Identifying Product Values in the Corporate Sphere and Instilling these Values in Employees

Bachelor Thesis for Obtaining the Degree

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Affidavit

I hereby affirm that this Bachelor's Thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

The thesis was not submitted in the same or in a substantially similar version, not even partially, to another examination board and was not published elsewhere.

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Abstract

This thesis discusses the identification and instilling of core product and service values in the corporate sphere, with a focus on the communicating of key values and messages to important stakeholder groups such as consumers and company employees. It examines the effectiveness of core valued-based, brand identity strategies in a range of economic fields and individual corporations and organisations, looking particularly closely at the development of core values as a vehicle for projecting brand image and ensuring long-term business success through their use as a tool to motivate staff and create employee and customer loyalty.

The thesis reviews the literature available in order to define the terms "product" and "service" and explores the types of values that may be attributed to products and services at different perception levels: namely, the core product, actual product and augmented product (Kotler et al, 2002). It then examines how core values manifest themselves within corporations, with examples of case studies at Sweden's Volvo and Ikea (Urde, 2009) before exploring the concept of "true" core values and how such brand messages require a track record in a company's history to be accepted by stakeholders. A further aspect of this subject to be examined is the necessity to install some form of management-employee transmission system to get messages across more effectively (Hutchinson and Bennett, 2012). It looks at how different types of management -- from top-down transactional relationships to sharing transformational relationships -- can impact the reception of brand messages in staff (Wallace et al, 2011) and also discusses the possible use of storytelling to convey corporate messages to both employees and other stakeholders (Spear and Roper, 2013).

The thesis includes a case study on the German furniture manufacturer and retailer COR Sitzmöbel Helmut Lübke GmbH & Co. KG, which designs, makes and sells high-end furniture and furnishings at its eight own studios and at approximately 450 third-party stores in a number of different countries including Austria and Germany. The research focuses on the issue of core-value identification and evaluation among company employees and management, and includes in-depth interviews on the importance of key core values among staff members, their supervisors and senior

management, which leads findings relating to core value identification, the communication of core values between different actors within the organisation and a discussion of methods to improve employee reception of important corporate messages.

The paper concludes with a summary of the findings from the interviews at the furniture manufacturer and retailer and with recommendations for improving the effectiveness of e value usage and transmission at the company and what can been gleaned from this example for the corporate sphere as a whole.

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1   Introduction

The global economic climate has been subject to dramatic, long-term change in the years leading up and following the 2008 global financial crisis (The Economist, 2013), the effects of which have reverberated throughout industry and the service sector. In addition, there have been a number of technological innovations such as the automation of industrial processes and the emergence of new media and communications systems that have transformed the worldwide economic system and the way we work, consume and live today. These developments have had far-reaching consequences for many companies and their stakeholders, resulting in major market shake-ups, both in terms of product and service offerings, as well as in management and corporate communications. Products and services that were once ubiquitous have been transformed completely or have even disappeared – for instance, the banking sector has undergone wide-scale restructuring and faced considerable job losses, especially in retail branches due to cost-cutting and bank insolvencies after the crisis and the increased use of new customer interfaces and transfer methods based on the internet and app banking (Economist, 2013). Other sectors have also witnessed rapid technological and labour-related change and include the car-making industry, which has seen the emergence of automated assembly systems, the rise of electric autos and changes in customer demand focusing on cleaner, more-energy efficient vehicles (World Economic Forum, 2016).

1.1   Effects on behaviour

Such changes have had visible effects on behavioural traits among stakeholders. Consumer spending levels and patterns have altered as a result of the economic squeeze and shift in technologies, with noticeable changes in spending patterns for larger-household and higher-cost items, as well as overall spending as a part of Gross Domestic Product (Eurostat, 2016). This has added to the pressure on corporations and organisations to provide products and services to satisfy altering consumer needs, as well as boost productivity levels to remain profitable in times of change.

As a result, increasing numbers of corporations, institutions and organisations are looking at methods to raise productivity, boost staff creativity and loyalty, and satisfy the increasingly complex needs of ever-more "fickle" and "cost-sensitive" consumers (Flatters & Willmott, 2009), while differentiating themselves from competitors with similar offerings via diverse new and established media channels both externally, to the general public and internally, to management and employees. Thus, attention has moved more and more towards so-called "core values" or "core messages", which define the "true" essence of a corporation or organisation and its products, services and brands and transmit these characteristics to stakeholders across the board such as employees, shareholders and consumers, as well as the wider public, in the hope of binding them to the organization and its offerings (Urde, 2009).

1.1.1   Use and misuse of core values

However, not all values are a genuine reflection of the organisation or corporation they are purported to represent and it is necessary to examine the development of these increasingly important communication tools at both the micro or intra-enterprise and macro or inter-enterprise level, as well as via-à-vis the broader public. An example of potential problems encountered with core-value usage is the case of U.S. energy company Enron Corporation, which misused core value messages to create a positive public image, developing "meaningless" messages that misled shareholders and employees and ultimately ended in a corporate disaster (Lencioni, 2002). The Texas-based energy distributor published a list of so-called core values such as "communication", "respect", "integrity" and "excellence" in its 2000 annual report, only to go bankrupt in one of the U.S.'s largest ever fraud, money laundering and insider trading scandals less than two years later (Lencioni, 2002). It misled staff, customers and its owners by creating a glossy corporate smokescreen that was undermined by criminal activities such as asset and pension theft, and called into question the meaningfulness of core-value based communication activities (Lencioni, 2002). The potential misuse of core corporate value messages to defraud or deceive stakeholders became an argument against this type of brand image communication in certain spheres, according to Lencioni (2002). In the case of

Enron, the misuse of key company messages cost employees their pensions and shareholders their investments, as well as damaging the U.S. corporate communications and energy sectors for several years.

While the demise of the Texas electricity company may be an example of the failure of core value systems to reflect corporate reality, numerous other companies still use these tools to project their image to stakeholders, both internally and externally. Thus, it is important to understand the importance of the core value approach and ask what core values relate to within the business sector. This thesis will examine the creation, instilling and effectiveness of such values through both its literature review and its research into the identification and instilling of core values at a case study company, the German furniture manufacturer and retailer COR Sitzmöbel Helmut Lübke GmbH & Co. KG.

1.2   Aims of the Bachelor's thesis

This thesis is a case-study based exploration of the use and misuse of values and messages by companies, institutions and organisations designed to communicate core elements of their strategy and their fundamental business principles, in addition to marketing products and services to stakeholders, such as consumers and employee groups. It explores staff acceptance and reaction to the use and instilling of corporate core values at the case-study company, as well as discussing broader issues relating to core value identification and acceptance, in order to assess whether the values stated by corporations are genuinely reflected in the products and services provided and in the attitudes and work practices of their employees.

"Core values" are discussed as a means to define and communicate the characteristics of the products and services on offer in the market, as well as to convey the fundamental essence of a firm and its brands (Kotler et al, 2002). Identifying its core values successfully enables a company to create brands, determine its key values and instil these messages in a wide array of stakeholders ranging from employees, managers, shareholders and consumers, to the general public (Urde, 2009). However, this requires strategic competence in terms of resource application and mindset orientation, as well as a sense of what a "true"

value can be defined as (Urde, 2009). In many respects, a company's brand and the core values that are represented in that brand are the hub of all of its activities from design and production, to marketing, sales and final delivery, as the successful instilling of such messages can be a vital motivational factor from the workforce on factory floor to the end-purchaser (Kotler et al, 2002)

The literature review in Section 2 of this thesis was conducted mostly before the carrying out of the case study to improve and widen the author's understanding and knowledge of the issues related to the creation and instilling of core corporate values prior to the carrying out of the research, due to the only very limited prior knowledge of the author on this subject. Further references and literature were added continuously as work on this thesis progressed in order to enrich the sourcing and quality of the literature presented on this subject.

1.2.1   Case study

The company COR Sitzmöbel Helmut Lübke GmbH & Co. KG, founded in Rheda-Wiederbrück, Germany in 1954, was selected as a case study for this thesis because the company not only produces its own high-end, seated furniture, it designs its own products and sells them partly at third-party retail outlets, but also at its own stores (COR, 2017). A qualitative research study was conducted using selected employees and members of managerial staff in different company functions, which focused on data collection via in-depth interviews to get a sense of which of the company's 15 listed core values are the actually most important to the respondents at the different stages in the production and retail chain within the organisation. A review of internal documentation and publicly available literature was carried out and background materials were gathered to gain information on the nature of the core values stated by the company, their actual relevance and whether they are seen as "true" or "hollow" values by the stakeholders themselves (Urde, 2009).

2 Literature Review

Companies, organisations and institutions use a variety of different approaches in order to define and apply core values to products and services, as well as corporate strategies, so as to boost staff loyalty and identification with a brand or brands to increase sales and revenues and ensure a unified external "face" to the general public. To this end, this thesis will explore not only academic literature discussing methods for the identification and stratification of core values, but will also examine a number of case studies that have been carried out to evaluate the methods used by corporations and institutions to instil core values into staff members to raise levels of loyalty and brand identification among them, while detailing the strategies used by corporations and organisations to ensure employees understand and communicate key messages, values and ideals through their behaviour and attitudes.

