemed to be dependent on the individual. However there is probably a fine balance between too few guidelines and too many rules. That needs to be considered by management for living the brand to be most effective.

It has been concluded that employees have welcomed behavioural brand standards and have easily adopted living the brand behaviours as long as they have felt authentic in living the brand.

7.2.3. Contributions from research question 3

By answering research question 3 the Project has contributed first time empirical evidence that social banks are value centric and that their employees are driven by values. Several situations have been identified that have supported the assumption that values are the guiding principles of social banks, such situations have been:

- a) Organisational culture based on human values and responsibility towards human beings and nature.
- b) Triple bottom line consideration at the heart of all activities. Focus on sustainability to the benefit of all stakeholders and not on maximising monetary shareholder value.

c) High fit between personal values of the employees and the brand values.

d) Brand values that are perceived true, consistently implemented and lived.

Brand ambassadors and other supporters of social banks have always proclaimed the value focus of social banks and the many ethical awards that social banks have received have underlined this viewpoint.

It has been concluded that the Project results supported the view that social banks and their employees are driven by intrinsic values.

7.2.4. Further contributions

The Project has elaborated that social banks are positioned at the intersection between the private sector economy and the social economy. It has been analysed that social banks have much in common with social enterprises and depending on their self interpretation they might consider themselves as a social enterprise.

The Project has descriptively examined characteristics of social banks and how they differ from conventional banks. It has thus compiled information for the better understanding of this alternative and innovative way of banking and financing based on values.

7.3. Limitations

Case studies don't pretend to deliver generalisable results and the Project has not been designed to produce findings that would be valid for the service industry or the finance sector as a whole (chapter 4.).

The size of the quantitative survey samples has not allowed multigroup analysis to test moderation of respondent characteristics such as gender or leadership. It hasn't been possible to recruit bigger sample sizes, as there has been no social bank available, which have had big enough numbers of employees to produce adequate sample sizes per group. According to Hair et al. (2010, p.661) under ideal circumstances such as low model complexity, good representation of the population, little missing data SEM can produce stable results with small sample

sizes of 50 cases. With regard to these criteria the samples of the Project have had ideal characteristics for single group analysis (chapter 5.).

There have been issues with two measurement scales. First as has been explained (chapter 5.) it hasn't been possible to establish acceptable psychometric properties for all three components of the scale Ewing and Napoli (2005) proposed to measure brand orientation of non-profit organisations. The Project has therefore had to reduce the scale to a factor that the Project has called Brand Orientation Intelligence. The second issue might have been a general problem of self assessed non-metric performance measurements. Perceived performance effects don't necessarily mean that there are indeed real effects e.g. quantified variance in number of customers, proceeds, or income. The self-assessment approach of perceived performance is however not unusual in marketing research especially as it's often impossible to get access to quantitative individual performance data when conducting research with private enterprises. Because there is often no such data available or the data is withheld by the company due to confidentiality or competition reasons. It has been beyond the scope of the Project to investigate how self-assessed performance correlates with real performance.

CFA has reduced the brand performance scale to the three items that have measured Comparative Individual Brand Performance (CIBP) (chapter 5.). CIBP has culturally been a very hard measure for employees of Social Banks. As the qualitative data analysis has revealed internal competition and thus self-ranking against colleagues is in general neither part of the management style of Social Banks nor part of the individual value set of their employees. This observation has been supported by the fact that this part of the questionnaire has produced most non-responses and by the relatively low mean value of performance (CIBP, $M = 3.3$) that – compared to the much higher means of other constructs – could have been a sign of respondents' modesty in assessing their own performance. The relationships between Living the Brand components and Performance (CIBP) could therefore have been biased.

It could be argued that for assessing Living the Brand a second order measurement should have been designed. This has not been done because theory of living the brand is yet underdeveloped. Higher order measurement theory is conceptually more complicated and “a construct can become so abstract that it is difficult to adequately describe its meaning” (Hair et al. 2010, p.757). To seek higher abstraction before the phenomenon living the brand is better understood, described and before more concise theory is formulated has been considered inappropriate. Further this Project has viewed Living the Brand rather as a formative concept i.e. appropriate components such as LtB Loyalty, LtB Compliance, and LtB Advocacy account for Living the Brand. A drawback of second order measurement was mentioned by Hair et al. (2010, p.757); it is the inability to test for a relationship between first-order factors that are indicators of and caused by the second-order factor, and other constructs. The Project however has proposed and has tested a model of Living the Brand in which the Living the Brand components have been linked by causal paths.

7.4. Implications

7.4.1. Implications for the science of marketing

The consequences of the results of the Project for the science of marketing and for internal branding are summarised below:

- A)** A new model of Living the Brand has been conceptualised and has successfully been estimated (graph 7.1.). It’s validity has been shown in the realm of social banking. As a consequence more testing in other settings is required to establish more general validity of the model.
- B)** As a consequence of scientific relevance of the estimations of the relationships in the new model of Living the Brand the following links suggested by literature have been empirically re-validated through replication and new links have been validated. These paths are depicted below:

1. Paths a) to d) have already been supported by literature. The Project has re-validated them in the context of Social Banks.

