ORGANIZATIONAL BEHAVIOUR AND LEADERSHIP THEORY IN PRACTICE

EDITORS

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APPLYING SCRUM TO THE FOUR ELEMENTS OF ORGANIZATIONAL LEARNING – HOW SCRUM SUPPORTS THE DEVELOPMENT OF A LEARNING ORGANIZATION

ATILLA WOHLLEBE

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Organizations generate knowledge on a regular basis. As they face the challenge of capturing, sharing and applying this knowledge, a study on non-profit organizations has found four elements on organizational learning. This essay applies the elements, processes and methods of the agile framework Scrum on those elements of organizational learning. The aim is to find out, how the agile framework does support the development of a learning organization.

LEARNING AS A CHALLENGE FOR COMPANIES AND ORGANIZATIONS

In recent years, the term "learning organization" has become increasingly important: A learning organization can be defined as a company whose employees continually strive to generate new knowledge, distribute it within the organization and apply it in the various processes. Against the background of an ever faster changing environment, new competitors and shorter product life cycles, the importance of organizational learning has increased massively in recent years (Berke, Csupor and Szigeti, 2018). The ability to learn can therefore also be seen as a central challenge when it comes to ensuring the long-term existence of an organization (Hitt, 1995).

With the four elements of organizational learning, Milway and Saxton (2011) provide a framework for systematizing organizational learning. Originally developed in the context of nonprofit organizations, the authors also identify central challenges in the implementation of organizational learning.

Against the backdrop of the increasing importance of agile working methods such as Scrum, which is used primarily in software development, this paper discusses how the principles, elements and processes of Scrum can contribute to promoting organizational learning in companies. First, the four elements of organizational learning are presented. This is followed by an introduction to Scrum. The synthesis that follows shows how the use of Scrum in companies can contribute to promoting organizational learning and which challenges exist.

INTRODUCING THE FOUR ELEMENTS OF ORGANIZATIONAL LEARNING

Organizational learning can be understood as the ability of a company to transfer knowledge from the past to the future. With this definition, Levitt and March (1988) provide a central building block for today's understanding of organizational learning. Milway and Saxton (2011) identify four elements of organizational learning as success factors. They see these as central to the implementation of organizational learning. In the following, these four elements are described.

The first success factor is the need for supportive leaders who are "committed to organizational learning". This means not only that leaders should provide a clear vision and goals for organizational learning. They also need to lead by example and actively participate in knowledge-sharing activities.

The second success factor addresses the culture in a company: The company should enable and welcome continuous improvements. This is promoted, for example, by continuously measuring learning success and communicating it. The use of rewards for improvements can also be part of such a culture.

The third of four success factors of organizational learning is considered as a defined learning structure. In addition to a defined learning structure, Milway and Saxton (2011) particularly demand "people who are responsible for capturing, distilling, applying and sharing knowledge". The structure should also include networks and coordination tactics that support the flow of information between the people who need it at the right time".

An intuitive learning process is defined as the last success factor of organizational learning, which should be aligned to the processes how people within the organization work with the intent to save extra work. In addition, the technical support for organizational learning is mentioned here.

LEARNING IN AN ORGANIZATION: IMPLEMENTATION ISSUES

As (not only) non-profit organization do face problems establishing the success factors of continuous learning, Milway and Saxton (2011) point out three main issues here:

- The first issue is a lack of goals and clear metrics to track the success of learning activities.
- The second issue focusses on incentives as leaders saying that they fail to establish incentives for individual members and teams.
- As the third issue, organizations fail to implement a process that allows people within the organization to share knowledge in an convenient, clearly defined structure.

INTRODUCING SCRUM AS AN AGILE FRAMEWORK

Before the questions is addressed, to what extent Scrum can support the development of a (continuously) learning organization, Scrum must first be introduced as a method.

Scrum belongs to the so-called agile working methods, which have their origin in software development. The idea of agile work is essentially based on the agile manifesto developed by Beck et al. (2001), which establishes principles for the development of software. The basic idea is to create a stronger customer and output orientation through shorter feedback cycles with the user or customer based on functional software increments. Agile methods are therefore considered to establish a higher quality in the software development process.

Central to this are principles such as: "Individuals and interactions over processes and tools", "Working software over comprehensive documentation" and "Responding to change over following a plan", as Beck et al. (2001) point out. Wolf (2016) summarizes agile working as feedback loops and transparency.

Scrum is one of many methods that tries to give a framework to follow these principles and has a growing number of practitioners worldwide in the last few years.

IMPROVING CONTINUOUSLY WITH SCRUM

An essential feature of Scrum is the work in (typically two-week) iterations, the sprints. At the beginning of each sprint, there is a commitment of the team, which goals it wants to achieve in the following sprint. The respective goals are usually based on the idea of small but usable increments, which immediately after release should be a usable piece of software, creating value for the customer.

The development team is cross-functional, so that (e.g.) developers, architects, designers and testers work together in a team. A Scrum Master, whose task is explicitly to ensure that the Scrum process is adhered to and who supports the collaboration, accompanies the team.

At the end of each sprint (often lasting two weeks), there is a review and a retrospective: In the review meeting, the team presents the developed increment of the software to the customer and receives direct feedback from the customer. As it receives immediate feedback on the work performed, the teams learns repeatedly to better understand the customer's requirements.

In the retrospective meeting the team talks about the cooperation aspects during the last sprint. The focus is on further improving cooperation and removing possible obstacles. These meetings are therefore a very essential part of the Scrum framework and often follow a specific agenda that has been established as a very common procedure consisting of setting the stage, gathering data, generating insights, deciding what to do and the closing. Typically, the Scrum Master moderates the retrospective meeting. The meeting agenda focuses on generating as many things to improve as possible to make cooperation even better with every sprint cycle (Derby and Larsen 2006).

In this respect, the retrospective meeting can be understood as perhaps the most important meeting of the entire process. Solingen and Rustenburg (2010) even say that the lack of implementation of improvements from retrospectives will make Scrum being a complete failure.

Roock and Wolf (2018) call one of the basic principles of Scrum "Inspect & Adapt". They draw a parallel to the Plan-Do-Check-Act (PDCA) cycle, originally developed by Shewhart (1939) and Deming (1986): With each iteration of the PDCA cycle, plans for new improvements are drawn up, implemented, reviewed and adjusted. According to Roock and Wolf (2018), the retrospective, but also the sprints themselves, contribute to a process of continuous learning and improvement.

ORGANIZATIONAL LEARNING ACROSS TEAMS AND FUNCTIONS

The work at Scrum takes place in cross-functional teams, which are often highlighted in the literature as a peculiarity of agile working methods and a great advantage in cooperation. Cross-functional teams facilitate planning and collaboration, as there are fewer dependencies on people outside the team, as all functions relevant for development are mapped in the team.

Nevertheless, working in cross-functional teams makes it difficult to facilitate functional learning: If a (cross-functional) team exclusively follows the Scrum process, people with different functions work together a lot, but people with the same function work together very little or even not at all.

Scrum does not provide any solutions here; however, the literature suggests so-called "communities of practice". People of the same function meet across teams to share and build up their (functional) knowledge.

TRANSFER OF KNOWLEDGE AND IMPROVEMENTS INTO THE ORGANIZATION

In addition to the Scrum teams in the organization, Roock and Wolf (2018) propose the establishment of a Transition team for the continuous further development of the organization as a whole. This Transition team should have the task to remove such organizational obstacles, which the Scrum master cannot remove alone.

In addition, they attribute an important role to the Transition team in the distribution of knowledge: Based on the findings of the individual agile (Scrum) teams, it is the task - and the product - of the Transition team to further develop agility in the organization as a whole. The Transition team thus makes a decisive contribution to making the findings of the individual teams available to all other teams and the organization as a whole.

Regarding organizations in general, also Laloux (2017) points out the need for organizations to constantly change and (further) develop. The author contrasts the approaches of change management with those of continuous change through continuous feedback.

An agile organization needs a continuous process, as the environment of the organization (competition, customers, etc.) is constantly changing. In contrast, change management is often project-oriented.

ROLE OF THE LEADERSHIP IN SCRUM AND MEASUREMENT OF THE LEARNING PROCESS

After discussing the processual aspects of Scrum supporting the concept of a learning organization, this paragraph will give a brief introduction in the management principles of Scrum and will evaluate if and how these aspects enhance the development of a learning organization.

According to Roock and Wolf (2018), leadership in an agile environment mainly means empowering employees with information and skills as well as setting the right conditions: The main goal is that employees can contribute to the company’s success independently. They distinguish agile leadership from a classical leadership perspective, which is based on breaking down targets to sub-targets, as they state. Furthermore, Roock and Wolf (2018) outline Scrum as a framework assuming a high intrinsic motivation of the employees. As a result, the members of a Scrum team work, learn and improve on their own drive.

It is probably because of this assumption that Scrum comes without any bigger key performance indicators and other metrics to measure the success of work: One of the very few metrics mentioned is the sprint velocity, measuring the story points the team completed during a sprint. The story points reflect the complexity of tasks, whereby these points are assigned to each task by the team itself. Consequently, an increased sprint velocity can be seen as a potential metric to measure the success of the Sprint process.

COMPARING ELEMENTS OF SCRUM AND OF ORGANIZATIONAL LEARNING

After discussing the four elements of organizational learning and an introduction to Scrum, the following section compares the elements of Scrum with those of organizational learning. Generally, it can be stated that Scrum does support the development of an organizational learning (Santos et al. 2011; Almseidin et al, 2015).

Related to the need for supportive leaders, Scrum does not provide specially designed procedures to define a vision or setting goals for organizational learning. Instead, Scrum – and agile working in a broader sense – does require a different understanding of leadership in terms of setting the right stage for employees to contribute independently, rather than defining static goals. Regarding specific role models, the Scrum master role making sure that the team follows the Scrum process can be seen as a role model supporting the learning process implicitly.

Also in terms of a culture of continuous improvements, Scrum does not show up with a clear set of characteristics. Instead, a lot of trust (especially in terms of intrinsic motivation) is provided: Scrum assumes the team working on clearing away impediments and improving its sprint velocity. As a core of the culture of continuous improvements, the Scrum process itself can be seen: Every iteration the team reflects on its collaboration with retrospectives and on its results of work with reviews. Scrum therefore does not only appreciate learning; it demands for it actively. As Scrum assumes a strong intrinsic motivation of the team members, Scrum does not require clear incentives for learning.

Looking at the defined learning structure, the role of the Scrum master and the understanding of the team as a responsible unit can be seen as defined roles and responsibilities, again without explicitly declaring their responsibility for organizational learning. Looking at networks and coordination, e.g., the transition team spreading collaboration learnings and discussing impediments across the organization can be seen as a good example, how Scrum does support organizational learning. In addition, communities of practice are employed to spread functional knowledge with the organization. As every team member is assumed motivated intrinsically, Scrum does not require a clear accountability of people being responsible for organizational learning.

When it comes to intuitive knowledge processes, Scrum provides a clear structure of processes and elements when and how to work on organizational learning. The retrospectives and reviews at the end of every sprint are essential here. Looking at technology platforms, Scrum does not give explicit guidelines here.

CONCLUSION

The goal of this essay was to find how the processes and elements of Scrum support organizational learning. Therefore, the four elements of organizational learning were employed.

After introducing the four elements of organizational learning the agile framework of Scrum has been introduced: First, agile working in general was introduced, then the Scrum process was shown and selected elements of it such as retrospectives and reviews have been discussed. As a core, learning in terms of process-improvement and the approach of "communities of practice" to enable functional learning have been discussed extensively. Regarding the management principles behind Scrum, the fundamentally different understanding of leadership as well as the very limited methods for measuring the success of learning within the framework were shown.

As a conclusion, one can definitely say that Scrum in many ways does facilitate organizational learning. Especially the iterative procedure of Scrum, combined the continuous approach to gain feedback from reviews and to improve collaboration by retrospectives, the agile framework helps to establish a culture of continuous improvements and offers a defined learning structure.

When it comes to the aspect of supportive leaders, Scrum's understanding of leadership is different from classical leadership understanding. By empowering people and trusting in their will to create value for the organization, it can be seen as a supportive way to strengthen organizational learning without really setting defined learning goals: When it comes to measuring organizational learning, Scrum does not really provide an explicit key performance indicator or something similar. Instead, it can be suggested to measure learning by measuring the improvement in velocity – needless to say, that this would be a very high-level and therefore not very precise number to measure the efforts for or success of organizational learning.

In summary, the need for a learning organization at Milway and Saxton (2011) is because the members of an organization do not strive for improvement on their own. Scrum in turn assumes a strong intrinsic motivation of the employees and offers a process that transforms this motivation into continuous improvement of the organization.

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MOTIVATION ACCORDING TO DANIEL PINK

MICHAEL GÖTZ

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Until I became 43 years old, I lived, studied and worked practically only in Augsburg, Bavaria. My first employers were NGOs in Augsburg (Handwerkskammer für Schwaben, Volkshochschule). As a manager I was responsible for different topics.

When I started working in consulting at SAP in 1998, I was project manager for SAP projects in the public sector, later on department manager for the Public Sector Consulting. My customers were no more than 100 kilometers from my home city away. Accordingly, I was never confronted with intercultural issues.

INTERCULTURAL DILEMMA WITH THE DANES

Since 2006 I have been working for MAN Energy Solutions SE as Senior Manager in IT. The corporate structure is decentralized, with four headquarters in Oberhausen, Copenhagen, Zurich and Augsburg. IT is not organized in a location-oriented way, but is structured according to functions. This means that an executive is responsible for one or more functions, regardless of location (Sinek, 2011, 2017; Thun, 2009). This also means that the employees for these functions are located at several locations. The functions I am responsible for at MAN Energy Solutions are from an IT perspective: reporting (with SAP Business Intelligence), internal and external accounting (external accounting, cost controlling with SAP R/3) as well as a small ERP solution for our service hubs covering all ERP process within the service hubs (with SAP Business One).