The following section attempts to define and describe the concept of corporate core values using the existing academic literature available. It explores how the literature seeks to define the concept of core values, as described by Philip Kotler and his co-authors (Kotler et al, 2002) in the book the *Principles of Marketing*, and looks at how companies pinpoint and define their own corporate core values to create "the backbone of their brand track record" Urde (2009, p. 616) and establish what Urde terms as "the value of values" (Urde, 2009, p. 618), which is designed to establish their "true" core values and optimise branding strategies from both consumer and employee perspectives. A number of case studies are used, focusing on how companies, organisations and institutions acquaint and familiarise employees and other stakeholders with the core values and messages that are introduced and communicated via their literature and management. This section looks at differences in core-value adoption by employees and other stakeholders and asks questions relating to the difficulties associated with core-value adoption in the manufacturing, services and educational sectors on a behavioural level. A further aspect to be considered is the role of management in ensuring the success or failure

of core-value acceptance and adoption among employees and methods used to enhance success, such as through storytelling.

2.1 Definition of core values

Before entering into a discussion on the precise definition of core values, it is essential to take one step back and ask the questions: what is in actual fact a product and what is a service in economic terms and do these concepts convey value? It would be difficult to apply any core value or characteristic to either products or services without attempting to define these terms beforehand, as there would be no clear understanding of what the phenomenon of core values actually relates to in either the commercial and public sectors.

Thus, according to the online Oxford dictionary:

A product is defined as "*an article or substance that is manufactured or refined for sale or … commercially manufactured articles*…."

(oxforddictionaries.com, 2017)

Whereas, a services is defined as "*an* action of helping or doing work for someone, assistance or advice given to customers during and after the sale of goods, *the* action of serving food and drinks to customers….."

(oxforddictionaries.com, 2017)

Given the above, it can be assumed that a number of different attributes can be allocated to both products and services to differentiate them from other similar offerings and that these characteristics form the basis of the core values the producer or service provider projects to stakeholders. As stated by Kotler et al (2002, p. 240), consumers view products and services as "bundles of benefits" designed to satisfy demand and it is the task of corporations and other economic agents to identify the values that epitomise the satisfaction that consumers seek, before designing and creating a product or service to fit those needs. Furthermore, the values identified should become part of what a company stands for, a pillar of its active business practice and a factor motivating its employees to provide the product or service sought by consumers as optimally as possible, thus turning these

characteristics into core values that are being projected into a philosophy beyond mission statements and company literature (Lebowitz Rossi, 2015).

Kotler et al (2002) suggest that a product or service can be viewed on several different levels, depending on the benefits that the product or service provides, and that this is the basis for core value identification. This idea is important to both consumers and manufacturers because the successful layering of such characteristics and/or values can be of major assistance in defining the "real" values of the items or services, boosting brand identity and thus, brand loyalty among corporate stakeholders. In order to understand how core values and characteristics are created, it is necessary to discuss these different layers of value in a product or service in some detail. The following text attempts to define these levels and discusses the characteristics within them.

According to Kotler et al (2002), there are three basic levels of a product or service. These are: the core product or service, the actual product or service and the augmented product or service. The most basic level of a product or service, according to Kotler et al (2002) is simply to look at what people purchase the product or service for and what benefits these purchases bring to buyers. For example, consumers purchase milk for a basic nutritional reason. They drink it to satisfy basic dietary needs and use it in other products such as tea and coffee. Therefore, the core product in this instance is food, given the criteria stated. Equally, when a customer opens a basic bank account, they are using the service provided to store money (such as earnings) or make payments and transfers to purchase other services or products – i.e. as a basic means to store wealth and transfer cash to satisfy consumption needs.

While milk satisfies certain basic nutritional requirements, it could be argued that there may be other benefits to this product at different perception levels for it to be sought by consumers. Kotler et al (2002) state that the second level of product values is the translation of the core product into a product or service that people will buy. Competitors may be selling similar products on the market that have the same types of benefits. Therefore, the producer or service provider has to create a

product or service that differentiates itself from its competitors and attracts consumers' custom. Kotler et al (2002) state such factors can include quality levels, product features, styling, branding and packaging.

For instance, there are many different types of milk on the supermarket shelves. These range from full-fat cow's milk to skimmed milk, vast ranges of milk-based products and vegan alternatives, such as almond or coconut milk. These are all competitor products to a variety of degrees, offering the same or similar benefits to consumers as basic milk. Thus, producers need to define their product or products more precisely to convince people to buy them and not competitors' alternatives. Typical values given to skimmed milk, for instance, is that it is good for dieters or people who do not like the taste of full-fat products, whereas almond milk may be branded as a non-animal alternative to standard cow's milk.

In the case of bank services, there may be a number of other banks and financial companies offering basic accounts to customers to store cash from incomes for savings and make payments to procure purchases. What may differentiate the particular bank and its services from other financial services may be factors such as interest rates, access to credit and bank cards, internet banking facilities and investment products.

Over and above these two levels is the augmented product or service (Kotler et al, 2002). This concept focuses on additional non-tangible benefits designed to fulfil other aspects of consumer expectations that may be attached to a product or service such as product quality guarantees and customer piece of mind. In the case of milk, consumers expect guarantees on a certain level of freshness and taste that are associated with the basic product, but are available thanks to producer guarantees and (often) legislation that applies to it and other food products created by the government and other food market authorities (such as the European Food Safety Authority in Parma, Italy) and not the producer itself. Equally, there are consumer expectations in regards to bank services that are above and beyond the simple provision of a means of saving and payment. These include augmented-service factors such as guarantees on the safety of bank deposits in times of crisis – for instance, the European Union has had a Deposit Guarantee Scheme that protects bank deposits of up to € 100,000 within its territory since 2010 (European

Commission, 2017) -- and reputation of the bank as a secure, long-term actor in the finance scene. These elements have become increasingly important since the 2008 financial crisis, which saw numerous banks collapse and others face liquidity issues (The Economist, 2013).

Figure 2.1 is a depiction of the three layers of a product or service. At the centre is the core benefit – in the case of milk nutrition and in the case of bank services a savings repository and means of payment transfers. The middle layer shows the actual product or service and the features that differentiate the item from other similar products or services -- e.g. brand name, quality level and packaging, or the speed and reliability of the service. The augmented product or service is the outer layer of the diagram and highlights warranties, guarantees and after sale services. As stated above, the augmented product for milk would be the guarantee of freshness, while deposit guarantees and feeling of financial safety would be key elements for basic banking.

Figure 2.1: Types of Corporate Core Value. The three levels of corporate values in products and services.
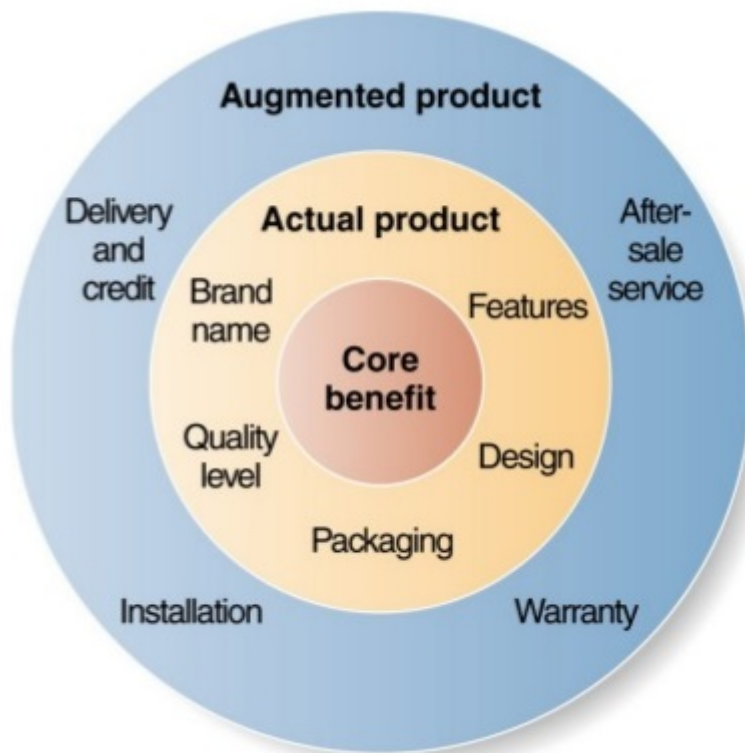
Source: Kotler et al (2002, p.240) .

Thus, a product is an item or article that is sold to customers and a service is an action or work performed for customers to satisfy their needs at three basic levels: the core benefit level, actual benefit level and augmented benefit level. These levels of benefit can be translated into the values consumers seek when purchasing the product or service. The next section of this thesis concentrates in taking this knowledge and transferring it to companies and organisations.

To sum up, the values a product or service projects are based on the characteristics that customers and other stakeholders perceive are bundled in the product or service and how it satisfies different levels of needs through the provision of these values – its core benefits, the actual product or service itself and its augmented features. These values should not only be an intrinsic part of the product or service itself, but should be incorporated into a company's or organisation's business practice and its internal and external "essence" in order to be projected to different stakeholder groups as something more than just a marketing strategy or mission statement and help define the real benefits of product or service in an increasingly crowded market (Lebowitz Rossi, 2015).