- a) Person-Organisation Fit → Loyalty (remaining with current employer)
- b) Person-Organisation Fit → Advocacy (positive word of mouth)
- c) Identification → Compliance (with brand standards)
- d) Identification → Advocacy

The implication is that the potential general validity of these paths has become more certain.

2. Paths d) to k) have been validated by the Project for the first time.

- d) Brand Orientation Intelligence → LtB Loyalty
- e) Brand Orientation Intelligence → LtB Advocacy
- f) Person-Organisation Fit → LtB Compliance
- g) LtB Loyalty → LtB Compliance
- h) LtB Compliance → LtB Advocacy
- i) LtB Compliance → Comparative Individual Brand Performance
- k) Negative path: LtB Loyalty → Comparative Individual Performance

The implication is that new knowledge about the relationships between these constructs has been created.

C) Two scales that were recently developed for research in the for-profit sector and, due to their short existence, were probably not yet tested frequently beyond the specific sample (and certainly not in the social banking sector) achieved ideal psychometric properties with the data of the Project. It's thus prudently suggested that they are generally valid with data from the social economy sector.

The scales are:

- i. Morhart's "In-Role Brand-Building Behavior" 3-item scale (Morhart, 2008; Morhart et al., 2009) for measuring Living the Brand Compliance (LtB Compliance)
- ii. Wieseke et al's "Employee Performance" 3-item scale (Wieseke et al., 2009) for measuring Comparative Individual Brand Performance (CIBP). The focus is on performance compared to

other employees. This is a concept that is potentially not always adequate and dependent on organisational culture of the unit researched as the discussion in section 6.2. revealed. This observation doesn't however devalue the validity of the scale per se.

D) The Project has also contributed by testing the Not-for profit Brand Orientation Scale (NBOS) that was developed by Ewing and Napoli (2005). It has been concluded that many of its items didn't fit with the data of the Project and thus the implication is that possibly NBOS cannot be considered a generally valid measurement of brand orientation of enterprises of the social economy sector.

E) The results of the Project and some of its limitations as described in section 7.3. have created a need for more research in the realm of living the brand and brand orientation. The concepts can be enriched, sharper described, and validated further to make them even more suitable for practical application in a wide range of different industries. It has also appeared that extra research related to social banks would benefit alternative approaches of banking and financing. Suggestions for future research are discussed in section 7.5.

7.4.2. Implications for management

7.4.2.1. Living the Brand must be cultivated

It's generally beneficial for the enterprise if the brand is lived by all corporate agents in all their interactions with internal and external stakeholders. Living the Brand potentially increases individual performance of those employees that exhibit Living the Brand. Although this relationship hasn't been statistically unambiguous it has been supported by qualitative data. If a social enterprise wants to foster Living the Brand it should adopt brand orientation as a corporate management philosophy and make sure that knowledge about the own brand and branding is internally disseminated to all brand touch points, quickly, continuously, and accurately. This includes establishing and making understood behavioural brand standards. Recruiting people with high Person-Organisation Fit and making it easy for all employees to identify with the brand support that Living the Brand emerges. These conditions create intention to stay with the

enterprise, inspire employees to behave in line with brand standards and motivate employees to grasp opportunities to speak voluntarily and favourably about that brand.

Such situations should be most welcomed by management. Because service customers are strongly influenced by word-of-mouth communication and they “tend to infer positive qualities for the firm and its employees if they have a good experience with one service employee” (Wilson et al., 2012, p.40,41). It’s thus important that management focuses on developing LtB Compliance as this positively affects brand, customers, and LtB Advocacy. The latter was demonstrated in both case study banks. LtB Compliance is a central component of Living the Brand that impacts on LtB Advocacy and on performance (CIBP). It deserves management attention for several reasons: Brand standards should not require behaviours that are beyond the boundaries within which employees still feel authentic.

The exogenous variables to LtB Compliance could only explain part of its variation. It’s therefore necessary to actively manage LtB Compliance. This should include mentoring employees that they properly understand brand standards, that they learn to apply them authentically to their own personality. Employees should be capable and should be empowered to translate the brand values into individual behaviour in their interactions with stakeholders. As “no two customers are precisely alike” and “no two services are precisely alike” because they are produced by different people who might perform differently (Wilson et al., 2012, p.16) it’s justified that brand values are behaviourally demonstrated with some heterogeneity.

LtB Compliance has achieved a very high mean value in both banks ($M=4.2$) that has shown that the brand standards have been described at a normative level that has been well acceptable for employees. Brand compliant behaviour should thus be individually tuned in the sense of what works best for the stakeholder and what is authentic for the employee but, most importantly, employees’ brand behaviour must always remain true to the original brand values. Therefore LtB Compliance management should also include auditing how brand standards are

implemented and performed by employees to highlight gaps to brand values, to learn and to share brand related experiences, and to sanction if brand values are violated or behavioural brand sabotage (Wallace & de Chernatony, 2008, 2009) is detected. LtB Compliance audit can e.g. be performed by mystery shoppers or by role plays. In any case LtB Compliance should always be part of formal employee performance assessments. As the Project has shown dilution of brand identity because of intake of big numbers of new employees was of some concern to social banks thus helping employees to live the brand and auditing it is a steer against blurring of corporate brand identity too.

An enterprise with high level of Living the Brand and with the capability to maintain it durably disposes of a sustainable competitive advantage that – according to the resource based view – positively affects corporate success. The proposed new model of Living the Brand (graph 7.1.) contains the levers management can use to support emergence of Living the Brand behaviour.