At the beginning of my employment at MAN Energy Solutions, the CIO was a Danish manager. Although only 25% of IT staff worked at the Danish site, more than 67% of managers were Danish. Accordingly, when I started working for MAN Energy Solutions, I was confronted with "foreign" employees and "foreign" management structures for the first time. However, I didn't realize this, as most Danish managers understand and speak German and - without wanting to be derogatory - the Danish managers didn't differ visually from the German managers in any way. As a result, I did not deal with the cultural background of my Danish colleagues. This quickly led to great difficulties, because from the Danish colleagues' point of view I did almost everything wrong in my behaviour and communication that I could do wrong. Unfortunately, I became aware of this far too late, when I did an intercultural training with subsequent coaching much too late due to the ever increasing problems. I then adapted my behaviour and communication, but unfortunately it was too late.

PREPARATION FOR INDIA

In order to reduce IT costs in the long term, the Danish CIO decided in 2010 that, in addition to the existing locations in Augsburg, Oberhausen, Zurich and Copenhagen,
additional IT employees should be hired at MAN's existing Indian production site in Aurangabad (about 300 kilometers east of Mumbai). This site is a production site where the engines (completely knocked down) are assembled to exploit the cost advantages of the Indian site. The target for sales of these engines is the Asian market.

I took this opportunity to be the first department manager to set up two teams in Aurangabad (India). In a first step, based on my experiences with the serious intercultural differences between Danes and Germans, I intensively dealt with the intercultural differences and the Indian mentality through various trainings, coaching and self-study. These efforts by me based on various books and articles (Apps, 2013; Blom and Meier, 2004; Dellner, 2014; Hermann, Hüneke and Rohrberg, 2012; Hintz, 2013; Hofstede 2003, 2009; Hofstede, Hofstede G.J. and Minkov, 2010).

In a second step, I coordinated the affected teams of my department in Europe to determine the future structure and interaction in projects and operations and together with the teams defined the structures and rules of cooperation. In a third step, I defined and advertised the job profiles, flew several times to India for all job interviews and accompanied the contract negotiations on site.

THE INDIAN LABOUR MARKET

It was very noticeable in the applications that the length of stay of an Indian IT employee is seldom longer than 15 months, many applicants have changed employers regularly after one year. The background to this is that salary increases of up to 30% can be achieved throughout a job change. This is made transparent, as the salaries of the last few years are always stated when applying for a job in India. As a rule, the applicants were between 25 and 32 years old, 90% of the applicants were male, most applications came from other regions of India.

These salary increases, which are unusually high by European standards, are initially very motivating, as the son still takes his parents into his household or financially supports his parents as soon as the father retires. The retirement age is predominantly 58 years, the pension consists of a one-time lump sum. After retirement, the son takes over the care of the parents.

To prevent the employees from leaving the company after a few months, a 3-year bond is included as a clause in the employment contract. This means that if the employee leaves the company within the first 3 years, he must pay 6 monthly salaries as penalty. On the other hand, MAN India invests a lot in the new employees, from a very well equipped workplace to a lot of training and longer working stays in Europe.

EXTRINSIC MOTIVATION

MAN India's company policy is to pay annual salary increases only in line with annual inflation. These MAN-internal salary increases are thus significantly lower than would have been possible if a job change had taken place. This could be seen as a form of extrinsic de-motivation.

HOW CAN I WIN THE INDIANS

The amount of salary or the achievable salary increase in the event of a change of job represents a high level of motivation (Otten, Scheitza and Cnyrim 2009; Rietz and Giesche, 2010; Rietz and Sabek, 2010; Stehr, 2011).

Basically, India and Germany differ massively from each other. In Germany, the focus is on the task and the best possible fulfilment of the task. The aim of working in Germany is to create a good or even optimal product. On the other hand, relationships in work only play a downstream role.

The situation is different in India. India is characterized by a very strong relationship culture, the family is the focus and is the most important (Hoffmann, Schopper and Fitzsimons, 2004). This is also transferred to work. I.e., the result of work as such plays a subordinate role. Much more important is the relationship to the superior (Stöwe and Keromosemito, 2013;).

One does not work in order to achieve an optimal work result, one works because it is important to the superior. Therefore the management span in India is clearly smaller than in Europe, usually a manager does not have more than 5 employees, because he takes care of his employees very intensively (so the importance of a task is measured only by how often the manager asks because of the task, if he does not ask, this task can not be important and is accordingly not done).

In addition, the seniority principle is very pronounced, i.e. younger employees in particular are heavily dependent on very specific instructions, and there is an almost complete lack of initiative. This clearly shows, for example, that with a high level of education, I still choose the parents of the future spouse / husband.

BUILDING RELATIONSHIPS, CREATING TRUST

Since the Indian location and thus the Indian employees are more than 6,000 kilometres away from the headquarters, such intensive support cannot take place. Moreover, it does not correspond to the European management structures.

In order to exploit the potential of the Indian colleagues, other steps and measures are necessary accordingly. One of the main goals is to develop Indian employees into independence and proactivity. To this end, a multi-stage development was undertaken (Konradt and Hertel, 2002; Meyer, 2016; Pink, 2006, 2011, 2013, 2018).

1. I was physically present in Aurangabad for all job interviews and contract negotiations. The aim was for the Indian employee to actually be hired by me in order to establish as direct a relationship as possible with me as superior.
2. In the first years I was in India about 6 times a year with my teams; each time I also held private events such as going out for a meal together.
3. Each employee had to make a business trip of up to 8 weeks to Augsburg (my office) within the first 3 months and work together with my colleagues there. This way he experienced how work is done in Germany and also a personal relationship to the German colleagues was established.

4. Within the teams there were videoconferences at least 3 times a week.

These measures resulted in a sustainable relationship between the German and Indian employees.

INTRINSIC MOTIVATION

The next step was to awaken and strengthen the various aspects of intrinsic motivation, which is one of the most important factors of employees productivity and efficiency (Berke and Kőműves, 2016).

Autonomy

Within the first few months, I have less and less prescribed what and how to work. When new topics arose (like e.g. how is the software for the service hubs updated in detail), I first had my Indian colleagues explain to me what the situation was like and where the problems were. After I understood this, I asked colleagues to sit down together internally and work out one or more solutions. I then had them presented to me. We discussed them together and weighed up the advantages and disadvantages. Then I asked my Indian colleagues to decide. This decision was then implemented.

In the first few months this was an extremely lengthy and tough process, it took many times for the Indian colleagues to get used to this "freedom". In the course of implementing these solutions, it turned out that either the one or the other had been forgotten, and that the draft solution could not be implemented in detail. In these situations, I did not scold my Indian colleagues, I emphasised that it was also good for mistakes to occur and asked them to make a suggestion for improvement. I didn't specify either the solution or the method. Rather, the Indian colleagues were able to determine this themselves.

In the course of time, the Indian colleagues have made one or two suggestions for improvement on their own initiative. My reaction was very positive every time, I thanked them for the suggestion and asked them to develop and implement it.

Mastery

The classic management method in India is to assign tasks and areas of responsibility to individual employees. This is a constituent task for the manager. In order to increase the individual potential of the Indian employees, I initially did not assign any tasks. Rather, I have worked out with each individual in several discussions over the course of the first few years where his current experiences and knowledge lie and in which direction he would like to develop further. Based on this, I worked with the employee to define the tasks and topics in which he should work. In the vast majority of cases, we have also named training courses that are useful or necessary for this new area. This means that every employee has been able to develop himself in the subject areas that suit him best. This leads on the one hand to a Mastery in exactly these areas, on the other hand this increases the autonomy, since he increasingly comes with suggestions for improvement.

Purpose

Starting with the processing of the individual tasks, we have worked out together in a team what we achieve in the team for the customers (internal specialist departments). Customer satisfaction and the smooth running of the applications were and still are in the foreground because its importance (Berke, Csupor and Szigeti, 2018). The stronger the focus on customer benefit, the more positive the feedback from the specialist departments was. As a result, the Indian colleagues became more and more part of the solution and part of the improvement. This had a very motivating effect.

SUMMARY

With all these measures the identification of the Indian colleagues with their applications and the European team was and is extremely high. This can be seen in two points, among others:

- The Indian colleagues now carry out complete projects completely independently and on their own responsibility. One team, for example, performs a complete rollout of the ERP system in Senegal on its own.
- The Indian colleagues have been with the company for an average of 9 years, which is an extremely long time by Indian standards in the IT sector.

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CORPORATE CULTURE ANALYSIS OF A SMALL ANIMAL VETERINARY REFERRAL PRACTICE IN GERMANY

ERIK DIEZ

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INTRODUCTION

The veterinary profession as a healthcare profession is undergoing fundamental changes in Germany. Whereas the number of small practices is decreasing, the number of larger group, partnership or corporate practices is increasing. Making the competition between veterinarians even greater. But not only the market itself is changing. The humanization of pets, digitalization as well as management and marketing practices/services are important factors to be considered when preparing the practice for the future. The problem that arises is the lack of competencies of veterinary graduates as well as veterinary practicioners in management and economics (Bachynsky et al., 2013; Cake et al., 2016) Whereas corporate culture models are a basis for big corporate companies, the veterinary industry, especially on a small sized level, lacks these fundamental structural elements.

The Corporate culture significantly influences the performance and innovation of a company (Csapai & Berke, 2020). According to research the corporate culture is the basis for success in implementing strategies and plans for the company. And correspondingly these fail without the basis of a corporate culture. Even if the working atmosphere is innovative and promoting, there are still major differences in team performance (Bower, 2009). Research suggests that functioning teams generally achieve better results than groups of high performing individuals. Group norms are the key to the success of teams. Unwritten and often unspoken rules that determine the behaviour of teams (Adams and Kurtz, 2012) Corporate culture on a small business level can be particularly important, since a healthy and stable culture can promote employees' commitments and productivity, while an insufficient culture can even decrease the productivity and growth until failure of the business (Ackerman, 2003). If employees feel that their contribution to the workplace is fundamental and they are satisfied with their workload, they feel committed to the company and in return improve their quality in services and products provided and improve their overall performance (Dodge et al., 2019). Examples for the biggest threats for a corporate culture are a feeling of "us versus them" between employees and management as well as difficulty hiring new staff as described by McGarvey (1997). Furthermore, warning signs are increased turnover of employees, the difficulty of hiring new professionals, employees arriving and leaving work right on time as well as low attendances at company or team meeting events (Clarke and Chapman, 2012). Furthermore, signals like a lack of honest communication and understanding of the company mission and declining quality and customer satisfaction as threats which mediate as warning signs are described by other research, as well (Brown, 2018). If these warning signs happen to show, a business owner must take action into hands by analyzing and re-improving the culture through reshaping the company's mission and goals, and more importantly establishing a better and more open relationship with the employees (Ackerman, 2013; McGarvey, 1997; Reuter & Thiele, 2011). The main factors that are described with organizational cultures are psychological safety, dependability, structure and clarity, meaning and impact of work (Cooper, 2000).

In order to create a healthy corporate culture and to boost the sustainability, entrepreneurs need to share their vision and strategy with their team (Ackerman, 2013). They need to act as a symbol by setting the standards by their own behavior and attitudes inside, as well as, outside the company. Several models for corporate cultures are described in the literature and implemented within corporate companies (Cooper, 2000).

In this study the corporate culture of a veterinary practice was analyzed in order to see whether the practice is investing in their corporate sustainability.

MATERIAL AND METHODS

The population of this study included five veterinarians ranging from the age of 26 to 53 and seven veterinary technicians, as well as, a practice manager and a receptionist with an age ranging from 21 to 52. It was conducted in a small animal veterinary referral practice which is specialized in cardiology, surgery and orthopedics for small animals in Northern Germany. Questionnaires were formed on the basis of the Iceberg model by Edward T. Hall in the 1970's. Two questionnaires consisting of 24 questions were formed using Microsoft Forms® and spread via e-mail link to the practice staff. The first questionnaire was answered by veterinary surgeons and the second questionnaire was sent to veterinary technicians, as well as, the practice manager and the receptionist.

RESULTS

All staff members approached agreed to participate and complete the questionnaire. The questionnaire was anonymous and could be answered on any smartphone or electronical device. The response rate among the veterinarians was 100%, from the veterinary technicians and managing staff was 90%. The answers were received over a two-week period in October 2019.

When asked what the company stands for veterinary surgeons answered consecutively that it stands for good, high quality medicine. Furthermore, veterinarians answered that competency, quality, as well as, animal welfare on the highest standards, satisfied and motivated staff, and satisfied clients are or should be important to the practice.

Veterinary Surgeons

When asked what the company stands for veterinary surgeons answered consecutively that it stands for good, high quality medicine. Furthermore, veterinarians answered that competency, quality, as well as, animal welfare on the highest standards, satisfied and motivated staff, and satisfied clients are or should be important to the practice.

Vision for the future

When asked what the vision of the company is and in which way it will or wants to develop, the results show that almost all of the respondents saw the specialization in orthopedics and surgery, as well as, the increasing referral rates as the practices' vision. Additionally, acting as a close contact for clients and further development of clinical competencies were also mentioned. Respondents were asked where they see the practice within five years. Veterinarians answered consecutively that the practice will increase its market share in small animal orthopedics and surgery in Northern Germany, and the clinical competencies and other services, e.g. cardiology, dentistry, will also develop.