2.2   Core values in the corporate environment

Taking the theoretical framework described by Kotler and his co-authors (2002) and extending it to the corporate environment is a considerable challenge due to the diverse nature of companies and organisations and variations in their behaviour at both an employee and management level. Nevertheless, it is necessary to understand how companies uncover their brand core values and how this affects interactions between stakeholders, such as staff members and management. Urde (2009, p. 616) states that for companies: "core values are the backbone of their brand track record," when referring to brand development at international corporations and how vital the identification and application of core values can be to long-term business development and the survival of a company or organisation.

Urde (2009) states that such values are set internally within the organisation, but are generally perceived externally by consumers and business partners. In other words, a corporation's core values originate from internal actions and interactions by staff and management, but are acknowledged and interpreted by external consumers and other stakeholders. Urde (2009, p.616) further states that core values require a strong foundation within an organisation or corporation to prevent them from being viewed as "hollow" and perceived as false or misleading by external stakeholders, who do not identify the product or service provided with the values that the corporation or institution has attached to them.

In order to investigate his hypothesis, Urde conducts detailed case studies of a variety of Scandinavian companies including the vehicle-manufacturer Volvo Group and the furniture-maker Ikea (Urde, 2009). His methodology was to review the literature (including data sources such as archival records and company internal documents) throughout the research process, identify core values through staff and customer information and discuss the idea of the "value of the values" with both the company in question and its customers. Urde (2009, p. 618-619) looked in detail at the concept of "track record" in its many fields of usage such as in relation to company image and brand identity, defining this with parameters such as performance in regards to past achievements (as in the case of athletes); emerging patterns such measuring trends via tests (typically found in disciplines such as medicine); continuity and the continual process of delivering value; and the premise that a brand is an unwritten contract. In the corporate context, this can be distilled to the idea that a corporate track record uses core values that originate from within an organisation, but which are perceived and appreciated by external consumers and other internal and external stakeholders over time (Urde, 2009, p. 620).

2.2.1   What are core corporate values?

According to Urde (2009), values are related directly to the organization and summarise a brand as it is perceived by consumers and other stakeholders. Typical values that are related to an organization include management ideas, positions, habits and norms that merge into the corporate culture (Urde, 2003, 2009). Such

values have multiple sources including the company founder or founders, its origins, culture, dramatic events and leadership, both in the past and at present. These sources – the "brand essence" or "company spirit" -- create the values that have a communications and advertising focus, according to Randazzo (1993), They can be compared to a "brand soul" (Randazzo, 1993, p.17). In other words, corporate brands have core values that need to be deeply rooted in the mindset within the organization, as well as the consumers and non-consumer stakeholders that influence a product (Urde 2009). Kapferer (2008) states that values as perceived by customers are often quite explicit, and while there is a lack of consensus on the terminology used in the literature, essential elements include what a customer is willing to pay for a brand and what value-added it provides in respect to the values allotted to it. In many respects, a brand can be seen as a "cluster of identities" (Balmer and Greyser, 2002; Urde, 2009) and brand building is an ongoing interaction between the organisation, the brand's consumers and other stakeholders (Urde, 2003).

Urde (2009) demonstrates the development of core values as a framework to define corporate brand identity through the above-mntioned case studies. He examines the history of Swedish vehicle manufacturer Volvo Group, whose core values and track record are focused on its heritage and origins, according to his findings (Urde, 2009). Key core values at Volvo that have evolved over time are based on the concepts of "safety", "quality" and "the environment" and are manifested in both the company's image vis-à-vis its stakeholders and the safety features and other technical aspects of its cars — for example, the reinforced, steel passenger compartment that Volvo introduced in 1944 to improve passenger and driver safety (Urde, 2009). Volvo's "environment" core value was introduced in 1972, far ahead of many of its rivals, and the general trend towards greater energy and fuel efficiency (Urde, 2009). However, while the Swedish car maker has striven hard to maintain high environmental standards, the manufacturer is being constantly required to produce ever more fuel and environmentally efficient vehicles to ensure it can "live up to" the values it promotes to stakeholders (Urde, 2009, p.625). Not only this, but Volvo has had failures in core value delivery in the past – for instance, the 2010 introduction of its new crash detection and auto-brake system that played heavily on its core values of "safety" and "quality" dented the Scandinavian car maker's

safety record, as it resulted in a series of crashes at demonstrations that called into question the perception of both key messages. (autofocus, 2014).

A further example Urde (2009) uses is the Swedish furniture maker Ikea. This company established its set of core values in 1976 in the booklet *The Testament of a Furniture Dealer* (Ikea, 1976; Urde, 2009). This internal, company document defines the Swedish corporation's core values, principles and company ideas, which are based on values such as "common sense, " "simplicity" and "working together", according to Urde's research (2009). These are the core values the furniture and household decoration maker and retailer has communicated continuously to both its staff and its customers over seven decades. The success of this strategy can be seen in Ikea's global expansion in recent years – founded as a small, one-man business in Älmhult, Sweden in 1943, it developed a global network of 389 stores owned by the IKEA Group by 2016 (The Economist, 2011; statista, 2017).

Given the findings of the case studies, Urde (2009) concludes that core values need to be embedded deeply in the mindset of an organization to bind the corporation and the values with its customers and other stakeholders. In other words, "true" core values cannot be transient or "hollow" to be of long-term benefit to all the stakeholders involved – such as "safety" and "reliability" at Volvo and "simplicity" and "common sense" at Ikea. Core values have to be more than skin deep in a company and evolve over time and it is this element of time that leads to the development of a real track record. Values can be challenged due to changes in products, customers and the environment. Values should also support a promise, seen as the reason to buy the good or service. According to Urde (2009), while true core values are deeply set in companies, there can be also hollow core values that have no real substance and lack credibility. These have a tendency to fade over time and come across to customers and other stakeholders as false and weak. Such transient values could result in marketing failures and customer disconnection from a brand, such as through the failure of a product or service to live up to previously perceived values of a brand – as was the concern with Volvo's failed crash detection and autobrake system (autofocus, 2010), which affected its safety and quality track record for some time.

2.3 Instilling core values in stakeholders

The following section is a detailed examination of a number of case studies that investigate into the adoption of core values at a stakeholder level in a selection of organisations and industries to see whether they are "transient" by nature or have "real" substance that customers and other stakeholders can identify with. As already stated, core values have to be set deeply in a company's or organisation's culture to reflect the organization's true goals and not appear as hollow and empty promises (Urde, 2009). The question remains, however, whether this can be achieved effectively in a wider variety of situations and what methods can be used to ensure optimal core value selection and transmission to the relevant stakeholder groups, including employees.

2.3.1 Core values at the stakeholder level

Instilling core values and key messages in individuals and groups requires them to identify strongly with the value given and exhibit behaviour and use language that reflects an understanding and dedication to the message being communicated. In a study of core value brand building in collegiate sport in the United States, Hutchinson and Bennet (2012) discussed the use of brand identity as a tool for attracting potential students and researchers to universities in the U.S., specifically as a method to differentiate universities from each and develop a unique study image (Lawlor, 1998; Hutchinson and Bennet, 2012). According to Moser (2003), the careful use and selection of core values can give universities an effective brand image. However, this not only involves the establishment of a set of core values, but also their adoption and maintenance. In the case of higher educational institutions, it is necessary to begin the discussion about core values and brand image by looking at the concept of brand essence or the clearly and precisely defined characteristics that create values (Wärass and Solbakk, 2009; Hutchinson and Bennet, 2012). This is vital as the failure to define and differentiate brand characteristics may lead to the attracting of the wrong types of students and result in the failure of the academic strategy being pursued by the educational establishment.

Furthermore, Hutchison and Bennett (2012) found that while core values may be seen as synonymous with an organisation on a superficial level, they need to be adopted on a more far-reaching basis to be effective within the institution in different instances. Through a series of face-to-face interviews, email questionnaires and facebook question and answer sessions with different sampling groups, they collected data from internal and external stakeholders at the sports college of the Southwestern State University in the United States -- which is a major force in the football Bowl Championship Series -- to determine how deeply set the institution's values are among collegiate athletes and how these values are transmitted to a wider public through them.

The findings (Hutchison and Bennett, 2012, pp. 444-445) revealed that the idea that "excellence equals winning" was the only core value criterion defined by the university that was undisputed by all the study groups questioned. Many respondents felt the university's core-value strategy was purely for public relations purposes and there was a lack of consensus among stakeholders whether the achievement of excellence in sports was good for the university as a whole or only for the individuals involved in athletics. Many felt there was a lack of trickledown effect into other behaviours exhibited by university athletes both on and off the sports field. There was also a disconnection between the athletics department and the university, with the perception that the athletics department was isolated from the rest of the organisation and its core values and behaviours. This separation led to concerns about the value and mission of the athletics department in relation to the rest of the institution and to questions about how this failure could have taken place (Hutchinson and Bennett, 2012).