7.4.2.2. Management, leaders and employees with long tenure are important for brand building

As the literature has shown to sustainably establish living the brand it's advisable that management takes ownership of the brand building process and that expertise of HR and marketing are pulled together and co-ordinated (e.g. Brexendorf & Kernstock, 2007; Hatch & Schultz, 2008; Morhart et al, 2009; Morhart, 2008; Balmer & Gray, 2003; Henkel et al., 2007, Vallaster & de Chernatony, 2005) to foster living the brand of all (Punjaisri & Wilson, 2007) corporate agents. Leaders should always be living the brand role models and transformational leadership is stronger for inducing living the brand than transactional leadership (Morhart et al., 2009).

Research has also concluded that it wasn't enough to deliver behavioural brand instructions or to financially benefit employees for brand aligned behaviour; counselling employees, providing of brand related information that help to identify with the brand values, brand information that are relevant for feeling responsible, and empowerment for the job were found to be factors to support living the brand (e.g. Boyd & Sutherland, 2005; King & Grace, 2008).

If management should want to improve brand orientation of the company it should tend to listen to employees with longer tenure first. They seem to be more critical and potentially more realistic about their employer's brand orientation capability than other employees. Employees with longer tenure have e.g. assessed Brand Orientation Intelligence significantly lower than others (SoBa1).

Employees in management positions and those with man management duties have had a significantly higher fit between personal and corporate values (SoBa1) and a higher Brand Identification (SoBa2). Value fit and Identification have influenced Living the Brand positively. Thus it can be argued that leaders are predestined to demonstrate Living the Brand. If they are role models for their followers that will imitate their leaders behaviours and thus chances that brand values are lived might increase. This is an encouraging situation for the emergence of Living the Brand. Employees with customer relationships have had higher LtB Loyalty and higher LtB Compliance than other employees (SoBa2). This situation is positive for creating brand equity.

Several times during the Project dissatisfaction with marketing terminology and marketing language and doubts about appropriateness of its use in the realm of social enterprises has been surfaced. Marketing is and should be adopted more and more by social enterprises. If marketing terminology should indeed hinder marketing effectiveness in social enterprises a more appropriate terminology could be considered. Corporate language and nomenclature could accommodate for this. This is an issue that management could consider in internal communications.

7.4.2.3. Fit of values is a strong handle to secure Living the Brand

The most effective lever to foster Living the Brand has been Person-Organisation Fit (POF). It has strongly influenced ($\beta > .30$ and highly *sig.*) all three components of Living the Brand. Thus HRM policies that favour recruits with high Person-Organisation Fit is an effective mean to support emergence of Living the Brand. As a consequence management and recruiters should commit to evaluate POF of job candidates at least for customer facing jobs or such jobs that have a lot of

external stakeholder interactions. The same recommendation holds for the appointment of employees to leadership positions as they should ideally be Living the Brand role models.

7.4.2.4. Monitoring employee loyalty and performance

It has been explained (chapter 6.) that the negative link between LtB Loyalty and Comparative Individual Brand Performance (CIBP) has been due to either modesty in assessing own performance or feeling comfortable or ideology or frustration or combination of these possibilities. Whatever the reasons might have been management should look into this relationship. Any behaviour that decreases performance should be remedied. LtB Loyalty has influenced LtB Compliance positively and thus has the potential to strengthen Living the Brand. Having employees with high loyalty is generally an advantage. From the perspective of the resource based view loyal employees have acquired capabilities worth maintaining. On the one hand management should therefore foster LtB Loyalty irrespective if it increases Individual Comparative Brand Performance or not. On the other hand issues of employees' individual flexibility and of lowering of their own aspirations that potentially developed over time need to be addressed as well.

Employees of Social Banks have had a high intention to stay ($M = 4.16$, SoBa1; $M = 3.45$, SoBa2). Qualitative data of the Project has revealed that there has been satisfaction with employer and job. As explained above this is generally a positive sign. It could however also imply an expression of some employees of a feeling of being in a "comfort zone". Further, inclusiveness, participation and democratic governance are well implemented in social banks and are liked by employees. Although the Project hasn't been conclusive in this respect it could be that such circumstances can contribute to a performance issue. On the one hand democratic governance and "comfort zone" situations are generally not considered to be efficiency boosters on the other hand loyal employees that are satisfied with the job and have a feeling of adequate job security are often less demanding with regard to financial remuneration and due to their experience can potentially be more productive than others.

The question remains how potential inefficiencies caused by the above mentioned situations and their related cost are balanced with higher individual productivity of the highly motivated and loyal employees who fully identify with the brand values and who live the brand. Fostering an inspirational organisational culture including a certain degree of challenge and drive for innovation can help to manage “comfort zone” situations.

The culture – performance – cost relationship becomes more important in times when margins are low and competition increases. Growing markets attract new competitors and they become a threat when market saturation is close. Hence, building strong brands and high level of living the brand is highly appropriate for defending market position when times should become harsher. It’s therefore recommended to adhere to brand orientation and Living the Brand. Brand orientation alone is however not enough to continuously grow, to achieve a big scale breakthrough of social banks and banking on values and to sustain it long term.