Feelings

80% of the veterinarians are satisfied with their employment/occupation, whereas only one person is unsure. When asked whether the respondents think that they make important contributions to the company, 60% strongly agree and 40% agree with that. Respondents overall satisfaction with the practice showed that 80% were satisfied with the practice, whereas 20% were highly satisfied. When asked whether the participants were delighted to work for the company, results show that all veterinarians agreed (60% strongly agreed, 40% agreed).

Reputation

Concerning the reputation amongst pet owners and the surrounding community, almost all respondents thought that the practice has a good reputation but it is considered to be expensive. When asked what led to this reputation, reasons like financially weak clients, Word of Mouth as well as referrals were mentioned. Next respondents were asked whether they are proud of the reputation of the practice. Almost all veterinarians are proud of the reputation (60% strongly-, 20% agree) and 20% were unsure.

Values and Strategy

The support of the companies values and the strategy was evaluated. The results show that all veterinarians support the companies' values (100%) and their strategies (60% strongly agree, 40% agree).

Communication

In case of problem management all of the participants know the structure of the practice and know exactly who to turn to when they have certain problems (60% strongly agree, 40% agree). When the veterinarians were asked whether important decisions and developments are communicated within the company, the results show that more than half of the participants either agreed (40%) or strongly agreed (20%), whereas 20% were neither agreed nor disagreed, and 20% disagreed with the statement. When asked how the participants would rate the communication in the practice, the results showed that 60% would describe it as good whereas 40% would describe it as neutral.

Salary and working environment

Almost all participants either strongly agree (40%) or agree (40%) with the statement that the company has a fair salary, 20% were neutral. The same results were shown when participants were asked whether everyone in the company is treated fairly.

When asked what the company could do to create a better job environment, answers included better equipment, e.g. work phones for each employee, as well as, faster desktop computers. Additionally, balancing out for additional working hours and investment in the professional development of the employees were main factors to be considered. Furthermore, one veterinarian listed the improvement of communication systems and the feedback assessment. Almost all veterinarians (80%) would recommend the company as an employer to others.

The aspects to be improved in the company and suggestions to solve them were also analyzed. The results show that according to the respondents the professional development and the communication between staff and therefore client communication should be improved. One veterinarian saw the huge workload carried out by other staff members a problem to be solved when someone is on vacation or takes part in a vocational course. Other technicians saw compliments for good work and adherence to regular breaks as deficient. Furthermore, as previously described in the assessment of the creation of a better job environment, participants stated that a fund for vocational courses and more team meetings would be very useful. Additionally, employment of a competent new veterinarian with experience was also mentioned. This is also reflected in the answers to the following questions: “If you could change one thing overnight, what would that be?” and “What the company could invest in to improve the working climate”. The respondents would improve the management of professional development of the employees and would hire another experienced veterinarian. Furthermore, sports activities financed by the practice, and bonuses for night- and weekend shifts were mentioned.

Veterinary technicians and managing staff

When the respondents were asked: “What do you think the company stands for?”, answers can be summarized with the following keywords: professionalism, animal welfare and quality of healthcare.

Vision for the future

When asked what the vision of the company is and in which way it will or wants to develop, the results show that almost all of the respondents saw the specialization in orthopedics and surgery and acting as a referral practice as the practices’ vision. Additionally, being a reliable service provider for clients and further development of clinical competencies was also mentioned. But the question also yielded another question, whether the practice wants to go back to the clinic status with all additional obligations or not. Respondents were asked where they see the practice within five years. A minority of respondents (22%) thought that the practice will not change from its current status. Others saw increasing surgeries, client basis and referrals from surrounding practices for the future.

Feelings

When asked whether the respondents think that they make important contributions to the company, 67% strongly agree and 33% agree with that. Respondents overall satisfaction with the practice showed that 22% were satisfied with the practice whereas 44% were neutral or unhappy. When asked whether the participants were happy to work for the company, 33% strongly agreed, 56% agreed and 11% were neutral.

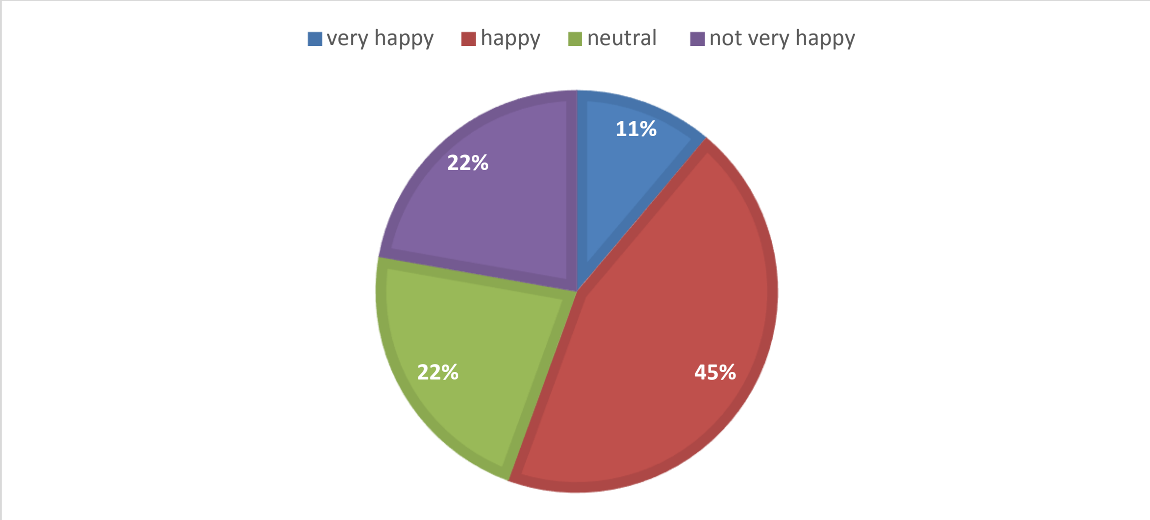

Figure 1. “How happy are you currently with your job?” (n=9)

Reputation

Concerning the reputation amongst pet owners and the surrounding community, almost all respondents thought that the practice has a reputation of being good but expensive and when asked about the causes of this respondents answered: financially weak clients, Word of Mouth marketing and referrals. The support staff was asked whether they are proud of the reputation of the practice and 40.3% were neutral, 33.3% agreed and 22.3 strongly agreed.

Values and Strategy

The support of the companies values as well as the strategy was evaluated. The results showed that the same percentage of respondents support the companies’ values (44.3% strongly agree,44.3% agree), whereas 11.3% were unsure. Concerning the strategy, the results showed that a larger proportion of participants were neutral (67%) and only 33% agreed with the support of the companies’ strategy.

Communication

In case of problem management all of the participants know the structure of the practice and know exactly who to turn to when they have certain problems (78% strongly agreed, 22% agreed). The communication about the important decisions and developments within the company was also analyzed. More than half of the participants were neutral (56%) whereas 44% disagreed with the statement. When asked how the participants would rate the communication in the practice, the results showed that 56% would describe it as neutral whereas the same percentage of participants would describe it either good (225) or not good (22%)

Salary and working environment

Concerning the salary, it was asked whether the company has a fair salary.

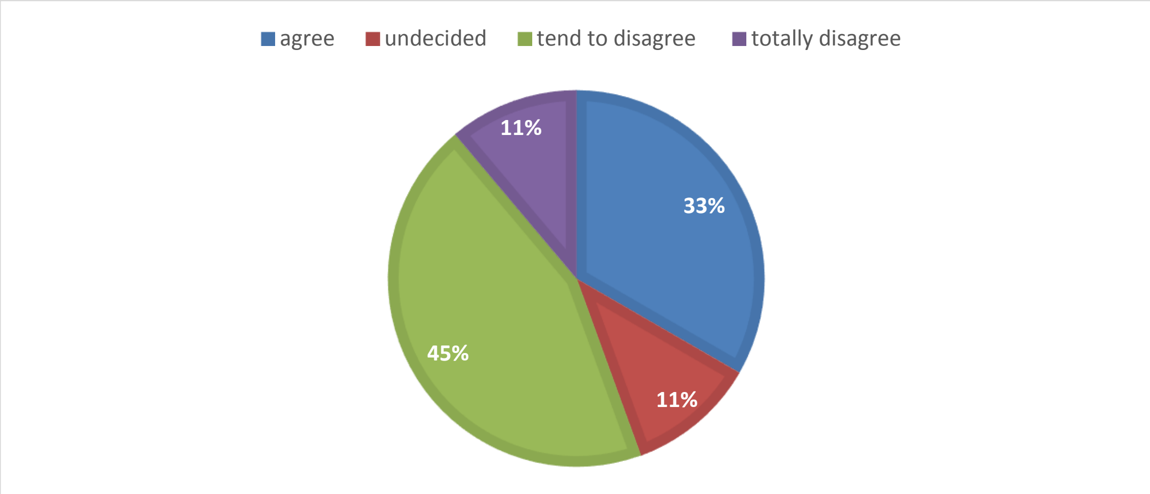

Figure 2. “The company has a fair salary.” (n=9)

Everyone in our company is treated fairly. 67% tend to agree, 22% partly and 11% tend not to agree.
When asked what the company could do to create a better job environment, answers included the improvement of scheduling of shifts, bonus programs, and appreciation for overtime and additional work.
Whether respondents would recommend the company as an employer was assessed, the results show that more than half of the participants would do so (22% very likely, 33% likely) whereas 33% of the participants were neutral and 11% would not recommend the company as an employer to others.

The aspects to be improved in the company and suggestions to solve them were also analyzed. The results show that according to the respondents there are problems with the organization of schedules/surgeries with staff shortage, as well as, with the sufficient time assessment for appointments. Furthermore as previously described in the assessment of the creation of a better job environment, participants stated that scheduling shifts needs to be improved. Additionally, better communication protocols, regular briefing, clear perspectives for all employees were also mentioned. This is also reflected in the answers to the following question “If you could change one thing overnight, what would that be”: the respondents would change the scheduling of shifts. Furthermore, better team spirit amongst all employees was mentioned.

When assessed what the participants think about that the company should invest in to improve the working environment, the results show that participants would employ additional staff and ask for compensation of travel costs for on-call services. Additionally, an investment in appropriate shoes for employees as well as excursions and improvement of the employee lounge were stated.

DISCUSSION

Although the overall feeling, situation and satisfaction of the employees is rated as good, there is still much room for improvements. Especially when comparing the veterinary surgeons' questionnaire to the answers received by the veterinary technicians and management.

Whereas the importance of the practice according to veterinary technicians is more on animal welfare, according to the veterinarians it is more on high quality medicine, but the overall thinking is the same. The analysis of the vision for the future of the practice clearly shows that almost all employees regardless of being veterinarians, veterinary technicians or management, have the vision of the practices focus on orthopedics, increasing referral rates as well as surgeries.

The overall feelings show that veterinarians within the company are generally happier with the workplace. Still, everyone thinks that they make important contributions to the practice setting. When the overall satisfaction of staff was analysed, the results clearly indicate that the overall satisfaction of the veterinarians is significantly higher than those of the veterinary technicians and management staff members. This could be based on the low appreciation shown by clients or other veterinarians to their work which is the basis of any running veterinary practice.

Concerning the reputation, the study showed that both groups of participants have the same assumption and knowledge, with the practice being good but expensive and this due to financially weak clientele as well as the Word of Mouth referrals.

All of the staff generally share the same values of the company, but when it comes to the strategy of the company the study showed that overall the veterinary group generally supports the strategy and the veterinary technicians group are more undecided.

An important finding of the study is that a large proportion of the practice team thinks that important decisions and developments are not communicated thoroughly within the company, in contrast veterinarians in the study do so. This is a particular important finding that will support the need for an improvement of the communication within the practice. But the overall communication within the practice was rated almost the same by both groups. These findings support the afore-mentioned need for improvements of the communication systems within the practice.

Concerning the salary and working environment, veterinarians in the practice generally think that the practice is giving fair salaries, whereas a higher proportion of veterinary technicians think that the salary is not fair or is undecided about whether it is fair or not.

Veterinarians would generally recommend the company as an employer, overall the ratio under the veterinary technician group are the same but with a lesser extent.

Problematic aspects that were analyzed differed in both groups whereas the main issues were scheduling shifts for veterinary technicians, and supporting professional development for veterinarians. The major proposals to solve these problems were the improvement in shift schedules and setting up a fund for veterinary further education courses.

CONCLUSION

Although corporate culture models are usually implemented in large companies, the study results showed that when surveying and analyzing the current corporate culture, the most problematic management field is how to handle the workload of the practice employees. By analyzing the weaknesses, these can be evaluated and put into a problem oriented approach for the future to boost the sustainability of the company. The study clearly showed that when applying the corporate culture on a small business level this helps to determine the non-visible factors (e.g. feelings, values) of each employee. It helps to structure and give a guideline for business owners as well as their staff on various sized business levels, not only on large corporate companies.

On the basis of the study it can be concluded that corporate culture analysis is not only of importance in large corporate structures, but also in small sized businesses, especially in the healthcare sector like the veterinary practice. The overall situation of the staff in the company is good, but there is still room for improvements to boost the sustainability of the practice, especially considering the salaries, the communication systems, the shift scheduling and the professional development of veterinarians. Having conducted the study, the practice has an open mind into setting a corporate culture for every team member and to give future solutions to the weaknesses of the company. The study was generally very well accepted by the participants and the feedback showed that after implementing the proposals, they would participate in a follow-up study.

The message of this study is that corporate culture implementation and with it the analysis of the current culture is fundamental and is recommended to be used by veterinary practices of various sizes to measure their economic sustainability.