A further finding by Hutchison and Bennett (2012) was that there was the impression of a lack of top-down leadership with the feeling among stakeholders that university core values could only be implemented in the athletics department using a hierarchical approach, beginning with the departmental administration and ending in the athletes themselves. The stakeholders interviewed suggested the failure to instil university core values in the athletics department was not just a problem for that department, but of the central administration as a whole and that the central administration should take a stronger role in instilling university core

values in sports students and encourage them to represent the university in a clearer, stronger way.

In their summary, Hutchinson and Bennet (2012) stated that there was a lack of consistency in the utilization and expression of specifically defined core values within the United States collegiate sport system, given the findings of their work at Southwestern State University. On the one hand, the student athletes projected an image of excellence in terms of their athletic achievement, but this was seen as only a public relations exercise and student athletes as a whole did not embrace the values the university tried to emulate – in other words, many respondents found the values presented were "hollow" and superficial, as defined by Urde (2009). One suggested method that could be used to improve the acceptance and expression of university core values by the sports department would be to take a hierarchical, top-down approach to instilling these core values into the athletes at the institution, starting with the general administration and flowing down to the players on the field, as well as reorganise the general organization structure to ensure stakeholder satisfaction and trust through clearer two-way communications -- two factors that the questionnaire respondents felt would enhance brand image strongly and reduce the disparity that had been perceived.

Thus, it can be stated that it may be possible to try to instil core values in stakeholder groups through using a top-down, hierarchical approach, as suggested by respondents to the survey by Hutchinson and Bennet (2012), when dealing with a lack of core value acceptance. This method may be especially useful, if the individuals involved only display the essence of the values or messages in part of their behaviour and not through their general, daily conduct. However, this may not work in all types of organisations and corporation and in all types of corporate or organisational cultures – it must be remembered that, for instance, students only spend a limited time at educational institutions (mostly three to four years at undergraduate level) and, therefore, some may see their education as only one chapter of many in their lives rather than a long-term investment that will reflect on their "own" brand image well into the future.

2.3.2 Transformational and transactional communications systems

The issue of core-value and key-message transfer was the basis of the study on brand identity and core values in the banking and finance sector and the influence of management leadership and commitment on the adoption of corporate values by bank employees, by Wallace, de Chernaromy and Buil (2011). Banking is a service-based industry that requires interactions between employees and managers, as well as between employees and customers, and many banks and other financial institutions have had to realign their strategies after the 2008 banking crisis to reassure and keep customers, while trimming costs such as staff expenditure (The Economist, 2013). The challenge for many banks and financial institutions is to ensure their economic survival, while projecting a trustworthy, positive image and this is where values and brand identity are vital components in securing service delivery and customer satisfaction (Wallace et al, 2011). The following section explores this new dynamic in detail.

As a result of the changes that have taken place in banking and finance since the 2008 crisis, frontline bank employees need to adopt their employer's main core messages even more strongly than ever (Wallace et al, 2011). Employees are key stakeholders in companies and are essential for transmitting corporate core messages and values, which can be reflected as a preferred mode of behaviour by staff, as well as via verbal and written communication (Meglino and Ravlin, 1998; Wallace et al, 2011). Thus, it is important to look at core values and how employees adopt these messages and shape them vis-à-vis the customer and examine at how bank leadership instils corporate core values in employees in order to transmit these values to other stakeholders, such as customers and shareholders. When employees understand the values communicated to them by their senior management, and transfer those values to the services provided, the brand is considered to be "true" to itself (Kimpakorn and Tocquer, 2009; Wallace et al, 2011), in a similar way that brand values can be seen as either "true" or "hollow", according to Urde (2009). Shared values are intangible assets that can improve service quality, as well as the value of the brand and the failure to meet stakeholder and customer expectations can be viewed as a service-performance gap. (Chenet et al, 2000; Wallace et al, 2011).

According to Wallace et al (2011), corporate leadership refers to the senior management at a corporation and it requires a certain style of encouragement and management-employee communication to commit lower-ranked employees to corporate values that need to be transmitted in a top-down manner. Mohart et al (2009) describe the influence of "transformational" and "transactional leadership" in converting companies and their staff into "brand believers", who convey core messages via both words and actions. Transactional leadership is based on a condition and reward system discussed between the manager and staff, in which the employee delivers what is required and is given a reward, whereas transformational leadership is the concept of "living the brand" and sharing brand visions – often charismatic business leaders such as Steve Jobs of Apple Corp. are seen conveyers of this method (Wallace et al, 2011, p. 400). These individuals encourage staff commitment to core values via their own example.

The concept of commitment is vital to the transmitting of core values between management and employees. Chen et al (2002) state that commitment is the psychological attachment to the workplace by employees who feel they can understand the company's value. Commitment can be seen as a three-component concept with different attributes: affective commitment being the emotional attachment to the value, continuance commitment being an awareness of the costs associated when leaving an organization and normative commitment, which is a feeling of obligation to the organization (Chen et al, 2002). It could be argued that a lack of commitment by student athletes and the university administration to "live" the institution's values may have been a factor in the failure to instil "true" core values into the Southwestern State University athletics department in the previous case study (Hutchinson and Bennett, 2012) – see Section 2.4.1. However, commitment levels may be deeper in the commercial world that in education, as the following study of Irish banks will describe.

Wallace et al (2011) sampled 750 employees at leading Irish banks, selected randomly from lists of branch staff. The respondents were sent questionnaires on values, adoption, leadership and commitment. The response rate was 58% or 438 employees. The study found that the leadership of a bank does have a direct influence on employee adaptation of that bank's core messages and values, with the

results revealing that both affective commitment and normative commitment also influenced the taking on and communication of corporate core values and, thus, the bank's brand image, in this instance. Wallace et al (2011) found that some employees with very strong affective commitment adopted bank values because of their involvement in the organization itself and those with strong normative commitment levels had a sense of obligation to the bank as their employer. There was no strong influence of continuance commitment on staff. These findings suggest that many employees of organizations or corporations do have an emotional attachment to the values the organization or company chooses to communicate if they feel they have a duty to their employer or are involved directly in the corporation on a deeper level. Thus, dedicated staff and equally committed managers can both be strong advocates of company values and can communicate core values both verbally and visibly, whether through a reward-based transactional relationship or via an "evangelical" transformational approach.

2.3.3   The storytelling method

Another method that can be used to instil core values into the stakeholders of a company or organisation is through storytelling rather direct supervisor-to-employee transfer. This has become increasingly discussed as a method of building brand identity and reputation in recent years, according to Spear and Roper (2013). In order to achieve success with this method, however, the story told must be clear and easy-to-follow (Janssen, Van Dalfsen, Van Hoof and Van Vuuren, 2012; Spear and Roper, 2013). Corporate stories can be created and explored using so called "impression management" (IM) to get insight into the elements that could affect an audience's perception of an organization (Elsbach, Sutton and Principe, 1998). According to Spear and Roper (2013), while storytelling and impression management may enhance brand and core-value perception, there is a gap between the theoretical framework proposed by academics and the actual practice of corporate storytelling because companies tend to omit elements necessary to create a holistic picture of their organisation and a detailed background story -- such as information about the organisation's activities, emotions and benefits for stakeholders -- and

tend to link these elements to corporate strategy rather than state them as separate values themselves.

Corporate storytelling is designed to help organisations and companies build bonds to stakeholder groups such as employees and customers (Roper and Fill, 2012). Thus, it is necessary to define what a corporate story is to determine how this method works and whether it can be seen as successful in terms of stakeholder perception. The current literature suggests there is a difference between the concept of corporate "narrative" and "story" in that stories tend to have "internal temporality and coherence", whereas narratives have "coherent plotlines or characters" (Spear and Roper, 2013, p.491). The definition of storytelling used in this literature review is based on the ideas described by Forster (1963), who states that stories are a series of chronologically and logically related events, linked by logical bridges between story components.

There are three main themes to corporate stories designed to drive company reputation and enhance brand image, according to van Riel and Fombrun (2007). These are activities, benefits and emotions. Other elements that can be added to storytelling strategies include accomplishments, internal and external benefits, conflict, vision and mission (Spear and Roper, 2013). The benefits of using the storytelling method to instil corporate core values in stakeholders such as employees and consumers include knowledge transfer, aiding organisational procedures and remembering and understanding information (Herskovitz and Crystal, 2010; Woodside, 2010). According to Urde (2009, p. 616), branding should reflect emotional, as well as functionally symbolic, dimensions of a product or service in the sense that a core value needs to be a "true element of the brand" and should not be "hollow" to avoid stakeholder disappointment and, ultimately, detachment from the brand and the core value being communicated.

Storytelling can be used for both brand and internal communications in an organisation or company. According to Elsbach, Sutton and Principe (1998), increasing amounts of core value and brand communication is carried out using impression management, which refers to any action carried out by an organization or corporation that is purposely designed to influence the perception of that organisation or corporation and its products or services. This can be an important

factor in influencing the reactions of a variety of stakeholder groups, ranging from employees and customers to the general public. However, there is very little literature on how impression management can affect storytelling in companies, making it difficult to determine which actions or measures may or may not be effective (Spear and Roper, 2013). Bolino et al (2008) state that impression management behaviours can range from assertive to defensive, demonstrative to illustrative and could serve as a useful tool in corporate storytelling. However, given the current dearth of academic literature in this field, is clear that the understanding and study of impression management is in its infancy and requires further in-depth exploration and analysis (Spear and Roper, 2013).