7.4.2.5. Measuring Living the Brand periodically

The measurements that have been used for the Projected can be used internally by social banks and other social enterprises to track Living the Brand. If a company wants to build Living the Brand it should control from time to time how Living the Brand is developing over time in order to take corrective measures where necessary. But beyond that the seven constructs included in the model are fundamental for gathering internal behavioural marketing intelligence.

The brand orientation measure informs about the level of the implementation of brand focused corporate strategy. If management wants to be brand oriented and has implemented appropriate strategies it’s important to know how far this is perceived by their employees. If brand orientation is not persistently managed Living the Brand will hardly sustain.

To measure Person-Organisation Fit (POF) regularly informs about how far recruiting is taking values fit into consideration. As has been shown managing POF is one of the bridges to align HRM- with marketing strategies. Brand Identification is a sign of satisfaction and commitment, stimulates Living the

Brand and according to literature impacts on performance. The instrument used by the Project is an easy tool to self assess brand identification.

To assess the components of Living the Brand can provide valuable steer for HR- and marketing management. Level of employee loyalty (LtB Loyalty) can highlight e.g. cultural and leadership issues. LtB Compliance can e.g. indicate if brand standards are understood and appreciated. Level of LtB Advocacy indicates if the company uses enough this very effective and efficient brand promotion opportunity or not.

7.5. Suggestions for future research

This Project has contributed through the testing of a new concept of Living the Brand and thus has added to the debate about behavioural aspects of brand orientation from the perspective of employees of Social Banks. Basically two streams of future research in the realm of living the brand should be envisaged. Research from the perspective of internal stakeholders as has been the focus of the Project and research from the perspective of external stakeholders such as customers and suppliers. The proposed focus structural model (graph 6.1.) and the new model of Living the Brand (graph 7.1.) should be further tested with bigger samples in the social economy as well as in the for-profit economy. The relationships between the Living the Brand components and performance need to be explored further.

Living the Brand could be linked to individual performance or any other performance value worth investigating. These could e.g. be brand equity, financial- and market key performance indicators, employee productivity, but also supply chain cost reductions or affect of Living the Brand on customer price elasticity. More work is required to further test and improve the available brand orientation scales. Connected with this proposition is the need to possibly sharper conceptualise brand orientation as a corporate high level management philosophy in which the corporate brand is central. It seems that the current understanding of brand orientation has sometimes been an amalgamation of marketing practices or a mix of brand related tactical approaches. It's here

proposed that brand orientation and living the brand should be defined as clearly distinct concepts. Although they are related their boundaries shouldn't blur. Notionally brand orientation is strategic while living the brand is rather tactical and it is behavioural but both aim to develop sustainable competitive advantages.

Longitudinal studies could be conducted to assess the effects on Living the Brand of internal interventions such as potentially brand affecting organisational transformation e.g. mergers and acquisitions, brand re-positioning, or brand licensing. Action research could help to understand challenges of creating a Living the Brand culture either in the for-profit or in the social economy.

An important research gap related to social enterprises and for social banks specifically is beyond Living the Brand. It is the problem of how to measure socio-ecological impact of an engagement or of a financial investment. It's the question of the investor and the depositor to know how good his/her money did from the perspectives of all three pillars of the triple bottom line: Socially, ecologically, and economically. It's basically the question: How much social rent does/did my Great Britain Pound generate? Capability to answer this question would benefit marketing of social enterprises such as social banks. It would give doing business with social banks even more sense and make it even more exciting. It's thus assumed that it would also stimulate Living the Brand. Most likely LtB Loyalty as sensemaking of staying and thus continuing doing good would become more tangible. But probably also LtB Advocacy as there would be more tangible facts that could be communicated.

Taking an even wider view on potential research for benefitting social banks and the social economy is raising the question: How could social banks grow the social economy? Why is this recommendation made here? As has been shown social banks have much in common with private social enterprises. They share same values and have a similar mission that is in essence: Contributing to improving quality of live for all human beings and to using resources sustainably. Due to ongoing and much welcomed increase of cash from savers social banks need temporarily to deposit big amounts on the money markets. On the one hand

this increases liquidity which is increasing flexibility and also good from a risk perspective on the other hand these amounts don't serve the purpose of developing sustainable investments. Questions arise: Is there a lack of investment opportunities that meet the stringent ethical investment criteria or are immediate investment possibilities too risky? How could social banks for example offer marketing - , production - , and administrative services to social enterprises to accelerate growth of the social economy? How could social banks e.g. motivate farmers to change to organic farming, etc.? How could social banks thus create demand for growth financing and so extend their own investment market? Conceptual research into such questions might be highly rewarding for the researchers, social banks, and for society.

7.6. Closing remarks

The analyses of qualitative and quantitative data collected from the two case studies have produced similar findings. Furthermore the outcome of explorative phase I has been akin to the results of phase II research. Thus the results of all research that has been conducted by the Project have in tendency pointed to the same conclusions.

Until further research proves something different it's therefore suggested that the findings of the Project are considered valid in tendency for value-focused private social enterprises that adhere to a triple bottom line business philosophy. To mention a few examples of enterprise types that could potentially fall within these specifications: Charities, charitable trusts, not-for-profit microcredit institutes, not-for-profit organic food producers, co-operatives, other self-help organisations, and certainly social banks.