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BRAND, CULTURE AND EMPLOYEE ENGAGEMENT: THE STUDY OF BOSCH GROUP

UYEN TON THANH HOANG

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INTRODUCTION

Brand, culture and employee engagement are now important business issues relating significantly to the existence and development of today's organizations in the Glassdoor era. However, facing challenges in business operations and “economic problems”, leaders often focus on building their brands, and ignore building core values, corporate culture and then employee engagement. Meanwhile, corporate culture is the factor that creates the soul of the brand and shows the difference in the value of the business. In other words, corporate culture is an indispensable requirement of brand development because the image of corporate culture will contribute to promoting the brand of the business. Corporate culture is the intangible asset of every business. Reality shows that the main cultural value of a “liquid” flows through the corporate body, it is flexible, and is the glue that binds values to sustainable development. Culture is one of the important sources of competitive advantage and will always be, as it affects organisational behaviour and corporate performance positively or negatively (Senior & Fleming, 2006; Csapai & Berke, 2020). It is important for managers, consultants and academics to broadly accept this fact (Mckenzie). The culture of an organization affects employee satisfaction and commitment (E Schein, 2009), performance (Ahmed & Shafiq, 2014) as well as employee engagement. Effective corporate culture cause high levels of engagement and this translates into high productivity (Kotter & Heskett, 1992). Accordingly, a high level of employee engagement is vital to the organization (Richman, Civian, Shannon, Hill, & Brennan, 2008). Employee engagement is paramount to creating a successful company. Without it, employees feel unconnected to company goals, and are more likely to seek out other opportunities. Employee engagement is also notoriously difficult to measure and implement.

In recent years, there has been increased consensus that supportive relations between brand and culture, culture and employee engagement are significant for the sustainable development of organizations and society as a whole. However, there is limited understanding of how different operating mechanisms related to brand, culture and employee engagement in the organizations. It is clearly seen that the important roles of brand, culture and employee engagement have been proven in many different aspects. Thus, doing scientific researches for the relationship between brand, culture and employee engagement is a specific evidence to clarify the impact.

Therefore, the essay mainly aims to provide a brief overview of the link between brand, culture and employee engagement and the Bosch Group is the typical study.

Corporate brand

In marketing management discourse, the function of brands have been described as one of identifying and differentiating products, and brand management has beenrestricted to product and product line decisions (Kotler & Armstrong, 1997; Kotler, Armstrong, Veronica, & John, 2008). Brand definitions however are more complex; brands can be defined as products, corporations, persons and places (Harris & de Chernatony, 2001). In brand management, brand identity is the unit of analysis, and brand is defined in an expanded way as product, person, organization or symbol (Aaker, 1996). Every corporate brand identity also comprises a cultural and relational facet (Kapferer, 2004).
Corporate branding involves all stakeholders, has a multidisciplinary character and is targeted to internal and external interests and networks (Balmer & Greyser, 2002). Corporate brands can have a small set of fundamental core values that define the brand (Balmer & Wilson, 1998).

Corporate Visual Identity

Corporate visual identity is an important component in the structure of corporate identity, as it communicates and develops symbolic associations with the stakeholders, therefore, visual expressions are an important component in branding strategy (Henderson, Cote, Leong, & Schmitt, 2003). The identity of a brand is formed by the interaction of its positioning and personality. All the ways that the brand comes in contact with the consumers are parts of the total brand identity, e.g. product performance, brand name and marketing activities (Uppshaw, 1995).

A model developed by Kapferer (1997) is called “the Brand Identity Prism” which reflects the different aspects of building brand identity. The model is very extensive, and represents all that is currently known about brand identity, and so any study looking at brand identity must draw on that which is detailed within this model. Kapferer (1997) states that these aspects can only come to life when the brand communicates with the consumer. Strong brands are capable all aspects into an effective whole, as a way of coming to a concise, clear and appealing brand identity (Berke, Csupor & Szigeti, 2018). Following is a detail of the six aspects of Kapferer's brand identity prism model. The brand identity prism enables brand managers to assess the strengths and weaknesses of their brand using the six aspects of this prism.

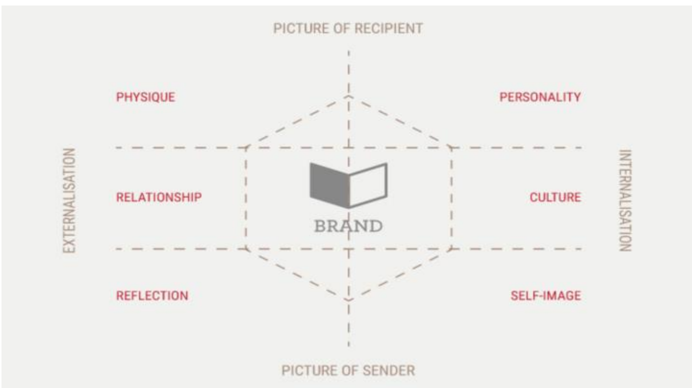

Figure 1. The brand prism

1. Physique: The appearance of a brand includes things that can be seen completely by eyes, such as logos, colors, packaging, typography (font) and other publications in the brand

identity system. This is the most basic aspect to identify a brand. This is a set of brand‘s physical features, which are evoked in consumers‘ minds when the brand name is mentioned.

2. Personality: A brand has a personality. By communicating, it gradually builds up character. The personality of a brand is sensible characteristics when it comes to the name of the brand. Brand personality can be created through the image of a famous person representing the brand, through the content of TVC advertising on television, through the design of signs, banners...

3. Culture: Brand culture is a system of values, behaviors, principles of characteristics ... that are directly connected to a community or a country. In other words, it is the system of values and basic principles on which a brand has to base its behaviour. Culture is the direct link between brand and organization.

4. Relationship: There are many different types of relationships with people, such as: mother-son relationship, friendship relationship, co-worker relationship, equal relationship, friendship, each relationship between my king, termite master's relationship,... So what relationship does your brand show? This aspect makes reference to the stereotypical user of the brand.

5. Reflection: Each brand has its target customers (the main customer group using the brand's products and services). Depending on who the target customer is, the brand will bring its own personality. In short, looking at a brand, we can more or less guess the target customer that the brand is targeting.

6. Self-Image: The mirror the target group holds up to itself. Brand is a mirror that reflects the image of the target customer that the brand aims for. Looking at the brand, customers see their image in it. Because you see your image in the brand easily leads customers to purchase behavior.

In conclusion, a brand's visual identity can influence many of the stakeholders including employees and investors as well as consumers. It is the most frequently discussed aspect of corporate identity and in consequence, one of the most commonly used methods to indicate a transition in identity by organizations is a name change, often along with alterations to the corporate image (Melewar & Karaosmanoglu, 2006).

ORGANISATIONAL CULTURE

Organisational culture has been defined severally by different authors and in most of these the common fact or denominator is the idea that culture is something that is shared among members of an organization. Organisational culture according to Suharti & Suliyanto (2012) is a system of values held and conducted by members of an organization which distinguishes the organization form other organizations. It is a pattern of basic assumptions, invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that have worked well enough to be considered valid and therefore is to be taught to new members as the correct way to perceive, think and feel in relation to those problems (Megginson, Mosley, & Petri, 2006; Schein, 2001). Different models of culture exist in literature. These include Cooper's (1983) cultural model; Cammazzi’s cultural model, Schein's (2001) cognitive levels of culture and Deal & Kennedy's (2000) Cultural Parameters. Among these, the more prominent model is Handy's (1987) cultural framework which identifies four kinds of organisational culture as: Power culture, Role culture, Achievement culture and Support culture. Power culture is a type of culture which is characterised by control and power emanating from the central leader and usually operates informally with few rules and procedures. Handy (1987) noted that this type of power suits the figurehead and can result in what Cooper (1983) identified as power distance where there is high willingness on the part of less powerful individuals in a group to accept the unequal distribution of power without question and to regard it as normal. Role culture is a type of culture which is characterised by bureaucracy as work is coordinated by a manager or small number of managers at the top. In this culture, roles are seen to be more important than the people who fill them and people have clearly delegated authorities within a highly defined structure. Achievement culture is focused on the mission of the organization and on completing the job. This engenders a strong sense of purpose in members which tend to override all other considerations. Priority is given to ends rather than means and individual expertise are highly valued. Support culture is a type of culture which is consensual with limited management control. According to Schein (2001), support culture is one in which people contribute out of a sense of commitment and solidarity. Relationships are characterised by mutuality and trust and the organization exists primarily to serve the needs of its members. In a support cultured organization, individuals are expected to influence each other through examples and assistance.

EMPLOYEE ENGAGEMENT (EE)

EE is an important issue in modern organization as it is related to organisational performance. Several researchers (Alfes, Truss, Soane, Rees, & Gatenby, 2013; Anitha, 2014; Bandura & Lyons, 2014) in their research confirmed the positive consequence that EE has on employee task performance. This may be because engaged employees are likely to remain with their organization (Alfes et al., 2013; Harter, JK, Schmidt, & Hayes, 2002; Saks, 2006; Schaufeli & Bakker, 2004), and hence better performance (Turkson, 2012), will continue to be achieved within the organization (Markos & Sridevi). The definition of EE continues to evolve (Macey & Schneider, 2008). Kahn one of the first to publish papers on EE, defined it as the simultaneous expression and employment of a person's "preferred self " in their work task, thereby promoting connections to work and to others, personal presence (physical, cognitive and emotional) and active, full role performances' (p. 700). As a result, engaged employees put much efforts into the work they perform for the reason that they identify with it. It involves "a positive, fulfilling, affective-motivational state of work related well-being that can be seen as the antidote of job burnout" (Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2009). Thus, EE is more than just the investment of a single aspect of the self; it represents an investment of multiple dimensions like physical, emotional, and cognitive (Vigoda-Gadot).

Schaufeli & Bakker on their part explained EE as "a positive fulfilling work-related state of mind that is characterised by vigor, dedication and absorption" (Schaufeli & Bakker, 2004). Vigour reflects the drive to expend effort in the work one does, ability to remain steadfast in the wake of job related obstacles and a demonstration of high levels of energy. Dedication is characterized by a sense of significance, enthusiasm, inspiration, pride, and challenge. Absorption is characterized by being deeply engrossed and fully concentrates and in the work one does in a way that time passes swiftly, and one has difficulties with detaching oneself from work. Thus, engaged employees exhibit vigour, dedication and absorption, are committed, dedicated and invest their work roles cognitively, psychologically and behaviourally. Having engaged employees in an organization is of much interest in recent times. Indeed, an engaged, positive workforce can "make or break" an organization

(Lockwood). EE is noted for its positive outcomes (Xanthopoulou et al., 2009) such as increase profit (Piersol), high levels of performance, and a source of competitive advantage. Again, when employees are engaged, everyone benefits. This is because the employees see themselves as part of the organization and use their talents, skills, and also develop fruitful relations which would increase their efficiency Taking into account the benefits of engaged employees, it is clear that engagement matters and therefore the need to identify how the acceptable ways of doing things in an organization, the culture, affect the employees' level of engagement.

BRAND, ORGANISATIONAL CULTURE AND EMPLOYEE ENGAGEMENT

Brand and organisational culture

The brand and organisational culture helps organization stand out among its customers, and stand out from the crowd in a hyper-competitive marketplace. Your brand is your culture, your culture is your brand. Indeed, the brand and culture of a company reflect each other in an interconnected system. While a brand can be defined as the outward manifestation of a company's DNA, the culture is where your brand is born. The culture goes further to actually determine whether a brand is perceived well by both employees and customers. Your culture influences management decisions and all business functions ranging from production, advertising to accounting. Reality points out that brand is not just the outside image and the big challenge for a business is creating a "transparent" brand image from inside to outside. In doing so, the new brand can "live" in its true nature, bring more value and meaning to the relevant target groups, including customers and personnel.

Besides, organisational culture is known as a source of energy for the brand. Both of them - brand and culture - are reciprocal relations. For strong brands, the brand must be in culture and vice versa culture must be in the brand. It is a close relationship. Inside, the meaning of the brand must be spread into the corporate culture to create emotional value for the brand at all customer contacts. It must stem from sympathetic sympathy, thereby forming motivation, spreading to consciousness and behavior among all members of the community. Expressing outwardly, brands that do not have the combination of unique culture and individuality are still the usual low-value, hard-to-survive products and services in a market global competition. Japanese and American brands that have been known for decades have stated that they do not sell "high quality" products or services but rather sell "cultural value" or "lifestyle of their own people".

The business culture and the brand show the public intrinsically that your company is authentic and committed to customer satisfaction - and its employees and the world around them. Relating to the customer as an employee is using your culture to create a good brand image. By relating to your customer as an employee you will make them relate to your brand on a deeper level, leaving no reason for them to support your competition. You give your business a purpose people can relate to and your business becomes a brand everyone involved can proudly advocate for. In reality, your brand and culture are really just two sides of the same coin. You have to shape your company culture because that is the foundation for your brand. In other words , it's having a distinct corporate culture - not a copycat of another firm's culture - that allows these great organizations to produce phenomenal results. Each of these companies has aligned and integrated its culture and brand to create a powerful engine of competitive advantage and growth. Their leaders understand that a strong, differentiated company culture contributes to a strong, differentiated brand - and that an extraordinary brand can support and advance an extraordinary culture. It doesn't matter if your company culture is friendly or competitive, nurturing or analytical. If your culture and your brand are driven by the same purpose and values and if you weave them together into a single guiding force for your company, you will win the competitive battle for customers and employees, future-proof your business from failures and downturns, and produce an organization that operates with integrity and authenticity.

When you think and operate in unique ways internally, you can produce the unique identity and image you desire externally. You need to have employees who understand and embrace the distinct ways you create value for customers, the points that differentiate your brand from the competition, and the unique personality that your company uses to express itself - and your employees must be empowered to interpret and reinforce these themselves. You achieve this by cultivating a clear, strong, and distinctive brand-led culture. If your culture and brand are mismatched, you can end up with happy, productive employees who produce the wrong results. Without using your brand purpose and values to orient your culture efforts, you're also likely to waste a lot of money.