Despite such drawbacks, there has been some initial work on storytelling in the corporate sphere. One example of the use of storytelling to anchor the idea that a new, derivative product is closely linked to the history and philosophy of the maker's original model is the case of the Porsche Panamera, which was introduced in 2009 by the luxury car manufacturer Porsche AG amid great discussion and publicity. According to Gutjahr (2013), the vehicle was considered a departure from the sports car producer's traditional line of automobiles in that it was a four-door limousine with extra luggage room and not a two-door sports vehicle, such as the traditional Porsche 911 which was first brought onto the market in 1963. The initial reaction from longer-term customers was sceptical as a result of the Panamera's different features to previous models, with total sales of 2,742 in Europe in 2009 (carsalesbase.com, 2017). However, the company overcame initial consumer scepticism towards the Panamera by giving it the image of a "true" Porsche (Gutjahr, 2013 p. 151) and linking it to the idea that Porsche had always produced something different with every new vehicle and that the company had always had a long history of innovative and ground-breaking cars focused on changes in customer needs in different eras and not on an ideal frozen in time, according to Gutjahr (2013). European sales figures for the Panamera rose to 7,543 by 2012, as it acceptance as a "true" Porsche grew (carsalesbase.com, 2017).

Another source of information on the use of storytelling in corporations and organisations is the case study carried out by Spear and Roper (2013), who investigated the phenomenon of storytelling on a wider scale by randomly sampling

information from companies in the Financial Times 100 Share Index (FTSE 100) and charities in England and Wales with an income of £10,000,000 or more -- a total of 398 organizations, of which 100 were randomly selected for testing. The objective of the study was to establish which organisations used storytelling in branding and core value development and which elements of storytelling were the most common, if any (Spear and Roper, 2013). The authors used a graded form content analysis of the materials obtained from the companies and organizations and a coding manual for the analysis (Spear and Roper, 2013, p.497).

The analysis conducted by Spear and Roper (2013) showed that of the 100 FTSE 100 Index companies and 100 randomly selected charities, about half used storytelling techniques in their communications and branding (47% of the companies and 52% of charities; Spear and Roper, 2013, pp.497-8). The FTSE corporate stories were on average longer than those of the charities in terms of words and focused heavily on achievements (85.1% of the FTSE corporations that use storytelling methods focused in this area; Spear and Roper, 2013, pp.497-8). The charities used storytelling to highlight their activities (51.9% of the 100 charities selected that used storytelling in their communications strategies; Spear and Roper, 2013, pp.497-8), accomplishments (75% of the 100 charities selected that used storytelling in their communications strategies; Spear and Roper, 2013, pp.497-8) and external benefits (75% of the 100 charities selected that used storytelling in their communications strategies; Spear and Roper, 2013, pp.497-8). In addition, 44.7% of the selected FTSE 100 companies that used storytelling in their communications strategy discussed conflicts, although fewer than 23% mentioned emotions, visions, missions and values (Spear and Roper,2013, p.498). In the case of the selected charities, 61.5% used emotion and 51.9% used conflict as discussion points in their branding strategies, but fewer than 11% mentioned vision, mission and values in this context (Spear and Roper, 2013, p.498).

All of this indicates that not all corporate and charitable organisations use storytelling to boost branding and facilitate communications with their stakeholders and even those that do, only select specific aspects of storytelling that fit within more traditional core-value and branding strategies and are not giving stakeholders a complete enough picture to ensure the story conveys its true meaning, according

to Spear and Roper (2013). The study (Spear and Roper, 2013) reveals that strategies differ quite widely between types of organisation and their ultimate goals. For example, corporations tend to explain and justify their actions through storytelling, whereas charities attempt to appeal to stakeholder's emotions with their storytelling strategies. Furthermore, some elements are underused by both companies and charitable organisations such as vision, mission and values, even though such elements are important corporate core values, according to Urde (2009).

2.4   Summary

Despite the aforementioned limitations in the literature available, it is still possible to get a picture of which elements are important in creating key brand image messages and instilling the resultant core values into stakeholders at corporations, institutions and organisations. Firstly, corporations, institutions and organisations need to identify the "real" core values that represent their activities, products and services through examining their structures, behaviours and branding deeply enough to ensure that the values they are communicating are the values that genuinely represent their essence (Urde, 2009). Secondly, there are a number of methods that can be employed to instil core values into key stakeholder groups such as employees and consumers to ensure they truly reflect the soul of the organisation, such as the various top-down and "sharing" approaches suggested by Hutchison and Bennett (2012) and Wallace et al (2011), which entail the interaction of individuals involved in staff supervision instilling core values into staff and other stakeholders through transactional and transformational communication methods. Other studies have suggested a storytelling approach may achieve more effective core value perception among staff, shareholders and customers, though literature on the effectiveness of this method is still minimal in scope (Spear and Roper, 2013). In addition, the studies that have been conducted show that not all corporations and organisations employ storytelling methods in their branding and image strategies (Spear and Roper, 2013) and even those that do, only use some elements of this method, and thus, do not apply optimal storytelling methods.

3   Methodology

3.1   Methods of analysis

The section outlines the research design and methods required in order to analyse the importance of core values within corporations, institutions and organisations and investigate how these key messages are received and instilled in important stakeholder groups such as consumers and employees. A top-down approach will be applied to this process, as described by Saunders et al (2015), in that the outer layers of the research question will be evaluated to decide upon the approach and philosophy taken and the inner core will focus on a more detailed method selection, sampling strategy and data collection methods.

3.1.1   Research approach

The research approach used in this thesis is based on the knowledge of the researcher and the research question (Yin, 2003). Two main approaches have been used in the exploration and assessment of the research question: namely, the inductive and deductive approaches, which may be employed separately, but overlap partially in this instance (Johnson & Christensen, 2008). According to Ghauri and Grφhaug (2010, p. 16), the deductive approach involves the logical process of reaching a conclusion "using a known premise or something known as true" and the inductive approach is a "systemic process of reasoning" designed to establish a "general proposition based on the observation of particular facts". A third research approach used in this paper is the abductive approach, which generally refers to the idea of moving backwards and forwards between the inductive and deductive approaches in order to focus on a particular fact and, subsequently, establish a relevant theory (Saunders et al, 2015).

A number of basic assumptions, as well as definitions, are used in this thesis. Saunders et al (2015) state that ontological assumptions refer to the way research objects are seen and studied, with such objects including organisations, management, individual working lives and organizational events and artefacts, in a business context. This thesis explores ontological assumptions about individuals as

corporate stakeholders, in particular as employees, consumers, organisations and management, and especially focuses on the relationship between corporations and employees and -- by extension -- management and employees. It also discusses whether the research findings presented help in arriving at a better understanding of how core values are perceived and instilled in the workplace (Bryman and Bell, 2011).

There are four main types of knowledge from an epistemological perspective: intuitive, authoritarian, logical and empirical knowledge, according to the Saunders et al (2015). Although the research process requires the usage of all the different types of knowledge stated, the intuitive element cannot be not given too detailed thought in this context due to the level of subjectivity associated with it, especially in a specific research area where the researcher's pre-existing knowledge was still rather limited. Authoritative knowledge (Saunders et al, 2015) played a bigger role in this paper due to the reading conducted and information gathered for the literature review and methodology section. Logical knowledge (Saunders et al, 2015) was garnered through the analysis of primary data and conclusions based on empirical knowledge.

Additionally, this research focused on both empiricism and rationalism to gain further insight into the research question, as both elements complement each other in this instance. Rationalism is gained from personal experiences and observations, while empiricism uses empirical findings, data, etc. from reliable sources (Bryman and Bell, 2011). The paper used a combination of both to reach its findings.

3.1.2   Research strategy and data collection

In academic work, information is generally collected from reliable empirical studies and databases (Creswell, 2009), as is the case of this examination of the identification and instilling of core values in stakeholders such as consumers, shareholders, employees and the general public. This aids the descriptive elements of the research strategy. Saunders et al (2015) define descriptive research as a precise representation of people, situations and events, in which sets of empirical data is tested against each other to define the research problem. Given the fact that

there has only been limited research into the defining and identifying, and communicating and instilling of core values and messages in the corporate sector, a complete picture of the true nature of core value usage and systems cannot be developed here. Saunders et al (2015) state that using an exploratory approach to identify relationships between variables within the research question may help piece together the links between the variables in the chain. In most cases, descriptive research and exploratory research are conducted in parallel.