An argument against demanding that employees live the organisation's brand values could be that it could be perceived as oppressive encroachment upon the personality and freedom of an individual. This could be the case if brand aligned behaviour would be required or expected by the employer including private activities and private decision making of the employee and if non-compliance with such expectations would result in unequal treatment of employees like

lower base salary, career barriers, loss of job, or other discrimination. Unless such expectations would have been mutually, and with free self-determination of the employee, agreed beforehand and as far as legally acceptable. The Project has revealed that employees have considered Living the Brand as authentic with their personality and as helpful. It's therefore argued that as long as Living the Brand is conceptualized and instigated by the variables as suggested in the new model of Living the Brand (graph 7.1.) and as long as brand standards are not formulated in a way too restrictive for employees, Living the Brand could hardly be considered an encroachment into the personality of the employee.

The Project has not suggested that social banks had claimed having a "monopoly" of ethical, sustainable or ecological banking and financing. There is a lot of socio-ecological engagement of conventional banks. The Project has just highlighted how Living the Brand emerges in the context of an alternative model of banking that has human and socio-ecological considerations and values at its heart.

A success of the Project would be if it would stimulate further marketing research and further application of marketing strategy in the social economy. Marketing has since long proven its effectiveness and efficiency. It has thus the potential to expedite breakthrough of social enterprises and their influence on economy and business practices. When Hastings (2008) promoted marketing for social enterprises he metaphorically and ironically asked "why should the devil have all the best tunes?". Although the demonical vocabulary doesn't do justice to many for profit enterprises the notion of the statement is appropriate. Namely to evaluate strategies that brought and still bring successes to the profit oriented sector for it's application in the social economy. When for example marketing can get people to entrust money to a more or less anonymous institution such as a big global bank why should marketing strategies not have the power to bring savers and investors to see that their money is used for sustainable development and thus that there is an exchange of values instead of focussing on interest rate and capital growth. Thus marketing can create 'mental returns' for investors in the social economy. Rasmussen (2012, p.137) recognised the importance of marketing due to increasing competition in the social economy sector and proposed to social enterprises "to initiate a customer/market orientation and to

establish a brand image to differentiate themselves from their competition”; social enterprises are hybrids between purely commercial and social organisations that makes them peculiar and thus they should focus on “acquiring and retaining customers as well as donors of time and money”. A specific call for marketing for social banks lies for example in the existence of the huge untapped potential of conventional bank customers willing to change their financial services providers but are unaware of the services and values of social banks as the study by Battenfeld et al. (2012) has revealed (section 3.1.).

Ban Ki-moon (2012), the Secretary-General of the United Nations acknowledged importance of social enterprises when he said "cooperatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility". The Project has endorsed this statement from the perspective of social banking.

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Appendix 1

List of associations and member banks

Heinz Brodbeck, 2010

Associations of social banks and their member institutions

Name of financial Institution (in alphabetical order)	Domicile, Country of Domicile	GABV	FEBEA	INAISE	ISB	Others
Alternative Bank, ABS, AG	Olten, Switzerland	X	X		X	
APS Bank	Floriana, Malta		X			
ASN Bank	Den Haag, The Netherlands			X		
Banca Popolare Etica	Padova, Italy	X		X	X	
Banex Banco del Exito	Managua, Nicaragua	X				
Bank Sozialwirtschaft AG	Köln, Germany		X			
BBK Solidarioa	Bilbao, Spain		X			
Brac Bank	Dhaka, Bangladesh	X				
Buro	Dhaka, Bangladesh			X		
Café Peru La Florida	Lima, Peru			X		
Caisse d'Economie solidaire Desjardins	Québec, Canada			X		
Caisse Solidaire du Nord-Pas-de-Calais	Roubaix, France		X			
Caixa Pollenca	Pollenca, Balearic Isl. Spain		X			
Cassa Centrale De Cassa Rurale	Trento, Italy		X			
CFI Compagnia Finanziaria Industriale	Roma, Italy			X		
Charity Bank	Kent, United Kingdom		X	X	X	
Citizen Bank	Tokyo, Japan			X		
Clann Credo The Social Investment Fund	Dublin, Ireland			X		
Community Sector Banking	Corrimal, Australia			X		
Coopec-Kalunda (active in Democratic Republic Congo)	Kigoma, Tanzania			X		
Coopfond	Roma, Italy			X		
CREDAL	Louvain-La-Neuve, Belgium		X			
Credit Coopératif	Nanterre, France		X			
Cultura Sparebank	Oslo, Norway		X	X	X	
E3 Bank	Malvern, PA, USA					X
Ecology Building Society	West Yorkshire, UK			X		
Ekobanken	Järna, Sweden		X	X	X	
Etika Initiativ fir Alternativ Finanzéierung asbl	Luxembourg, Luxemb.			X		
Etimos	Padova, Italy		X			
FEBEA (Association)	Brussel, Belgium			X		
Femu Qui	Bastia cedex, France		X			
FIARE	Bilbao, Spain		X			
FIARE Foundation	Bilbao-Bizkaia, Spain			X		
Filaction	Québec, Canada			X		
FOROLAC	Roma Sur, Mexico			X		
Freie Gemeinschaftsbank	Basel, Switzerland					
Fundacion Caixa Catalonia	Barcelona, Spain		X			
GLS Gemeinschaftsbank eG	Bochum, Germany	X		X	X	
GLS Treuhand e.V.	Bochum, Germany				X	