Organisational culture and employee engagement

Several studies in developed countries have confirmed a link between organisational culture and employee engagement. The relationship between organisational culture and EE can be explained from the social exchange theory (SET) perspective. According to the theory, social behaviour is the result of an exchange process. In his seminal writing on social exchange, Homans (1958) noted that social behaviour is an exchange of goods. Thus, when employees perceive the culture of the organization allows them to have good relationship with other members within the organization, where they have the needed support and power among others, they tend to give their all, be dedicated and work with vigour.

In a cross-sectional study of employees in public accounting firms in Pakistan, Barkman, Sheridan, & Peters (2002) found that accounting firms got their workers committed and engaged in their jobs not because of the nature of attractive incentives given them but because their organisational culture was compatible with the employees' values. Schein (2001) established that when the culture of an organization is not appreciated by its members, the employees develop a high tendency to quit than to stay. Allen (2010) in his Person-Environment (P-E) Fit Model established that organizations that develop cultures that are compatible with the values of their members are able to retain and engage a higher percentage of their key employees.

Allen (2010) in a study to measure the effect of power and authority on employee behaviour at work used a sample of 1,720 workers in selected public corporations in South Korea and found that when the level of power and authority within these firms was high, lower level employees usually felt intimidated by their superiors and this resulted in too much tensions within the organistaion. Therefore, the intention to stay was limited. Also, Cooke & Lafferty (2007) in a cross-sectional study of employees among health service organizations in New Jersey found that when power was overemphasized within these institutions, the needs of persons in high positions were satisfied at the expense of low level employees who to a large extent undertook the operational activities. In such high power cultured organizations, such low-level workers feel demotivated and this results in a higher intention to quit and therefore exhibit a low level of engagement.

Glaser sampled 190 employees among selected telecommunication companies in Malaysia and found that when proper and effective job analysis was conducted within an organization in the telecommunication industry such that roles and responsibilities of workers, especially those of junior members and new recruits were clearly defined, the extent of ambiguities in roles were limited and this lead to effective job performance which consequently engaged their employees at work for the maximum period.

Findings by Gordon (1991) established that if employees perceive no support from their organization in terms of the provision of right equipment and tools relevant to their jobs, they mostly feel reluctant to perform and consequently separate with the organization. Hagan (2004) did a qualitative study on 'training and employee commitment among 120 sampled workers from selected commercial banks in Accra, Ghana' and found that after training, if the trained workers are not given the kind of support needed to apply the knowledge and skills acquired in relevant areas of the organization, they may feel demotivated and consequently have a strong intention to quit the organization. He established that, even if such employees decide to stay, it might probably be as a result to the lack of job opportunities in that market and as such their commitment and engagement to the organization would be a challenge.

BRAND, CULTURE AND EMPLOYEE ENGAGEMENT: THE STUDY OF BOSCH GROUP

The Bosch Group (Bosch) is known as a leading global supplier of technology and services in the world. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. As a leading IoT company, Bosch offers innovative solutions for smart homes, smart cities, connected mobility, and connected manufacturing. It uses its expertise in sensor technology, software, and services, as well as its own IoT cloud, to offer its customers connected, cross-domain solutions from a single source.

The operational and strategic approach that Bosch always pursues is values and responsibility for sustainable development. As company founder Robert Bosch once said: "In the long term, an honest and fair approach to doing business will be the most profitable". This statement continues to influence the way Bosch does business today. Accordingly, Bosch aims to develop products that spark its customers' enthusiasm, improve quality of life, and help conserve resources. The mission statement "We are Bosch" reflects this. It explains what drives it, what it has in common, and what it stands for. Bosch wants to leave a lasting trace in the world - achieved by a unique outstanding team. It can be seen clearly Bosch's mission statement as well as the more recognizable **Bosch's brand** from Kapferer's Brand Identity Prism model.

Physique: The Bosch brand is recognized by its external characteristics. Bosch's corporate logo to this date depicts a magneto armature inside the magnetic casing, which was one of the earliest products of the company. Also it has been the brand's most known product, the magneto ignition system. It was created in 1918 by Gottlob Honold, the main engineer in the workshop of Robert Bosch. The logo was modified decades later, in 2004, by Erik Spiekermann from the United Designers Network. The Bosch logo depicts a silver gray circle, which is a casing with a magneto armature inside it. On its right there is the company's name written in red capitals. The 'Invented for life' script is typed in black beneath. Both typerfaces are custom-made. Thus, the logo comprises four colors: silver, gray, red, and black, which symbolize excellence, integrity, reliability, creativity, and business responsibility of the company. The Bosch logo uses Bosch Sans and Bosch Serif typefaces. Both of these fonts are custom-made and were specifically designed for the company by Erik Spiekermann and Christian Schwart. Today, Bosch stands recognized and accredited with a series of products adorning its world-famous trademarked logo over everything sold. Bosch logos always triumphed in evoking reputation, credibility, and quality. Vivid colors and distinctive shapes symbolize how Bosch connects technology with people - Invented for life.

Culture: Bosch supports a corporate culture that values all associates and enables them to reach their full potential. Culture in Bosch is known as diversity, especially family-friendliness as part of a diversity culture at Bosch. Diversity is both an enrichment for Bosch and a prerequisite for its success.

Relationship: For Bosch: "the brand is not an accessory, it is the main point". It shows the relationships between Bosch and every customer, every business partner, every colleague being efficient, inspirational, capable, respectful, reliable, trustworthy, fair, secure, fascinating, passionate, diverse and engaging. Based on the Robert Bosch's saying (1931) "Never forget your humanity, and respect human dignity in your dealings with others", Bosch brand wants "Invented for life" with its mission statement "We are Bosch".

Personality: The Bosch Group's strategic objective is to deliver innovations for a connected life. Bosch improves quality of life worldwide with products and services that are innovative, spark enthusiasm and contribute to conserving natural resources. In short, Bosch brand creates technology that is "Invented for life."

Reflection: One of Bosch's strategic focal points is focusing on customers to understand its customers' requirements. Then Bosch tailors its products to them, and Bosch creates innovative business models. The company's "Invented for life" ethos not only applies to its core business, but also to the subject of sustainability: it wants its products and services to improve quality of life for people around the world and to conserve natural resources. In other words, it can be seen that the target customers of Bosch are the customers who want to improve their quality of life via the technology and sustainability.

Self-image: People who use Bosch's products can see themselves in its mission statement "We are Bosch" with its vision and targets: connects technology with people – Invented for life.

Using culture to build and maintain brand image and brand positioning is a common activity in European businesses in particular and in the West in general and Bosch is no exception, especially in the Glassdoor era. Doing business via the slogan "Invented for life" and the mission statement "We are Bosch" helps Bosch identify the type of **Bosch culture** applied which is Support culture as well as build appropriate corporate culture policy to contribute to the building and developing of Bosch's brand. Indeed, the world has witnessed Bosch's success story through what it does well and what it builds on. Bosch culture is that "Worldwide, our distinctive corporate culture is a common bond. We lived by our values and strive for continous improvement. We are proud to work for Bosch". Looking through the Kapferer's Brand Identity Prism model for Bosch, we can see that Bosch supports a corporate culture that values all associates and enables them to reach their full potential. Culture in Bosch is known as diversity, especially family-friendliness as part of a diversity culture at Bosch. Diversity is both an enrichment for Bosch and a prerequisite for its success.

Bosch appreciates and makes use of a diversity of mindsets, experiences, perspectives and life plans, thereby ensuring its long-term business success. This gives Bosch an edge in competition for the best associates, products, and services because “Bosch, invented for Life” refers to not just one, but a whole diversity of solutions.

Internationality: Bosch is convinced that its huge internationality enforces it. As global player, at Bosch work people from more than 150 different nations day by day. Intercultural competences is therefore needed usually. That‘s why Bosch makes use of its Diversity, combine cultural knowledge and further forward it within Bosch. Many associates contribute to its successful international collaboration personally. Selected highlights and activities:

- Associate Networks afric@bosch, For Bosch abroad, Türkisches Forum Bosch, chinese@bosch
- More than 2,200 expats per year
- Diverse seminars around internationality, global cooperation and culture.

Generations: Competence has nothing to do with age. What counts for Bosch is the combination out of experiences and fresh, innovative ideas. Bosch ensures a working atmosphere, in which up to five generations can collaborate effectively. With its concepts for lifelong learning, health care management and systematic know-how and experience exchange, Bosch creates the base for a successful cooperation across all generations. Selected highlights and activities:

- Lifestage-oriented professional development
- Exchange across generations and cooperation with the Generationtandem
- Bosch Management Support with worldwide established senior experts
- Training about demographic change and cooperation across generations.

Flexible and mobile working culture: Excellence requires balance. Bosch fosters a working culture, in which its associates can authentically bring in their strengths. That‘s why it offers flexible and mobile working models, in order to find individual solutions for professional development, life stages and private goals as well as to ensure a better compatibility of work and private life. Selected highlights and activities:

- Guidelines for a flexible and family-friendly working culture as well as works agreements for mobile working
- Diverse, flexible and mobile working models: job sharing, part-time work, Home Office, Sabbatical etc.
- Project MORE (Mindset ORganization Executives) for executives to experience flexible and mobile work
- Online tool “JobConnector” for matching of job sharing and part-time tandems.

Gender: Many studies show: Mixed teams, in which Bosch cooperates at all levels of the company develop better products and services. At Bosch, everyone has the same opportunities regardless of gender - and that applies to leadership roles, too. Selected highlights and activities:

- Equal Pay
- Mentoringprograms und seminar series like the „Business Women‘s Program“ for women in specialist, project and leading functions

- Associate Networks women@bosch, the female engineers network heratec und forum “women in technology”
- Founding member of the initiative Chefsache (top management priority).

LGBTIQ = Lesbian, Gay, Bisexual, Transgender, Intersexual, Queer. For Bosch counts the appreciation of all associates - regardless their sexual orientation or gender identity. Bosch connects associates and foster the exchange between people with different sexual identities and orientations and their mutual understandings. Everyone should bring themselves in authentically at Bosch. Selected highlights and activities:

- Associate Network RBg (Robert Bosch gay)
- Promotion and Sponsoring of the Initiative PrOut@Work
- Initiating a Straight Allies Network.

Persons with disabilities: Bosch fosters its innovation by focusing on the individual competences of its associates, not their limitations. That‘s why Bosch creates a working culture, which considers and appreciates the special needs and competences of every single associate. Everyone is part of the diversity and brings in their special competences and strengths. Selected highlights and activities:

- Representatives for people with disabilities at all locations
- Cooperation with workshops for people with disabilities
- Participation on the federal work association of workshops for people with disabilities.

Collaboration: Different functions and divisions have diverse work styles and structures. At Bosch, it supports an appreciative collaboration across all divisions, functions and hierarchies - from Start-Up to large division. Mutual respect, a lived feedback culture and appreciation are in that case essential. This way everyone can fulfill themselves and create the corporate culture. Selected highlights and activities:

- Charta of Diversity signed in 2007
- Excellence Feedback to optimize the feedback culture
- Lunch Roulette to meet up and network with colleagues.

Culture and employee engagement are closely tied. Employee engagement is a direct outcome of a high-performance company culture. With the appropriate corporate culture policy, it creates the significant **Bosch’s employee engagement**. Employees clearly understand their culture and what is expected of them. They feel connected. They feel involved. They feel supported. And, therefore, they feel engaged. Moreover, the goals of Bosch's HR activities include constant training for its associates, keeping them on board for the long term and help them stay healthy. As the analysis carried out, at Bosch, it sees the diversity of its workforce as an asset and decisive success factor based on four pillars: Gender, Generations, Internationality, Working Culture.

CONCLUSION

In an era of heightened corporate transparency, greater workforce mobility, and severe skills shortages, culture, engagement, and retention have emerged as top issues for business leaders. Reality points out that the business issues - brand, culture and employee engagement - have attracted significant attention and have become an imperative for every leader and every executive in today's world of tight competition. It is employed by ever more enterprises which seek to achieve a lasting competitive advantage on the global market.

Based on theoretical and empirical documents, this essay summarizes the relations of brand, culture and employee engagement generally as well as provide a brief evidence of these supportive relations via the study of Bosch Group.

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EMPLOYEE SATISFACTION EQUALLY IMPORTANT TO CUSTOMER SATISFACTION – MOTIVATION MODEL ACCORDING TO MASLOW'S PYRAMID OF NEEDS

UWE RADTKE

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INTRODUCTION

A brief explanation of the original form of Maslow's pyramid of needs: the model describes the motivations, drives or needs of people in different stages. Thus, the pyramid begins with "physiological needs", followed by "security", "social needs", "individual needs" and finally "self-realization". The needs of the higher levels are usually only explicitly present when the lower levels are satisfied. In addition, a distinction is made between deficit needs (levels 1 - 3, partly also 4) and insatiable needs (partly level 4, level 5).

"Maslow's hierarchy of needs 2.0" is a motivational theory in psychology comprising of an 8-tier model of human needs. Maslow sought to understand what motivates people.

Maslow stated that people are motivated to achieve certain needs and that some needs take precedence over others. Our most basic need is for physical survival, and this will be the first thing that motivates our behavior. Once that level is fulfilled the next level up is what motivates us, and so on.