3.1.3 Primary and secondary research

The data collection for this thesis entails both a primary and secondary approach, focusing mostly on qualitative data collection through the use of in-depth interviews and with a limited use of quantitative components. Quantitative data is important as an aid to understanding the factors relating to core value identification and the various methods used to instil core values in stakeholder groups, but qualitative data provides a deeper insight into how individual stakeholders perceive different core values and relate to them in terms of their true nature (Denzin & Lincoln, 2000). Qualitative data was collected and analysed from a series of interviews with employees, supervisory staff and senior management -- six individuals in total -- from a total of 210 persons listed as employed within the organisation. The respondents were initially contacted either by email or telephone to inquire about their willingness to participate in the question and answer sessions and the interviews were carried out either on a face-to-face basis or by telephone. The objective was to obtain basic data on core value recognition and reception in different parts of the corporation, as well as gain insight into the case study company's internal core value transmission system. The data collection was designed to discover which of the 15 core values stated in COR Sitzmöbel Helmut Lübke GmbH & Co. KG's corporate literature (see Appendix 7.1 for a full list of COR "inner values") were considered as genuine core values by both management and staff, as described by Urde (2009), and how these values were communicated between the various levels of the company hierarchy. This took an interpretivist approach, which was used throughout the research because the phenomenon studied is deeply subjective and no single truth can be discovered (Saunders et al, 2015).

3.1.4 Primary research

The methods of primary research used in this thesis focused on qualitative data collection and analysis through the use of in-depth interviews of both members of the corporate management and individual staff, approaching the subjects involved via email invitation or telephone and performing a series of semi-structured question and answer sessions either face-to-face or via telephone. Six subjects were selected to take part in the interviews from different parts of the organisation from a list of 210 staff (COR, 2017) at the case study company. The aim was to analyse the extent to which different core corporate values are embedded in the mentality of employees and their managers in order to motivate them to serve the company COR Sitzmöbel Helmut Lübke GmbH & Co. KG and its customers, as well as ascertain the typical methods used to transmit key company messages and how the research subjects believe internal communication could be improved in the longer-term. A cross-sectional approach was taken in the hope of providing a snapshot of a population, in which characteristics of the overall population were gathered at a given time (Lavrakas and Roller, 2011). The questions were open-ended and allowed the respondents to give either quick answers or more detailed responses as desired, but the interview time averaged about 10 to 15 minutes per person. The questions also gave the respondents an indication as to what the topic of research was. The reason for this approach was that case-study specific information gives greater insight into management strategy and communications channels in corporations because of its individual nature and the in-depth interview approach enables an understanding of the differences between departments and in attitudes within the corporation.

The interviews allowed respondents to select which of the 15 core values defined by COR in its corporate literature were the most important to them as an individual (see Appendix 7.1 and Appendix 7.2 for details). The company itself defines its core values as "inner values" and a key element of the research was to establish a clear personalised, core value hierarchy in order to pinpoint the "true" values that motivate employees and those that do not define the company's essence and are "hollow" in their opinion (Urde, 2009). The list of core values covered a range of

concepts such as quality standards, ecology and material properties (see Appendix 7.1 for details).

Employees and managers who took part in the survey were contacted directly by the researcher and the semi-structured format was to designed to allow the interviewees the freedom to make whatever comments they thought were appropriate in regards to core values in the company, guided by the question prompts. The interviewees included staff, members of supervisory staff and senior management in different departments at the company COR Sitzmöbel Helmut Lübke GmbH & Co. KG, all of whom are key players in the organisation. The questions encompassed the following range of topics:

- A personal definition of core values and the selection of the most important core values, according to the interviewee.
- What approaches and methods are used in the company to instil core values?
- Are there any potential improvements that could be made in the selection and communication of core values within the organisation,?

The individuals selected for in-depth interviews included retailer staff, the corporation's Head of Marketing, Head of Retail (Vienna) and Chief Executive Officer.

3.1.5 Secondary research

Secondary research provides context to primary data and is essential in the development of an understanding of not only the general research field to be explored, but also the methodologies used to examine this field. McQuarrie (2005) suggests that conducting secondary research prior to data collection is critical to ensuring that several parties can use it for various purposes. However, secondary data was collected not only prior to conducting the interviews found in this paper, but also during its writing, for the simple reason the researcher was relatively new to this area and discovered a range of valuable sources along this research journey. The

secondary research proved extremely valuable in helping to answer the research question. Media used include databases, journals, reports and case studies

3.1.6   Data limitations

There are a number of limitations need to be taken into account, given the nature of this research. One potential source could be the selectivity used in the obtaining of primary and secondary research materials, as this could be seen as subjective. This is also the case with interviews conducted by the researcher, as respondents may have answered the questions given to them with varying degrees of diligence and interest, leading to potential problems with reliability and validity. A lack of honesty may also raise concerns among interviewees (Johnson and Christensen, 2008).

The core value interviews allowed respondents to express their opinions freely and the aim was to understand which of the 15 core values named by the corporation were genuinely seen as representative by its staff and management, as well as obtain information about core value communication approaches within the firm. The interviews were not conducted for market research purposes, but rather for academic use to facilitate the prioritisation of the values listed to deepen the researcher's understanding of core value importance to the individual respondents and the company as a whole. Another limitation stemming from the in-depth interviews with company representatives may have been an unwillingness to share information for reasons of compliance. It could also have been the case that interviewees may have also portrayed the company brand in a more favourable light and stronger than it might actually be perceived by other stakeholder groups and that other confidential information might not have been shared for competitive reasons. A final limiting factor was own bias, as personal exposure to a corporation may have hindered truly objective research.

To conclude, the thesis has taken a mixed methods approach to the question of the identification and instilling of corporate core values in key corporate stakeholders such as employees. It involved an in-depth review of the literature available to provide solid background to the case study, which used interviews with employees, supervisory staff and company management to determine the role of core values

within their organisation. The results and the findings are presented in Sections 4 and 5, and further information and data can be accessed in the appendices (Section 7).

4   Results and Findings

4.1   In-depth employee interviews

The data garnered for this section came from two interviews made with staff at the COR Interlübke Studio Wien in Vienna. The interviews explored employee attitudes towards core values and the methods used to instil these messages at the corporation. The two interviewees were:

- Gernot Bjerregaard-Trinker, Employee of the Planning & Sales Department, COR Interlübke Studio Wien; and
- Elke Taucher, Employee of the Planning & Sales Department, COR Interlübke Studio Wien

The interviews undertaken were semi-structured in nature, conducted either face-to-face or on the telephone and took place on May 28th 2017 and June 9th 2017, respectively. A full transcript of each interview is available in Appendix 7.2.

Both interviewees were aware of the importance of core values and their role in customer communication and branding within the corporation (Bjerregaard-Trinker, 2017; Taucher, 2017). However, there were some differences between the respondents in terms of which of the company's 15 core values were the most important to different members of staff. For Bjerregaard-Trinker (2017), the fact that COR furniture is produced in-house to specific quality standards was considered a vital corporate message, as was the longevity and durability of the design created, the company's sustainability policy and its familial roots. Taucher (2017) stated that the most importance of core values in the list given (Appendix 7.1) were in relation to product quality, the materials used within the furniture made and the location of the company's manufacturing plant in Germany, while also highlighting COR's customer-oriented image, its ecological ideals and selective sales and distribution channels.

In terms of core value awareness and the transmission of these messages through the company, both employees stated that employees are expected to be aware of COR's "Inner" values from the very beginning of their employment via catalogues,

website materials and visits to the headquarters in Rheda-Widenbrück, Germany and the different retail studios. The transmission method was primarily top-down or transactional by nature, although the management also used elements of the "sharing" transformational method via commitment to the brand and open discussion about the corporation. Much of the transmission process is via product and sales seminars, catalogues and other materials. In the case of local planning and sales employees, knowledge of the core values stated by the company are a key tool in connecting the manufacturing unit to the customer along the production chain, according to Bjerregaard-Trinker (2017).

As neither interviewee works at the company's main office and production plant at Rheda-Widenbrück, Germany, it was perhaps not so surprising that both felt employees needed to be better informed about developments in products and branding so that they could understand "the most important core values … to communicate these to the customers because they are marketing instruments" (Bjerregaard-Trinker, 2017). Both would welcome more information and opportunities to give feedback to more senior staff via meetings, discsussions and digital media (Bjerregaard-Trinker, 2017; Taucher, 2017).

4.2   In-depth management interviews

The following is a summary and analysis of the data collected from four interviews made with managerial staff at COR Sitzmöbel Helmut Lübke GmbH & Co. KG in Rheda-Widenbrück, Germany and COR Interlübke Studio Wien in Vienna, discussing corporate core values and their relevance to staff along the production and sales chain. The four interviewees were:

- Reiner Mortensen: Retail Manager and Owner, COR Interlübke Studio Wien;
- Berthold Strüve: Head of Marketing, COR Sitzmöbel Helmut Lübke GmbH & Co. KG;
- Kappel Sudbrock, Sales Manager at COR Sitzmöbel Helmut Lübke GmbH & Co. KG. ; and

- Leo Lübke, Chief Executive officer at COR Sitzmöbel Helmut Lübke GmbH & Co. KG.

The interviews undertaken were semi-structured in nature, conducted either face-to-face or on the telephone and took place between May 26th and June 9th 2017. A full transcript of each interview is available in Appendix 7.2.