Name of financial Institution	Domicile, Country of Domicile	GABV	FEBEA	INAISE	ISB	Others
Grameen Bank Bhaban	Dhaka, Bangladesh					X
Hannoversche Kassen	Hannover, Germany				X	
HEFBOOM	Bruxelles, Belgium		X			
Hermes Oesterreich	Hallwang, Austria				X	
IDES Institut de Développement de LEconomie Sociale	Courbevoie, France			X		
Integra Venture	Bratislava, Slovakia		X	X		
KNFP Konsèy Nasyonal Finansman Popilè	Port-au-Prince, Haiti			X		
MAIN Microfinance African Institutions Network	Addis Abeda, Ethiopia			X		
Merkur, den almennyttige andelskasse	Copenhagen, Denmark	X	X	X	X	
MFC Microfin. Center for C & E Europe & nly Ind. States.	Warszawa, Poland			X		
Mibanco	Lima, Peru	X				
New Resource Bank	San Franciso, CA, USA	X				
OEKOGENO	Freiburg, Germany		X			
Oikocredit	Amersfoort, The Netherlands			X		
Osuuskunta Eko-Usuusraha	Helsinki, Finland			X		
Pro Rural	La Paz, Bolivia			X		
Réseau FA	Brussel, Belgium			X		
RSF Social Finance (Rudolf Steiner Fund)	San Francisco, CA, USA					X
SANABEL The Microfinance Network of Arab Countries	Giza, Egypt			X		
Shore Bank	Chicago, USA	X				
SIDI Solidarité Int. pour le Développement et l'Investi.	Paris, France		X	X		
SIFA Société d'Investissement France Active	Paris, France		X			
Sitawi	Rio de Janeiro, Brazil			X		
Société financière de la NEF	Villeurbanne, France		X	X	X	
Soficatra	Brussel, Belgium			X		
Soliles	Milano, Italy			X		
Stiftung Edith Maryon	Basel, Switzerland				X	
Stromme Microfinance	Kampala, Uganda			X		
Tembeka Social Investment Company	Cape Town, South Africa			X		
The Co-operative Bank	Manchester, United Kingdom					X
TISE SA	Warszawa, Poland		X			
Triodos (Spanish Branch)	Las Rozas Madrid, Spain			X		
Triodos (UK Branch)	Bristol, United Kingdom			X		
Triodos Bank (Belgian Branch)	Brussel, Belgium			X		
Triodos Bank (Dutch Branch and Group Head Office)	Zeist, The Netherlands	X		X	X	
Triodos Bank (German Branch)	Frankfurt, Germany			X		
Wainwright Bank & Trust Company	Boston, MA, USA					X
XacBank	Ulaanbaatar, Mongolia	X				

Codes:

GABV: Global Alliance for Banking on Values. FEBEA: Fédération Européenne des banques Ethiques et Alternatives.

INAISE: International Association of Investors in the Social Economy. ISB: Institute for Social Banking.

Others: Other social banks not belonging to one of these associations. They might however not fully comply with characteristics of social banks as described in this Project. The listing of "Others" is not exhaustive.

The table represents situation 30 April 2010 based on the internet homepages of: GABV, FEBEA, INAISE, ISB.

Appendix 2

Questionnaire items English – German version

Inquiry-2: used items 1 to 41 in English language.

Inquiry-3a and 3b: used items 1 to 43 in German language and
open-ended questions A to E in German language

English version as used in Inquiry-2		German version as used in Inquiry-3a and 3b	
Scaled questions (1 to 5 scale, 1 fully disagree)			
Nr.	Brand Orientation of Company (BO)	Nr.	Markenorientierung der Bank (BO)
1	My Company focuses on creating a positive service experience for our customers.	1	Der X Bank geht es in allem was sie tut immer darum, dass die Kunden positive Erfahrungen mit den Bankdienstleistungen machen.
2	My Company has a system in place for getting stakeholders' comments to the people who can instigate change.	2	Die X Bank verfügt über ein Verfahren damit Kommentare und Meinungen von Kunden und anderen Bezugspersonen dorthin gelangen, wo sie Veränderungen bewirken können.
3	My Company invests adequate resources in service improvements to provide better value to our customers.	3	Die X Bank setzt genügend Mittel für die stetige Verbesserung der Dienstleistungen an die Kunden ein.
4	My Company keeps "in touch" with our stakeholders' needs.	4	Die X Bank behält stets den Kontakt mit den den Kunden und anderen Bezugsgruppen, um deren Bedürfnisse jederzeit zu kennen.
5	My Company keeps "in touch" with current market conditions.	5	Die X Bank behält stets den Kontakt mit dem Markt, um über die aktuellen Marktverhältnisse auf dem laufenden zu sein.
6	My Company develops marketing programs that send consistent messages about our brand to our stakeholders.	6	Von den Marketingprogrammen der X Bank gehen einheitliche Botschaften an die Kunden und an andere Bezugspersonen.
7	My Company creates a brand and subbrand structure that is well thought out and understood by our staff.	7	Die X Bank hat aufeinander abgestimmte Marken- und Untermarken entwickelt, die von den Mitarbeitern und Mitarbeiterinnen leicht verstanden werden.
8	My Company designs integrated marketing activities to encourage our customers directly to use our services.	8	Die X Bank unternimmt Marketinganstrengungen, welche die Kunden anregen, die Dienstleistungen der X Bank in Anspruch zu nehmen.
9	My Company designs integrated marketing activities to encourage our suppliers, distributors and other key stakeholders to promote our services.	9	Die X Bank unternimmt Marketinganstrengungen, welche die Lieferanten, Vertriebspartner und andere Bezugspersonen anregen, die Dienstleistungen der X Bank