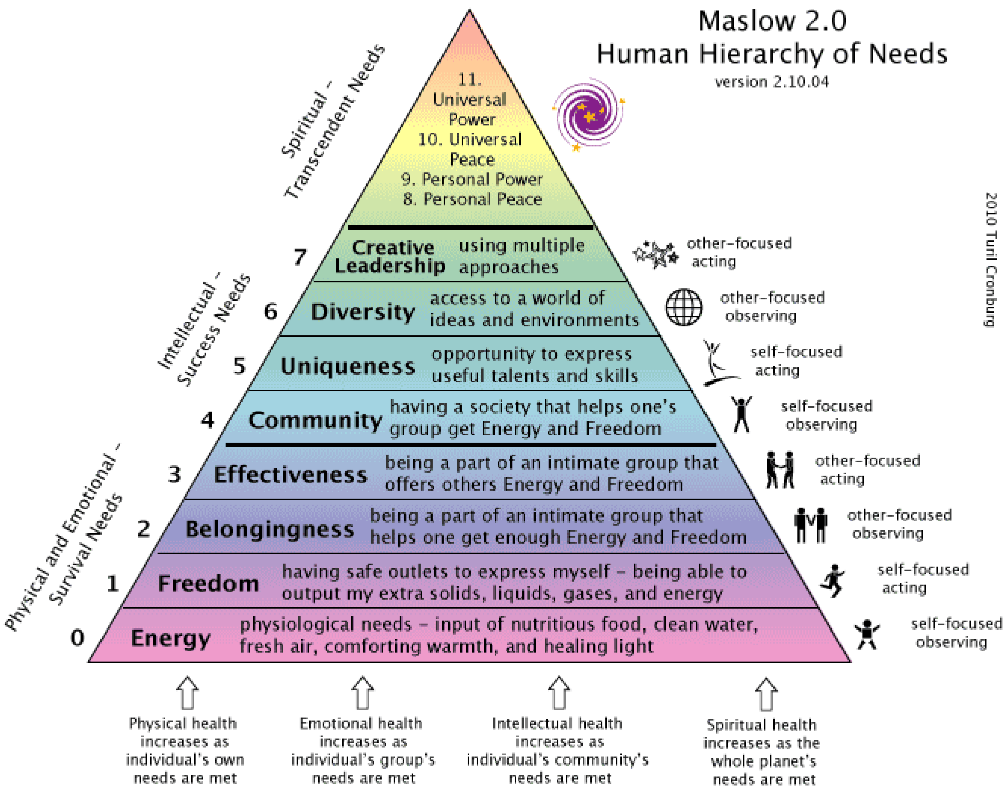

Figure 1. Maslow Pyramid of needs 2.0
Source: T. Cronburg (2010)

This eight-stage model can be divided into deficiency needs and growth needs. The first four levels are often referred to as deficiency needs, and the top four levels are known as growth needs.

The deficiency needs are said to motivate people when they are unmet. For example, the longer a person goes without food, the hungrier they will become. One must satisfy lower level deficit needs before progressing on to meet higher level growth needs. Every person is capable to move up the hierarchy. Unfortunately, progress is often disrupted by a failure to meet lower level needs. Most of Maslow's successors have included the highest level of spirituality as a possibility for human attainment. Rare, but possible, “as in the Buddha, the Dalai Lama, or maybe the Pope.”

MOTIVATION OF EMPLOYEES

Employee motivation affects a wide variety of areas. In practice, the most diverse areas of behavior are built up but - and this is very important - unwanted behavior is also specifically reduced.

Typically, one wants to motivate the work performance, the participation in change processes or the personal development. However, one would like to reduce for example mobbing, negative statements to third parties about the organization, theft, absenteeism and much more. The following table gives an overview of the desired and undesired behavior of employees:

Desired behavior of employees	unwanted behavior of employees
• work performance	• Fluctuation and absenteeism
• self-employment at work	• negative communication styles
• Cooperation, cooperation and sharing of information	• unwanted, non-working behaviour
• Participation in innovation processes	• Dispensing with Relationship Conflicts at the Workplace
• Flexibility and adaptability	• Mobbing, insult and sexual harassment
• Development of own competences	• Vandalism and theft
• Binding to the organization	• spreading rumours
• Appearing at the workplace	• treason of secrets
• Decisions in favor of the organization	• waste of resources
• positive talking about and defending the organization	• discrimination
• Appropriate representation of the organization (appearance and behavior)	• nepotism

Table 1: Table of employee behavior

In addition to direct behavior at the workplace, motivation is also used to influence the experience of employees: stress, burnout or boredom, for example. In addition, there are other aspects of employees, such as health or sleep quality, which are related to motivation at the workplace.

WHAT IS SAP?

SAP stands for Systems, Applications, and Products in Data Processing (Anwendungen und Produkte in der Datenverarbeitung in German). SAP was founded in 1972 in Walldorf, Germany and now has offices around the world. The Company offers enterprise application software. The company operates through two segments: Applications, Technology & Services segment, and the SAP Business Network segment. The Applications, Technology & Services segment is engaged in the sale of software licenses, subscriptions to its cloud applications, and related services (primarily support services and various professional services, and support services, as well as implementation services of its software products and education services on the use of its products). The SAP Business Network segment includes its cloud-based collaborative business networks and services relating to the SAP Business Network (including cloud applications, professional services and education services). Within the SAP Business Network segment, the company markets and sells the cloud offerings developed by SAP Ariba, SAP Fieldglass and Concur.

SAP innovations help 437,000 customers worldwide work together more efficiently and use business insight more effectively. With courage, perseverance, and breakthrough technology, these and many other SAP customers are tackling some of the world's biggest challenges. Learn about the technology solutions that fuel their innovation – and help them make a lasting difference. SAP commits itself to diversity and inclusion plays an integral role in their success. As a global organization with employees from more than 150 nationalities and from all walks of life, SAP knows that for the company to perform best their employees must feel free to be their authentic selves. SAP embraces and encourages different perspectives and believes "…we are made stronger by our unique combination of culture, race, ethnicity, age, gender, sexual orientation, gender identity or expression, physical or mental ability, and work-life situations."

The single layers and SAPs adherence to those.

Physiological level

SAP does for sure not provide clothing or houses – but it provides some basic needs such as a salary. SAP employees receive a target annual salary. Internally SAP refers to it as Total Target Cash (TTC). The Total Target Cash consists of annual base salary, planned profit sharing, and target bonus.

The pay mix is the relationship, in percentage, between the annual base salary plus planned profit sharing, and target bonus.

The individual target bonus percentage is the relationship between the target bonus and Total Target Cash.

Example:
Total Target Cash 60.000 €
Basic Annual Salary 54.600 €
Target Bonus 5.400 €
Target Bonus Percentage 9 %

Figure 2: SAP Total Target Cash

At SAP, the different target bonus percentages depend on the job. The target bonus percentage (ZBSA) defines how high the target bonus component in the TTC should be for a particular job. Four pay mix structures regulate which target bonus percentage applies for which job family. The higher your career level, the higher the target bonus percentage. An employee's actual target bonus component must lie within a permitted range of plus or minus 5 percentage points of the target bonus percentage for his or her job. The salary structure usually determines the applicable pay mix structure.

Additionally, SAP provides a broad verity in additional benefits such as company car (applicable after 3 years at SAP), or capital-forming benefits, or SAP shares for a reduced price. Capital-forming benefits are cash benefits that are not paid out to you as an employee at your free disposal but are invested for you on a long-term basis. They serve to build up your assets. Further benefits provided: interest-free loan to authorized SAP employees to finance the purchase or new construction of owner-occupied housing.

Safety level

SAP provides – also forces by the German law – quite a few pieces to ensure legal requirements, stabilization and secure feelings for employees. Easiest example: there are 43 members of the SAP SE Works Council. They represent the interests of roughly 14,000 employees located across all of SAP SE's offices in Germany. The current members will hold their positions until 2022. As such, elections for new members will take place in spring 2022. But that's not all, according to legal requirements there are also Employee Representatives on the Supervisory Board. The SAP Global Ombudsperson is a neutral or impartial person who may provide informal and confidential assistance to all SAP employees worldwide in resolving work-related concerns.

Sap also installed a Global Ombudsperson- which may serve as a counselor, informal go-between and facilitator, informal fact-finder, upward feedback mechanism, problem prevention device and change agent. The Global Ombudsoffice is located outside ordinary line management structures. She reports only to the Executive Board. Whenever an employee has work-related concerns, the Global Ombudsperson may provide:

- A safe place for employees to raise issues early and without fear of retaliation,
- An informal channel to reveal / surface information and to report problems,
- Neutral guidance to help the employee constructively take an issue forward
- Help to develop a range of options to solve the problem,
- Coaching on how an issue or concern can be reprocessed and argued more effectively,
- "Shuttle diplomacy" between parties involved

But SAP also provides some insurance coverage: As an employee, you have accident insurance financed by SAP for professional and private use.

Belonging level

"Being an SAP Alumna, you come to realize how big the SAP family is, and how supportive the colleagues are, no matter where you are or how well you know each other. I believe this is the true asset that makes SAP special." - Xiaoqun Clever, SAP Alumni Network. It can't be expressed better how SAP even tries to stay in touch with employees that have left the company.

As SAP is still structured – be it as an agile structure with a group of ten (scrum organization within development) or the classical approach (hierarchical structure) – within SAP there are many groups and possibilities for employees to find the right group. An exchange between groups is given during several occasions – one to be named would be an event called celebrate team success which features grouping and joint activities besides work. SAP offers one paid day for such kind of events.

The Parent-Child Office is at disposal in case the childcare should suddenly be cancelled and employees have to bring their child to work as an emergency solution. They can book a maximum of 4 weeks in advance and for a maximum of 3 consecutive working days. Parents are responsible for supervision. First aid kits and emergency information are available in the office. The also available "Stay in Touch" program is designed to help employees return to active working life after a (planned) lengthy absence, e.g. parental leave. A mentor and the individual manager will assist within the process.

Esteem level

SAP has been recognized for a number of employee awards in countries and regions all around the world. SAP won 175 awards in 2018 alone. Great Place to Work ranks SAP number 6 on the 2019 World's Best Workplaces list, which highlights the top 25 companies rated by their employees as offering an excellent employee experience. SAP rose to sixth on the list this year, up from thirteenth in 2018. SAP is the only company in the world to be on all five of the "Glassdoor 2019 Employees' Choice Best Places to Work", making the list in the U.S., U.K., Canada, France, and a first-place win in Germany! This is the second year in a row that SAP has been on all 5 lists.

Excellence occurs every day at SAP and AP is committed to build a stronger culture of appreciation to acknowledge that excellence. That's why SAP created Appreciate, a simple and consistent approach to recognizing and rewarding between employees – across all levels. Appreciate provides an opportunity for all eligible SAP employees to recognize others and be recognized themselves for demonstrating and living How We Run in their everyday work.

Cognitive level

The speed at which the world of work is now changing brings volatility, uncertainty, complexity, and ambiguity, or VUCA for short. There are no rules that apply equally in any situation. Rather, employees have to weigh up different courses of action each time and then make an objective and empowered decision. At SAP, the annual employee survey measures how well our workplace culture supports people's wellbeing and work-life balance, and SAP tracks progress on Business Health Culture Index. Despite the increasing pressures in our VUCA world, since 2015 SAP has consistently scored more than 75 percentage points.

Not to mention the trust based working hours SAP offers its employees. Under the Works Agreement, working hours is the time from the start to the end of work excluding any breaks or other interruptions. Working time does not simply refer to the time present at the place of work, but the total time spent performing work. All these times are working times as defined in the German Working Hours Act. Any time spent dealing with private matters is not work as defined by the employment contract and is not therefore deemed working time. SAP also offers up to three days leave without doctors notice in case of need. So instead like many other office workers, for which working from home has replaced a day spent in bed getting well – SAP provides the possibility to cure a cold easily.

Aesthetic level

In contrast to conative needs, aesthetic needs are not basic or universal in nature. These needs involve beauty and aesthetically pleasing experiences. In the same way that people respond when their basic needs are not met, individuals with strong aesthetic needs often experience stress and sickness when these needs are not met. Based on Maslow's beliefs, it is stated in the hierarchy that humans need beautiful imagery or something new and aesthetically pleasing to continue up towards Self-Actualization. Humans need to refresh themselves in the presence and beauty of nature while carefully absorbing and observing their surroundings to extract the beauty that the world has to offer.

The SAP HR team listened to employees' feedback and, together with the thought leadership and technology of Qualtrics, they've developed a completely new experience of providing and collecting employee feedback at SAP. This is just the beginning of a new era and SAP HR is proud to introduce #Unfiltered – Our People Survey. They want to listen, to understand and act upon employees' feedback more often than just once a year. With a new look and feel, #Unfiltered is intuitive and easy to participate in. To enable SAP employees to provide their feedback wherever they want, it is optimized for laptop and mobile.

Self-actualization level

Self-actualization is the instinctual need of humans to make the most of their abilities and to strive to be the best they can. This need when fulfilled leads to feeling of generativity.

SAP's Global Mindfulness Practice, which started as a grassroots initiative seven years ago, is one of the company's most successful employee programs. The 2-day mindfulness and emotional intelligence workshop – Search Inside Yourself – has become SAP's most popular training course, with over 9,000 trained practitioners and over 8,000 employees on waiting lists around the globe. Employees who are practicing mindfulness report greater job satisfaction, a greater ability to focus, and a higher level of mental clarity and creativity.

Launched in 2018 in partnership with Thrive Global, an organization dedicated to combatting stress and burn-out, the Well-Being at Work initiative seeks to embed a culture of well-being and purpose in organizations to enrich the employee experience and drive peak performance. It takes a holistic view of employee well-being that includes physical, psychological, social, motivational, and financial well-being.

Transcendence level

Maslow later divided the top of the triangle to add self-transcendence which is also sometimes referred to as spiritual needs. Spiritual Needs are a little different from other needs, accessible from many levels. This need when fulfilled, leads to feelings of integrity and take things to another level of being.