According to all the management employees interviewed, corporate core values play a crucial role at COR, as they are seen as binding staff to the company, giving the firm identity and are vital for the survival and continuation of the company's business (Mortensen, Strüve, Sudbrock, Lübke 2017). The types of core value considered to be the most important varied somewhat between the different managers interviewed, a factor which may be partly attributed their different positions in the company – from retail manager to senior management, as well as marketing and sales, and the resultant difference in perspective vis-à-vis consumers and the actual product -- but generally reflected at least some of the 15 core values listed by COR in its literature and, ultimately, led to one key word: quality. An example of this is Retail Manager Mortensen, who focused heavily on various aspects of quality – e.g. the quality of the materials delivered by suppliers, as well as product durability and longevity, reliability and the fact the furniture produced is "Made in Germany" and in a lower-cost location (see Appendix 7.1 for a full list of COR "inner" values). Marketing Head Strüve emphasised the quality message even more strongly, stating quality, origin and design among the values he saw as representing the corporation the most accurately (see Appendix 7.1 for core value list). Sales Manager Sudbrock also mentioned quality among the top core values at the furniture maker, but also stressed the idea of partnerships and the "human factor" (Sudbrock, 2017), which he believed impacted quality and design, as well as relationships with stakeholders such as employees. In the case of CEO Lübke, the emphasis was also on relationships with customers and suppliers in order to provide high quality and create "fresh" designs satisfying the needs of the end-user. Other brand image and core value factors mentioned were the longevity and durability of the designs and furniture created, staff flexibility and furniture comfort.

There were more pronounced differences in attitudes towards how core values were instilled into staff at the corporation between the various management and supervisory staff and how the transmission of core values could be improved internally. Nevertheless, al the interviewees saw the process of instilling core values as, at least partly, a form of "top-down" communication, beginning with the most senior management and filtering through the ranks of the organisation, as described in several case study papers in the Literature Review (see Section 2). The management at COR was expected to set an example and convey company values on a continuous basis through its own daily actions in order to get employees to "live and breathe" the corporation's ideals, according to interviewee Sudbrock (2017). Sudbrock (2017) and Lübke (2017) also suggested a preference for mixture of both the reward-based, top-down transactional approach and the "live the brand" style of transformational communication systems, as described by Wallace et al (2011) and Mohart et al (2009).

Further evidence of a somewhat mixed transmission system could be deduced from the information given by the interviewees, as it was stated that COR did not explicitly use special core-value training sessions and seminars to encourage employees to absorb its key messages, but rather other direct and indirect means of communication (Mortensen, 2017). Lübke (2017) stated that there had been past attempts at using core-value seminars within the organisation. However, these did not have the same impact on message reception as more regular, daily activities .Core values were transmitted through internal channels such as other types of training seminars within the organisation, as well as through sales figure announcements and internal communications on special projects, awards won, design shows, catalogues and other events -- via both traditional and digital media -- with the goal of maintaining quality standards (Stüve, 2017).

There was a divergence of opinion among the managers interviewed as to how COR could improve its core value communication to employees. Head of Marketing Strüve saw no need to use additional tools or methods to enhance core value reception among staff, just the continued use of the current methods undertaken. However, both Retail Manager Mortensen and Sales Manager Sudbrock suggested new means to convey corporate messages from both the top-down and bottom-up –

in the sense that more feedback should be taken from staff to give them a feeling of being heard and that new sales methods – and especially digital media - could be used to boost brand image.

4.3   Summary

Given the data detailed above, it can be seen that both the management and staff at COR Sitzmöbel Helmut Lübke GmbH & Co. KG have specific preferences when it comes to selecting the most appropriate characteristics from the diverse range of 15 core values listed by the organisation. The quality levels of both inputs and the finished furniture, ecology and sustainability, and customer-orientation were stated as the most important messages by the employees interviewed (Bjerregaard-Trinker, 2017; Taucher, 2017).   Factors such as availability and accessibility were not so important to them (see Appendix 7.1 and 7.2). The production tag "Made in Germany" was considered an important core-value message, at least in part (Bjerregaard-Trinker, 2017).

The members of supervisory staff and senior management interviewed regarded the core value "quality" as among the most important messages to be communicated to all stakeholders, including employees. The key message "Made in Germany" was repeated at a management level (Mortensen, 2017), in addition to employee level. Other key values were product durability and longevity, reliability, partnerships and design (Mortensen, Strüve, Sudbrock, Lübke 2017), a somewhat different list of values to those considered important by staff at the company.

This would suggest that although some key messages seem to have filtered through the management to the employees effectively, there are still a number of differences in perception in terms of the importance and prioritisation of the 15 "inner" values between senior employees and staff at COR. The only partial success of this trickledown effect suggests that some of form of measures may need to be taken to bridge this gap to find the firm's "true" values and eliminate "hollow" ones that have not been received so well by different stakeholders, as discussed by Urde (2009). Given that core value transmission tends to be a mixture of both transactional and transformational communications methods (see Section 2.4.2 for details) and that both the staff and management feel these mixed methods have

achieved a certain level of awareness (see Sections 4.1 and 4.2), the use of addition tools for core value transmission may assist in filling the open gaps in core-value management policy, perhaps via the employment of tools such as more digital media information and the use of storytelling (Spear & Roper, 2013) to boost core value effectiveness, although it must be stated that this method was not mentioned by any of the interviewees.

All in all, the interviews revealed that the organisation has been attempting to define its "true" core values, as defined by Urde (2009), although there was evidence that there were some differences in core-value prioritisation within the hierarchy. An explanation for this may be the large number of values chosen by the corporation – 15 in total – and the fact that the individuals surveyed were in different parts of the production and distribution chain – thus, focusing their choices on specific product- or customer- related tasks rather than taking a holistic view of the company. The transmission system found within COR is quite top-down in structure, although there was a desire among retail management and employees to give more feedback to senior management (Mortensen Taucher, 2017). The core-value communication system was both transactional and (somewhat) transformational in nature, but there was the impression that more could be done to bind employees and managers in some parts of the corporation to the firm's brand values through conveying new approaches and better two-way communication. Indeed, while CEO Lübke (2017) stated that the corporation should continue to try to instil the company's core values on a daily basis, he felt that a more diversified approach may be necessary in the future.

5   Conclusions

5.1   Interpretation of findings

The thesis initially set out to examine the identification and instilling of core product and service values in the corporate sphere, with a focus on the communicating of key values and messages to important stakeholder groups, particularly employees. It examined literature discussing the effectiveness of core valued-based, brand identity strategies in a range of economic fields and individual corporations and organisations, pinpointing key elements such as the importance of "true" core value, as defined by Urde (2009) and the management-employee transmission systems used to get messages across more effectively -- whether transactional and transformational in nature (Mohart et al, 2009; Wallace et al, 2011) or through the possible use of storytelling (Spear and Roper, 2013).

The case study on the German furniture manufacturer and retailer COR Sitzmöbel Helmut Lübke GmbH & Co. KG revealed that even in companies which operate along the entire production chain – from designing and manufacturing to retailing high-end furniture – there are differences in the perception of company core values between the employees, supervisory staff and senior management to at least some degree. This suggests that improvements could be made by either using another method of core value communication (for instance, via storytelling) or, alternatively, strengthening its efforts to instil core values in its employees with better use of the measures in place. In this particular instance, while it was recognised that the use of both transactional and transformational communication systems between managers and employees (Mohart et al, 2009; Wallace et al, 2011) had had an impact on core value reception and acceptance, there was a discussion as to whether other tools such as digital media would enhance brand imaging and employee loyalty.

5.2   Discussion

On a wider level, the concept of core values is becoming ever more relevant in relation to a variety of corporate stakeholders for a number of different reasons.

Firstly, continued change in the general economic environment and in speed of technological development mean that corporations, organisation and institutions have a greater need to orient and reorient themselves to shifts in behaviour in consumers, shareholders, employees and the general public on a more frequent basis. The brand images companies portray and the manifestation of those images in products and services are increasingly vital factors in economic survival and success, given product and service diversification and the "fickle" tastes and cost sensitivity of many consumers today (Flatters & Willmott, 2009).

Secondly, identifying and instilling "true" core values in staff members and other groups can not only improve the clarity and acceptance of a corporation's or organisation's image in the highly competitive, globalised economy (Urde, 2009), it can inspire behaviours that have a positive reflection on the entity and on those close to it (Moser, 2003; Hutchinson and Bennet, 2012) – for example, raising productivity levels and loyalty among staff (Wallace et al, 2011), as well as brand awareness on a wider scale.

Thirdly, the methods used to convey key brand messages and instil staff loyalty via core values can also be developed further in order to achieve optimal image and message reception. Whether through transactional or transformational relationships between management and staff in the corporate sphere (Wallace et al, 2011; Hutchinson and Bennet, 2012) or via storytelling at companies or non-profit organisations (Spear and Roper, 2013), the communication of core brand messages can be honed and polished through a better understanding of how such transmission methods work with an eye to improving these methods and adapting them more closely to specific corporate or institutional goals.

Lastly, whether the example of COR Sitzmöbel Helmut Lübke GmbH & Co. KG can be applied to larger corporations and/or corporations in other spheres in a direct manner may be subject to discussion, given the limitations within the case study undertaken, nevertheless, some of basic lessons that can be learned from it are quite clear. Generally, speaking , there is a need to:

- choose core values carefully at a corporation or organisation so that they convey a specific meaning to stakeholders;

- select the relevant method or methods of transmission so that they fit the organisation and the staff-management communication systems present within the entity; and

- consider applying additional methods to supplement and support the main approaches used to communicate and instil the important ideals relating to a brand or organisation to the people who represent it the most closely -- i.e. the staff.