			weiterzuempfehlen.
10	My Company ensures that managers within the Company are aware of all of the marketing activities that involve our brand.	10	Es ist bei der X Bank so, dass alle Führungskräfte über alle Massnahmen, die mit unserer Marke zu tun haben, Bescheid wissen.
11	My Company develops detailed knowledge of what our stakeholders dislike about our brand.	11	Die X Bank verfolgt genau, was die Kunden und andere Bezugspersonen an der X Bank nicht überzeugt.
12	My Company develops detailed knowledge of what our stakeholders like about the brand.	12	Die X Bank verfolgt genau, was die Kunden und andere Bezugspersonen an der X Bank überzeugt.
Nr.	Brand Identification (BI)	Nr.	Identifizierung mit der Marke (BI)
13	When someone criticizes my Company it feels like a personal insult.	13	Wenn jemand die X Bank kritisiert, dann nehme ich persönliche.
14	I am very interested in what others think about my Company.	14	Ich bin sehr an dem interessiert, was andere über die X Bank denken.
15	When I talk about my Company, I usually say "we" rather than "they".	15	Wenn ich über die X Bank spreche, dann sage ich meistens "wir" statt "die".
16	The successes of my Company are my successes.	16	Erfolge der X Bank betrachte ich als meine Erfolge.
17	When someone praises my Company, it feels like a personal compliment.	17	Wenn jemand die X Bank lobt, dann empfinde ich das als Kompliment für mich.
18	If a story in the media criticized my Company, I would feel embarrassed.	18	Medienberichte, welche die X Bank kritisieren, sind mir peinlich.
19	My sense of pride towards the Company is reinforced by the brand-related messages.	19	Mein Stolz auf die X Bank wird durch ihre Markenbotschaften noch grösser.
Nr.	Person-Organisation Fit (POF)	Nr.	Fit Person mit Organisation (POF)
20	The things that I value in life are similar to the things that my Company values.	20	Was mir im Leben wichtig ist, ist dem ähnlich, was der X Bank wichtig ist.
21	My personal values match my Company's value and culture.	21	Meine persönlichen Werte stimmen mit den Werten der X Bank und ihrer Kultur überein.
22	My Company's values and culture provide a good fit with the things that I value in life.	22	Die Werte und Kultur der X Bank passen gut zu dem, was ich im Leben schätze.
Nr.	Living the Brand behaviour (LtB)	Nr.	Die Marke leben (LtB)
23	In stakeholder contact situations, I pay attention that my personal appearance is in line with our corporate brand's appearance.	23	In Kontaktsituationen mit Kunden oder anderen Bezugspersonen, achte ich darauf, dass mein persönliches Auftreten in Einklang mit unserem Markenauftritt steht.
24	I see that my actions in stakeholder contact are not at odds with our standards for brand-adequate behaviour.	24	Ich achte darauf, dass mein Verhalten im Kontakt mit Kunden und anderen Bezugspersonen unserem Verständnis über markenkonformes Verhalten nicht zuwiderläuft.
25	I adhere to our standards for brand-congruent behaviour.	25	Ich halte mich an unsere Standards für markenkonformes Verhalten.
26	I "talk up" my Company to people I	26	Ich preise die X Bank bei Leuten an, die