Main questions on transcendence for example from my point of view are: Are you passionate about making a difference and helping the world run better? Are you interested in addressing a critical business challenge in the social entrepreneurship or education sector? Are you an adaptable, resilient team player ready to leave your comfort zone and aspiring to grow personal and professionally? Employees who answer that positive – the can apply for the SAP Social Sabbatical.

The SAP Social Sabbatical is a portfolio of pro-bono volunteering programs where SAP employees are placed in highly diverse teams to dedicate their skills, expertise & know-how in a unique, short-term assignment to solve concrete business challenges for the education and social entrepreneurship sector in different markets, strengthen their leadership competencies, cross industry sector know-how and intercultural sensitivity. It is a once-in-a-lifetime opportunity to turn SAP's vision "help the world run better and improve people's lives" into action from a social responsibility perspective.

The SAP Social Sabbatical is achieving triple impact on:

1. Supported organization by providing access to professional expertise, the opportunity to address critical strategic challenges, advance their service provision, and facilitate transfer of skills & know-how to their staff.
2. SAP employees by making a difference and creating significant social impact, develop as leaders, and extend professional network with and beyond SAP.
3. SAP by increasing employee engagement and retention, developing new insights into emerging markets, extend people and social investment strategy, and improving brand reputation.

SAP Social Sabbatical for Global Engagement	SAP Social Sabbatical for Local Engagement	SAP Social Sabbatical for Executive Engagement
A unique, international volunteering assignment for SAP's key talents taking place in 10 different emerging and fast growth markets.	A high-impact volunteering offering for SAP employees to solve concrete business challenges for non-profits in their local markets.	A 2-week, intensive volunteering assignment for SAP's Executives in emerging or fast growth market.
▪ Highly diverse teams of SAP's key talent ▪ 4 weeks immersion at client organization in emerging market ▪ Apply workplace expertise to solve business challenges and build capacity for social enterprises and non-profit organizations ▪ Provides a unique, "out-of-the-box" learning experience & leadership development opportunity	▪ 11 working days spread across 6 weeks ▪ Cross-functional teams ▪ Strengthen leadership competencies ▪ Experience close customer engagement and immediate impact of individual contribution ▪ Solve concrete challenges of local non-profit organizations and social enterprises.	▪ 10 working days in a more unknown emerging market ▪ Share know-how and expertise with founders and/or CEOs of non-profit organizations or social enterprises ▪ Develop general management skills ▪ Gain new insights into emerging markets ▪ Strengthen leadership principles & how we run culture

Table 2: The SAP Social Sabbatical Portfolio

As the last of the table above demonstrates – the social sabbatical program is available for members of the global leadership team as well – not just average employees, but also for managers.

SUMMARY AND SOME CRITICS

The above mentioned 8 principles of Maslows hierarchy of needs and the examples provided from SAP are accountable mostly in Germany. I did not research if all the motivational ideas are available all around the globe. All mentioned examples have to understood as sole examples – this is not a complete list of SAPs corporate benefits for employees. There are many missed measures such as massage at workplace, health programs, MBSR techniques, courses and tutorials as well as about two weeks' time each year for personal education. Also SAPs diversity efforts, such as struggles to put an end to discrimination against people with HIV and other chronic illnesses or the Hasso Plattner Founders award, which is well recognized within the employees. The given examples hopefully demonstrate how companies could adhere to the 8 layers of needs according to Maslow's theory.

Additionally – within this paper I did not really evaluate the theory itself, I just tried to find some examples. Maslow's pyramid was and is still under criticism – which shall not be part as well. Only one thing I'd like to raise to the reader's attention:

Maslow could not (or did not want to) present empirical evidence for his pyramid. He himself communicated that he had only created the Pyramid of Needs from his own observations and had no evidence for his theory. In psychology, Maslow's pyramid is considered to be a historical theory that is only used for teaching purposes.

Therefore – the classification of SAP's offers to its employees in the Maslow pyramid of needs was made exclusively by me and has not been approved by SAP SE.

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LEADERSHIP AND STRATEGY

VALUE CHAIN ANALYSIS WITH AN EXAMPLE FROM SCHOOL IN GHANA

DIYAWU RAHMAN ADAM

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INTODUCTION

The competitive market is making it almost impossible for many companies to survive, even more so, with the companies that do not strategically align with modern trends. Once in a competition, you need to consistently add value to your product. One such strategy is to analyze the value chain of your company.

The value chain theory was initially introduced in 1985 by Michael Porter in his book “Competitive Advantage: Creating and Sustaining Superior Performance” (Porter, 1985). The essence here to be able to identify where one can best improve upon. The value chain analysis allows organizations to assess business processes in order to provide the opportunities to reduce operational cost, eliminate waste, improve health and safety as well as increasing profitability (Reese et al., 2016).

Porter identified two main aspects of the theory; the primary activities (main) and Supporting activities. The main activities are focused on the production of products or services. These activities include inbound logistics, operations, outbound logistics, marketing and sales, and after-sales services (Chofreh et al., 2014). Supporting activities consist of company infrastructure (systems for planning, finance, quality, and information management), technology development (research and development), human resource management, and procurement (Chofreh et al., 2019).

The first line of action needed to be taken by an organization is the mapping of the business value chain. This is to enable the organization to identify the main activities that are related to products or service lines for the purpose of establishing improvement opportunities (Jones, 2016). Tonelli et al. (2016) noted that the value chain mapping is essential for knowledge creation about the specific manufacturing or service process of a firm, analyzing the developments and providing solutions to emerging business challenges.

However, There are differences between goods and services (Zeithaml, Bitner, & Gremler, 2010; Dorri, Yarmohammadian, & Nadi, 2012). Services differ from goods with the following characteristics; Inseparability, intangibility, perishability and heterogeneity.

The case in hand here is Garden City University College, Ghana. The school is situated in Kumasi, Ashanti Region of Ghana. It is the firs private university at the Northern sector of Ghana. It runs degree and diploma programmes across three (3) major faculties; the faculty of Applied sciences, Faculty of health sciences and Garden City Business school. It was established in 2001.

Even though the value chain was a general-purpose model for manufacturing companies (Subbaiah, & Rao, 2015) I believe that its applicability can also be extended to the service industry. To this end, this project has decided to choose Garden City University college as a case in reference to the value chain model.

PRIMARY ACTIVITIES

As stated earlier, these are the activities that include inbound logistics, operations, outbound logistics, marketing and sales, and after-sales services.

Inbound logistics

According to Porter, these include receiving the basic raw materials required for the steel making process, stacking and reclaiming the materials, and distribution of materials to various departments. At Garden City University College, inbound logistics could be the teaching and learning materials available for the lecturers. These teaching and learning materials come in the form of Blackboard marker (pen) where the school decides to purchase several packs for onward distribution among lectures. Lectures do get a pack and a duster for the whole semester. One of the important raw material is the projector. Projectors are mainly used by lecturers to teach in class, by projecting (mostly) a power point note for students' viewing in order to follow the discussions well. Every lecture hall is provided with one. However, it remains the responsibility of the lecturer to bring their own laptops to class.

Operations

these refers to the implementation of activities that are geared toward converting the inputs into outputs and are eventually sold to customers. The operations are essential in ensuring the right conversion is done to avoid waste of resources. At Garden City University College, the operation aspect is the conducive classroom situation created to enable students learn in class. One of such is when lecturers are available and are teaching the required courses. Asking questions in class and responding to questions as well. Setting examination questions,

Outbound logistics

According to Porter, the outbound logistics include the planning and dispatching or distribution of the finished products to consumers. The finished products here I would argue represents what the students have learned from school. When student complete school, they are expected to practically impart knowledge on the society. Students for the school are usually taken through several practical lessons during their stay in school. Whilst in school they are requested to go to various societies and identify some problems that needed solution. They go around various communities of their choice, interact with people and try to help them solve their problems. The nursing department for example regularly organizes community outreach programs to enable students reach out the communities identified. Such programs come in the form of eye screening, breast cancer screening and to mention just a few. In the business department, students are asked to identify any Small and Medium Enterprises to service as a case study to understand relevant economic metrices such as finance, entrepreneurship, marketing etc.

Marketing and Sales

These include product management; price management; placement (distribution) management; promotion management (Subbaiah, & Rao, 2015). These suggest the process the organization uses to persuade potential customers to patronize their products instead of those of competitors. This comes in the communication of the benefits being offered when one attends the school.

At Garden City, we have not taken it lightly when it comes to marketing communications. The institution has set up the office of the marketing communications and derives its powers from the office of Institutional Advancement (OIA). The marketing communications unit is responsible for marketing related activities of the institution, thus making it possible for all stakeholders, customers and potential customers to know about the happenings of the institution. Customers of the institution (potential or current students) are largely high school graduates and some other workers who for one reason or the other do not possess degree or diploma.

The marketing communication unit as a matter of function, identifies important occasions where potential customers are likely going to be involved, such as festivals and other social activities. The school then participates in a form of sponsorship or scholarship. One such event was a quiz program organized for all high school leavers in a particular region. The school provided souvenirs for the winners, participants and the organizers as well. By this the students were encouraged to get enrolled in the university for better and quality education.

Further, radio stations, newspapers etc are identified periodically (usually twice in a year) to announce the commencement of admissions for that particular academic year. Important information such as the programs the school offers, timelines, availability of scholarships are announced. A video and audio documentary is organized to air on radio and television respectively to inform the public about a little history of the school and other important issues as and when the need arises.

Services

These include after sales services like ensuring the maintenance of the quality aspects, delivery aspects and complaint settlement procedure. The service aspect of the primary activities relate to maintaining the value of the services provided to the customers. To maintain the value provided, the school has set up some offices to deal with complaint handling of current and former students. The office of the institutional Advancement (OIA) has that responsibility. The office has units that are responsible for past students, and foreign students (Alumni and international relations). This is to ensure that students are not shortchanged or disadvantaged as a result of the neglect of the school.

The Alumni relations office was set up to deal with the organization of Alumni (past student). Many of them do have some concern about myriad of issues. Recognizing this, the school decided to set up this office to deal will all those relevant concerns. The international relations unit was also set up to deal with issues concerning international students. There has been some issues related to culture that are expectedly occur, especially those coming to the country for the first time. Foreign students that have completed school and are willing to be part of the school are served some notices of programs to be organized from time to time. For instance, every year the Alumni office organizes 'homecoming' for its members to come back and socialize again and more importantly share ideas on what they think should be done to help the school become better than it is.

SUPPORT ACTIVITIES

Procurement (purchasing)

This is the activity of the organization involved in getting needed resources in orders to operate what the organization does to get the resources it needs to operate. This includes finding vendors and negotiating best prices. The school has a department for procurement. This department is responsible for the purchase of resources needed by the school to deliver its promise. The department for example engages in the purchase of generators, computers, desks for students, projector, white board etc. what it does is to usually send out messages to potential suppliers of the products needed. The suppliers in turn write a proposal to the school on how they intend supplying the products to the school. Basic issues in the proposal include price, quantity, date of delivery, discount (if any) etc. the department then analysis each of the proposals in their own merit and continue to choose the best for the school. The aim is to reduce any potential waste of money in the course of procurement.

Human resource management

This involves how well an organization hires trains and design a reward system to motivate and retain its workforce. The people that are recruited represent a significant source of value creation, especially in services. At Garden City there is an office designated as the Human Resource which falls under the Registry. This office is responsible for the recruitment of people to occupy various positions in the school. At the realization of any vacancy, the office rightly advertises in the national newspapers to solicit for candidates with the requisite qualification to apply for the identified vacancy. The shortlisted candidates are taken through some thorough interview procedure and are selected or appointed to serve the requisite position.

Moreover, the school also organizes training programs for its members. This is in line with the school’s objective of improving on employee skills which will subsequently influence the teaching and learning in the school. the school provided research opportunities for lectures to improve on their research skills. It also organized some men from the army to train its security officers to maintain peace and security in and around the school. it also motivates employees by way of recognition or financial incentives. When a member does any work in an extraordinary circumstance the school makes sure it circulates memo to show its appreciation towards the work of that individual. This is supposed to energize all others to also work to achieve the objectives of the school.

Technological development

This activity includes the management and processing of information in terms of technology. The development of technology, business information systems and how to store knowledge for the activities of the school is a priority. This has led to the establishment of Information Technology (IT) department that foresees all activities related to technology. The department provides internet services and other technology related issues in the day-to-day running of the school. it provides relevant information on the school’s website about activities within and outside the school. periodically, the department in conjunction with the Human resource department organizes some training programs for employees to update their knowledge on current trends in technology.

Infrastructure

The activities here relate to support systems and all other functional departments that play a role in maintaining daily operations. In order to enhance its daily activities, the school has created departments such as finance, management, admissions, exams office, office for institutional advancement, security. These are the necessary infrastructure the school uses to its advantage. In the passage of time, the school usually reviews the importance of each department to know its relevance in the current trend. It then response either by creating another, or merge others to perform critical functions.

CONCLUSION

To conclude, the value chain model proposed by Porter is an efficient tool organization could use to enhance their businesses. Since the motive behind it was targeted at manufacturing sector, it was difficult at some stage to relate it to the services sector. Since Catalo, & Le, (2018) argue that Porter's value chain is a universal model for explaining a business performance it is imperative to apply the value chain to a service industry.

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BRAND ANALYSIS OF FERRARI USING KAPFERER'S BRAND-IDENTITY PRISM MODEL

MANUEL ROLF ADLER

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INTRODUCTION

Please note as I have to work Monday to Friday in a big German bank in Frankfurt and, therefore, being confronted with bank's branding constantly I decided in the end to not chose my employer's brand.