Only once these steps have been followed can a corporation, organisation or institution optimise its core value policy and present its "real" face to the global economy and its stakeholders, by projecting "true" core values via employees and, thus, enhancing loyalty in other stakeholder groups such as consumers to ensure long-term profitability.

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7 Appendices

7.1 Appendix 1: List of Corporate Core Values at COR Sitzmöbel Helmut Lübke GmbH & Co. KG

Table 7.1: COR "Inner Values" and Their Definitions, according to specified corporate literature

COR "Inner Value"
Materials used – The company dedicates large parts of its literature and catalogues to individual materials (COR, 2017).
Origin of materials -- This is detailed material-by-material and is stressed throughout the literature (COR, 2017).
Quality of materials –This is detailed material-by-material and is stressed throughout the literature (COR, 2017).
Accessibility and availability – These are defined as open communication with customers, suppliers, staff and other stakeholders (COR, 2017).
Ecology – The main focal points are sustainability and the use of natural materials (COR, 2017, p. 91)
Range of materials used – Company literature, such its COR Catalogue (2017), does not mention materials as a group, but refers to all the materials used in its range individually.
Production site – Made in Germany is an important core message (COR, 2017)
Production conditions – Made in Germany is an important core message and that includes production standards and conditions and not just location (COR, 2017).
Fulfilling of ecological standards in production – Ecological standards are proving to be important benchmarks for both retailers ad end-customers (COR, 2017).
Recycling of old products – Ecology and recycling are messages transmitted to customers via catalogues and online literature (COR, 2017).
Longevity and durability of design – How does the design stand the test of time? Is the product durable, as well as attractive? These are key branding questions at COR (2004).
Professional consulting and advice—the company's consulting an advisory services, based at its retail chain and with third-party retailers, are designed to build strong relationships with customers (COR, 2004)
Long-term partnerships – Relationships with customers and suppliers are considered to be of the utmost importance (COR, 2004)
Quality controls – Quality controls are an essential element in the company's quality strategy (COR, 2017, pp. 94-95)
Selective distribution and sales – COR defines this as a customer-oriented sales and customer care philosophy in its company history *Home Is Where the Heart Is* (COR, 2004, pp.204-213)

7.2 Appendix 2: Interview Notes

7.2.1 Interview notes: Reiner Mortensen

Reiner Mortensen: Retail Manager and Owner, COR Interlübke Studio Wien

a) Are core values important to a company?

They are really crucial and in recent history they have become more viable and this trend will continue into the future. It is also important to communicate core values holistically. They make us proud.

d) What in your opinion are the most important inner values (core values) at COR?

i) Reliability (Quality, partnership, partnership with suppliers, quality of suppliers) Longevity and durability (of the products)

ii) High quality of products (In all areas, design, production, checking, reliability) Making sure the products are made in Germany and not in Poland for example.

c) How important is it to encourage staff to live company core values? What methods does the company use to instill core values into retail employees?

You have to lead by example. The example set by the management has been a very successful method. Communication and the management are the two most common methods. We do not really use training seminars.

d) How do you think you can improve core value reception at the company?

Through constant self-critical questioning. Allowing critical objections to the top of the management chain and the constant revising of errors

7.2.2 Interview notes: Berthold Strüve

Berthold Strüve: Head of Marketing, COR Sitzmöbel Helmut Lübke GmbH & Co. KG

Are core values important to a company?

a) Yes, they are very important for company identity. Trust has to be justified with the core values.

b) What in your opinion are the most important inner values (core values) at COR?

They are: Quality, Origin (proximity), craftsmanship with highly trained staff, substance, form and design.

c) How important is it to encourage staff to live company core values?

The management must complete the tasks of conveying core values on a daily basis. It must convey the core values to the employees with the smallest details. It is top down communication.

d) What methods does the company use to instil inner values in employees in design and production?

Core values are transmitted through communication. There are training seminars, but not for core values. Other methods used are through sales figure announcements and internal communication, design shows, catalogues, winning design awards, certificates, visits.

e) How do you think you can improve core value reception at the company?

We need to continue instilling core values in an everyday way by sticking to the methods we are using.

7.2.3   Interview notes: Kappel Sudbrock

Kappel Sudbrock, Sales Manager at COR Sitzmöbel Helmut Lübke GmbH & Co. KG

a) Are core values important to a company?

Yes, they are very important and to us because they are important for survival.

b) What in your opinion are the most important inner values (core values) at COR?

The human factor – people first, strong partnership with suppliers and people. Then, product quality, origin and longevity and durability.

c) How important is it to encourage staff to live company core values?

It is very crucial as employees must live and breathe our core values in order to reflect those values towards customers. Employees are trained/reminded on a weekly basis through new technologies, designs etc. in order to keep up our high quality standards.

d) What methods does the company use to instil inner values in employees in design and production?

At the very top of the management chain our core values are being lived the strongest. Additionally, 100 dealers visit the company once a year and learn about the newest products and technical innovations. We also instil values through the website. Recent emerging trends are digital – we use emotional factors.

e) How do you think you can improve core value reception at the company?

Communicating our core values in a "delicious" sort of way to the customer. Packaging and selling of our products in an interesting way to the end-user.

7.2.4 Interview notes: Leo Lübke

Leo Lübke, Chief Executive Officer of COR Sitzmöbel Helmut Lübke GmbH & Co. KG since 1994.

a) Are core values important to a company?

Naturally, they are crucial. My father always told me you have to "live" your core values in order to convey them. For me, a company is like a body, you have to train and exercise each muscle to strengthen the values of the company.

b) What in your opinion are the most important inner values (core values) at COR?

We make modern furniture, but also comfortable furniture. In order to the do this, you need to be close to your suppliers and customers, fresh and have substance. In my opinion, quality is a result of core values. For us, durability and longevity are very important. The staff (designers, employees etc.) should also leave their footprints on the designs. Flexibility is vital when it comes to employees.

c) How important is it to encourage staff to live company core values?

This is a work in progress at the moment in the company. However, it is very important to appreciate employees. When you appreciate the employees and praise their work, they will grow with the company with time. This is how we make them one of us. Profit should not be the most important factor, but the customer should be in the centre of everything. We want to thrill and inspire the customer and we let our team know this.

d) What methods does the company use to instil inner values in employees?

We managers have to preach and live our values first in order for the others to do it, too. We tried using seminars, but soon realized that this is not necessary as we live our core values on a daily basis. In the upper management we do a trip and discuss the future and other plans every five years or so. Other methods used include talks, dialogues, factory tours and letting people know that they are welcome in the company, that they are part of the team, and that they can criticize us if we can do things better. We let the individuality unfold through our company culture.

e) How do you think you can improve core value reception at the company?

I am still a firm believer that you have to first live your core values in order for others to adopt them. We will continue using this method because this is our method. Architecture, design and light should reflect our company spirit. People should "like" to work in our company. We must continue to thrive by searching for every possible method to inspire our people. Some employees come up to me and tell me that the feels like a home to them. This is exactly the outcome we are searching for.

7.2.5 Interview notes: Gernot Bjerregaard-Trinker

Gernot Bjerregaard-Trinker, Employee Planning &Sales, COR Interlübke Studio Wien

a) Are core values important to a company?

Yes, they are very important because they are linked with band identity.

b) What are the key inner values (core values) at COR?

Manufacturer, quality, longevity and durability, sustainability and that it is a family company.

c) How did you become aware of the company's core values and do you feel the management communicates them to you often and well?

I was aware of the company's core values before I started to work here through catalogues, websites and previous visits. I believe that the transmission of our core values is done very well -- however, they are not communicated very "loudly".

d) How did you learn about the company core values?

Seminars, visits to the company and other methods within COR. We were trained from the beginning onwards.

e) What do you think can be done to improve core value communication in the organization?

Fieldworkers and external studios have to be better informed, involved and understand the most important core values in order to communicate these to the customers because they are marketing instruments. There should be a stronger focus on catalogues and digital media tools to express our core values. Currently, these media are not used enough in the company.

7.2.6 Interview notes: Elke Taucher

Elke Taucher, Employee Planning & Sales, COR Interlübke Studio Wien

a) Are core values important to a company?

Core values are vital to our success.

b) What are the key inner values (core values) at COR?

In my opinion, the most important core values at our company are the quality of the products and materials used in making them, our manufacturing location in Germany, ensuring that our consulting and sales services are customer-oriented, the ecology of our materials and products and also our focus on selective sales and distribution channels.

c) How did you become aware of the company's core values and do you feel the management communicates them to you often and well?

Everyone at COR is aware of our core values from the first day of work at the company. There are catalogues to read through – understanding our values is essential when advising customers.

d) What do you think can be done to improve core value communication in the organization?

Working in an external studio can feel a little isolated. However, we try to get as much information as we can through the catalogues, meetings and online. It would be great to give more feedback from our side.