	know.		ich kenne.
27	I bring up my Company in a positive way in conversations I have with friends and acquaintances.	27	In Unterhaltungen mit Freunden und Bekannten bringe ich die X Bank in positiver Weise ins Gespräch.
28	In social situations, I often speak favourably about my Company.	28	In Gesellschaft spreche ich häufig vorteilhaft über die X Bank.
29	I am always carrying out my work duties in line with my Company's values.	29	Ich leiste meine Arbeit stets in Orientierung an den Werten der X Bank.
30	I am regularly participating in brand and communication related trainings such as seminars and workshops.	30	Ich nehme regelmässig an Fortbildungen teil in denen es um die Marke der X Bank geht.
31	I behave always co-operatively towards my work-colleagues helping them to deliver the brand promises.	31	Damit wir die Markenversprechen der X Bank erfüllen können, kooperiere ich immer mit meinen Arbeitskolleginnen und Arbeitskollegen.
32	I will be happy to spend the rest of my career in my current Company.	32	Ich möchte gerne meine ganze weitere Berufstätigkeit bei der X Bank ausüben.
33	I do not have an intention to change to another Company.	33	Ich habe keine Absicht zu einer anderen Firma zu wechseln.
34	My intention to stay is driven by the fact that I am competent in delivering the brand promise.	34	Weil ich in der Lage bin das Markenversprechen der X Bank zu erfüllen, habe ich die Absicht bei der X Bank zu bleiben.
Nr.	Individual brand performance (BP)	Nr.	Persönliche Leistung im Erfüllen des Markenversprechens (BP)
35	The quality level of my work meets the brand standards of my Company.	35	Das Qualität meiner Arbeit entspricht den Markenstandards der X Bank.
36	Seldom I neglect aspects of the job I am obliged to perform.	36	Selten vernachlässige ich Aufgaben, die ich erledigen sollte.
37	I can successfully fulfil responsibilities specified in my job descriptions.	37	Meine Arbeitsleistung entspricht vollauf den Erwartungen, wie sie in meiner Arbeitsplatzbeschreibung formuliert sind.
38	I effectively fulfil the promise that the brand has with stakeholders.	38	Ich erfülle mit meiner Arbeit das Markenversprechen gegenüber den Kunden und anderen Bezugspersonen.
39	Compared with other employees I provide more services.	39	Im Vergleich zu anderen Mitarbeitern und Mitarbeiterinnen erbringe ich mehr Services.
40	Compared with other employees my stakeholders are more satisfied.	40	Im Vergleich zu anderen Mitarbeitern und Mitarbeiterinnen sind meine Kunden und Bezugspersonen zufriedener.
41	Compared to other employees my job performance is higher.	41	Verglichen mit anderen Mitarbeiterinnen und Mitarbeitern ist meine Arbeitsleistung höher.
42	My effort has been appraised clearly above average in the yearly employees performance assessment.	42	Mein Einsatz wurde im Mitarbeiterjahresgespräch deutlich über dem Durchschnitt gewürdigt.
43	My superiors are always very satisfied about how I am representing the	43	Meine Vorgesetzten sind immer sehr zufrieden damit, wie ich die X Bank

	Company.		representiere.
Open-ended questions			
A	Which words would you be using for explaining to somebody why he or she should become customer of X Bank?	A	Mit welchen Worten würden Sie jemandem erklären, weshalb er oder sie bei der X Bank Kunde oder Kundin sein sollte?
B	How do you feel behaving in line with the brand values, does it constrain you in any way or is this quite natural behaviour for you when performing your job?	B	Wie fühlen Sie sich dabei, dass Sie sich bei Ihrer Arbeit markenkonform verhalten sollen, schränkt Sie das irgendwie ein oder machen Sie das ganz natürlich?
C	How does your behaving in line with brand standards impact on your job related success?	C	Wie wirkt es sich auf Ihren Arbeitserfolg aus, wenn Sie sich in Ihrer Arbeit markenkonform verhalten?
D	Why is it making sense to you to behaving in line with your Company's brand standards?	D	Warum macht es für Sie persönlich Sinn, sich markenkonform zu verhalten?
E	Why is it making sense to you working for X Bank and not for another enterprise.	E	Warum macht es für Sie Sinn gerade bei der X Bank zu arbeiten und nicht bei einem anderen Unternehmen?

Appendix 3

Topic list for Inquiry-1 (Face to face interviews in German language)

Theme 1 (for interviewees of social banks only): **SOCIAL BANKING**

In general terms how would you describe social banking?

- What is meant by your Brand name?
- Why is social banking needed?
- What are differences between social banks and conventional banks that too offer sustainable products (e.g. Co-operative banks, saving banks, Sarasin or big banks having sustainable investment departments)?
- What might be the “hidden uniqueness” of a social bank (the things that are not obvious to the public)?
- What are currently the challenges and issues of social banking?

Theme 2: EMPLOYEE BRAND BEHAVIOUR

How would you portray the brand/organisational identity of your enterprise?

How would you like the employees as carrier of this identity to behave?

What might instigate brand behaviour in your organisation?

- What is the mission of your organisation?
- If an employee describes the Brand of your organisation which aspects do you think he will mention, which ones would you mention?
- How would you describe an employee of your organisation in relation to values he lives in his professional and potentially private live? How would you describe yourself in this respect?
- How does an employee of your bank differentiate from an employee of another bank?

- How can you see if employees of your organisation strongly identifies with the values and identity of the organisation? Why is identification important and what might be the influence on behaviour?
- How does your organisation manage fit between the organisational values and the personal values of the organisation? Why is Do you think fit is important, do you?
- Do mainly people apply for employment who already have a high affinity to the values of your organisation and how can you identify this?

Theme 3: EMPLOYEE PERFORMANCE

By what is employee performance influenced and how is it managed?

- How is individual performance defined and measured in your organisation?
- Target setting, assessment and what kind of rewards are usual in your organisation?
- How are employees motivated?
- Why does someone work in your organisation, does he have the same pecuniary remuneration than elsewhere?
- Is it so that employees who highly identify with the values of your organisation perform better than others? How does it manifest?
- Do you think an employee who behaves in line with your brand values performs better and why?

Theme 4: INTERNAL BRAND MANAGEMENT

How is the brand internally management in your organisation?

- What is the role of the brand in the corporate strategy of your organisation?
- How does your organisation invest resources (people, time, money) in the internal management of the brand?

- How does your organisation communicate brand values and brand promise internally (towards employees)?
- How does the organisation assure that employees can fulfil the brand promises?
- What do you think is the share of your corporate business result that is due to brand aligned behaviour of the employees, or in other words how would your business result change if employees wouldn't behave in line with the brand?