Many small and big boys, men dream about fast cars. In this context Ferrari cars, either in the private garages of the wealthy or on the Formula 1 race track, are very popular. The company Ferrari undoubtedly build high quality, luxury cars and due to the high popularity also the brand value is extremely high. But how can this be explained? The application of Kapferer's Brand-Identity Prism model shall shed some light on the underlying drivers which make Ferrari such a successful brand. In his structured model Kapferer identifies aspects which help to fully understand a brand's identity. The concept shall be described in detail in the next paragraph.

In Ferrari's words: "[Ferrari] A legend built on decades of sporting successes and the inimitable style of our cars, a source of inspiration for millions of enthusiasts."

UNDERSTANDING KAPFERER'S BRAND-IDENTITY PRISM MODEL

In total six attributes describe the Brand Identity-Prism (1. physique, 2. personality, 3. culture, 4. relationship, 5. reflection and 6. self-image). These attributes can further be divided into external or internal attributes (external: physique, relationship and reflection; internal: personality, culture and self-image). Additionally, the two attributes physique and personality describe the "constructed source", i.e. the way the brand is perceived by the consumer. The two attributes reflection and self-image describe the "constructed receiver", i.e. the stereotype consumer. The constructed source as well as the constructed receiver both have only two attributes. Worth mentioning is that powerful brands are able to reflect all attributed and, most importantly, are attractive for the customer.

Undoubtedly, the brand Ferrari is strong, a brand that us anchored in people's minds. However, case studies imply that this "success" is not accidental. In fact, Ferrari underwent and undergoes continuous improvement, e.g. regarding strategic communication of the brand. The selected case study states that the company's success is primarily attributed to components of strategic brand communication which makes an understanding of the brand components/ attributes even more interesting. An in-depth analysis will be performed using Kapferer's model which has already been introduced above.

HYPOTHESIS

Building a solid brand with strong brand-identity factors is crucial when it comes to superior corporate success.

APPLICATION OF THE BRAND-IDENTITY PRISM

An initial internet research resulted in an already existing brand-identity analysis which has been conducted using Kapferer's model. It is a good summary and helpful to get into the topic, however, in the following six sections the attributes of the Brand-Identity Prism will be analyzed in greater detail and own conclusions will be drawn. Additionally, the methodology of the model itself will be evaluated.

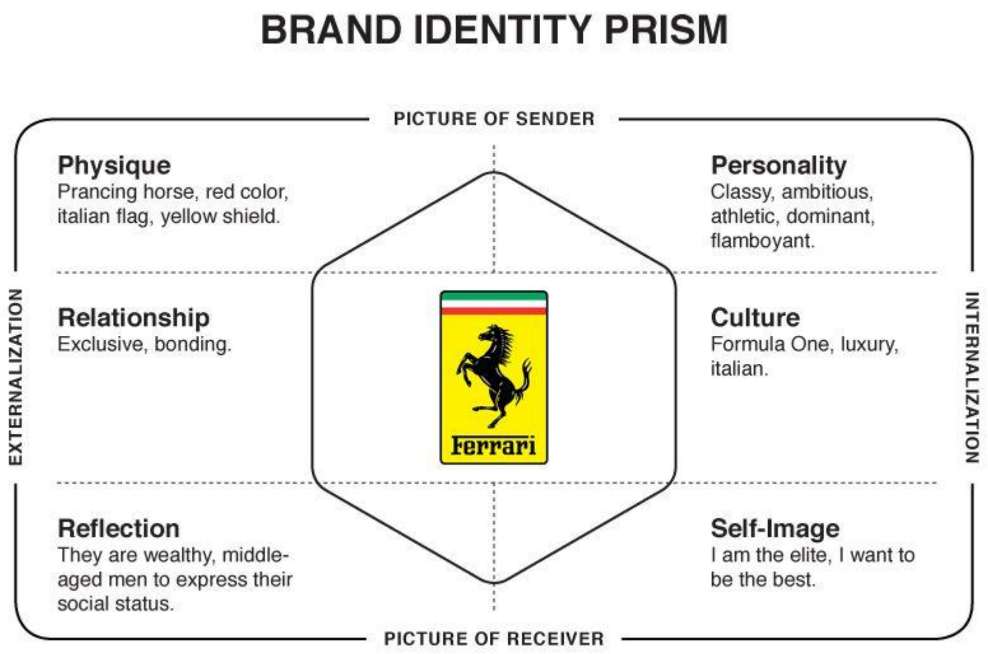

Figure 1: Brand Identity Prism (Ferrari)

Attribute 1: Physique

What does the factor "physique" mean from a conceptual point of view? – The physique of a brand is the "brand's backbone", i.e. the tangibles of the brand and products being branded with a certain brand.

How does this transfer to the case of Ferrari? – Central to this analysis is Ferraris legendary Ferrari horse. The horse is posturing with brand and is in the middle of the logo. Also on the products (e.g. cars) the horse is an important element. Additionally, the red and yellow color as well as the colors of the Italian flag are part of Ferrari's physique.

Additionally, it should be mentioned that according to brand loyalty analysis which has been conducted by Imandoust et al. the factor physique contributed more than other brand-identity factors to brand loyalty. The analysis has been conducted through a multinomial logit model. The brand loyalty is undoubtedly important when it comes to superior success (e.g. through successful marketing and sales activities). Consequently, the physique of a specific brand should not be changed too drastically.

Having said that, is very easy to imagine that the brand value of Ferrari would be diminished if the physique (i.e. classic logo or design of classic Ferrari cars) would be changed. It is unimaginable that the Ferrari horse would be change to, for example, a "Ferrari dog", which underlines the high visual dependency of customers/ users. A brand which is in some of the other way visually appealing seems to be the "secret" (its physique, to make use of Kapferer's wording) of its success.

Attribute 2: Personality

What does the factor "personality" mean from a conceptual point of view? – Brand do have personalities which define their "brand character". The way the brand conveys it's "character traits" can be compared to human character traits (e.g. a brand and a human can be described as elegant, outspoken, etc.). Side note: For many products which do not have a personality that is easy to celebrities endorse these products which leads to a connection between the celebrity's character and the brand or branded product.

How does this transfer to the case of Ferrari? – Ferrari is a "sexy" brand, meaning that the speedy cars and sporty design are appealing to many. Ferrari is not only "sexy", it is also a brand which is a bit "macho", meaning that it is a brand that first of all men identify with. The brand is a status symbol, however, much more for men then for women. Of course, there is an exception to every rule, but still Ferrari is masculine, sportive, athletic. The latter is of course perceived this way as Ferrari can directly be associated with Formula 1 which is undoubtedly a male dominated sport.

Attribute 3: Culture

What does the factor "culture" mean from a conceptual point of view? – Basically, culture in the context of Kapferer's brand-identity prism describes those attributes which makes an already good brand a cult brand, a brand which has a real competitive advantage. With the purchase of the product the consumer does not only have a new gadget/ tool/ product at hand, more importantly, he engages into a certain, pre-defined culture. The branded product is the "key" to become part of this culture.

How does this transfer to the case of Ferrari? – As already described Ferrari is plays with the phenomenon and cult around Formula 1, as a luxury, high-class brand. It stands for the culture of the rich, it makes you belong to the culture of the affluent. Of course, the brand's culture is correlated to Italian culture and lifestyle. For this attribute figure 2 which has been presented in the beginning has provided a correct and full analysis.

Attribute 4: Relationship

What does the factor "relationship" mean from a conceptual point of view? – The relationship which exists between the consumer and the brand itself describes the consumers expectation beyond the tangible product. For example, the purchaser might expect a relationship of longevity, trust, good service, etc. For example, the relationship of groceries shopped at the groceries and the relationship of a life insurance product is significantly different.
Side note: Interestingly, the relationship can even become "love" or something similar to love.

How does this transfer to the case of Ferrari? – Central for luxury brands such as Ferrari is the relationship of privilege and exclusiveness, i.e. the customer wants to feel privileged. In detail, he does not want to be one of many, he wants to be one of only a few who own this specific Ferrari model. This is understandable given the extremely high price of Ferrari luxury cars. Additionally, the driver of Ferrari cars (but also other cars) develop a strong connection in a sense that they take care of them very well, e.g. through tuning, cleaning, fueling with high-quality fuel. This implies that the car is not a mere transport medium, it is something that has become part of the life of the consumers. Of course this desire is higher in the upper class range of products, compared to lower budget products of the same product category.

Attribute 5: Reflection

What does the factor “reflection” mean from a conceptual point of view? – A brand has “buyer personas”, meaning that there are different ways that a brand might reflect upon the customer. The brand in this context might have a “stereotypical user” or users. This can be understood as part of brand’s success as it helps (if the customer is correctly understood) to market to the consumer in an adequate and successful way.

How does this transfer to the case of Ferrari? – The stereotypical customer is probably into motor sports, generally loves cars, but also might “take in the automaker’s history, mystique, and process.” The brand reflects pride on the consumer who is proud of the craft of car making, but also of being exclusive member of the “Ferrari club”.

I do not completely disagree with the preliminary analysis that is shown in Figure 2 (“wealthy, middle-aged men, expressing their social status”). However, this might not be the full truth or the only stereotypical buyer.

Attribute 6: Self-image

What does the factor “self-image” mean from a conceptual point of view? – This again describes how the consumer sees himself or wishes to see himself. He could see himself being rich, good looking, modern, sportive, etc. The brand reflects this self-image which increases relatability and, therefore, brand’s success.

How does this transfer to the case of Ferrari? – A Ferrari customers wants to see himself as part of an exclusive club, a privileged person being one of few who belongs to this club (see statements on exclusiveness above). He wants probably to be a masculine, sportive, wealthy guy. This is the reason why the Ferrari brand has such self-image. The polished, expensive, posh car reflects upon the customer as it is designed to relate to such customer types.

CONCLUSION

Ferrari is a strong brand which can be decomposed into its six brand-identity factors according to Kapferer’s model (see above). This underlines the brand’s success and, furthermore, confirms the initial set hypothesis.

Initial hypothesis: “Building a solid brand with strong brand-identity factors is crucial when it comes to superior corporate success.”

The initial hypothesis cannot be rejected as each of the factors stands out clearly. A brand, for example, which lacks on one of the factors would most probably not have a history of such great success. More precisely, a brand which would for example lack a distinctive brand personality would be hard to marketing as it would be easy for potential customers to relate/ identify.

Consequently, this essay has stringently analyzed using a famous brand tool, in a structured and clear manner. Thinking about the brand Ferrari from different angles made it clear quickly that it is a successful brand. We learned that especially the factor physique is an important one, but also factors such as personality and self-imagine for this brand and its products stand out.

EVALUATION OF THE MODEL

Finally, the question whether, irrespective of the results of the brand analysis, the chosen model is a valid and purposeful model needs to be answered. Does it capture all or at least a great part of a brands success? To begin with, the model helps to understand that a successful brand's central elements, when working synchronized, can be decomposed into those. A successful brand is structured and well-defined, it is not successful due to mere coincidence. Additionally, Kapferer's model manages very well to assess a brand's strength's (and potentially its weaknesses) and its relatability. The brand relatability which is the minimum requirement of great marketing success is a "summary" of physique, personality, culture, relationship, reflection and self-image.

The central aspect of relatability (which is decomposed in a very clever way by Kapferer) can be proven by many cases. For example, the beauty campaign which was introduced by the beauty company Dove was a great success as it focused on "non-standard beauty". This was a success as it helped to "construct relatability".

Another paper on how to make to make consumer-centric marketing successful results in five key factors of which the first is to "enhance consumer-relatability", in the end to make it personal. To again summarize the model: It is an amazing tool as it decomposes a brand's success factors cleverly.

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THE BRAND IDENTITY PRISM AND ITS ADAPTION TO YAKULT

PHYLLIS DIRRLER

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INTRODUCTION

When referring to Yakult most people think of drinks, packed in light peach-colored small bottles, clearly stating Yakult, mostly in red; which may have a positive effect on the health. Dr. Minoru Shirota developed the product in 1935 and found the company Yakult Honsha Co. Ltd. in 1955. He was still a university student when he studied lactobacilli bacteria and found out that they could be used to defeat harmful bacteria. Today the bacteria is called Lactobacillus casei strain Shirota. Dr. Shirota's goal was then to improve everyone's life by making this bacteria available to individuals, by offering it in form of a drink; Yakult. Afterwards the company grew successfully and today the product is offered in more than 40 countries and sells an average number of 40 Million bottles a day. Yakult is nowadays offered on all continents, except of Africa, whereas Yakult distinguishes three regions: Asia Oceania, America and Europe. Within this paper all three regions or compared by choosing an example country for each one: Japan, USA and Germany.

Yakult also launched products in the pharmaceuticals and cosmetics sector, but these two categories are not further considered in this work.

According to Kapferer's theory Yakult can be defined as an international brand. The Yakult drinks are widely the same in all markets and Yakult tries to use as many elements of its marketing and brand strategy as possible worldwide. It cannot be defined as a global brand, because major elements still differ. In Japan and the United States of America Yakult is presented as a probiotic drink, which contributes to the health and happiness of people. In Germany however, the European Food Safety Authority prohibited this presentation of the product, because current research of Yakult products does not sufficiently prove its positive effects on health. Even without these health claims European authorities and Foodwatch Germany still highly criticize the product, because of the extremely high amount of sugar (9 Gramm per small bottle) and its high price 8,40€ per liter. In the European region, the pharmaceuticals and cosmetics are not yet launched.

The aim of this paper is to find out which elements of Yakult's branding distinguish from each other using the Brand Identity Prism. Furthermore, it is investigated how these differences affect the brand and its identity. All information which relate to Yakult are own interpretations based on the websites of the company Yakult in the three example countries; Japan, USA and Germany.

LITERATURE REVIEW

In today's world, the importance of brands is growing and one cannot further say that it is just a term or a design, because it is much more and consists of strong meanings and associations. "Defining a brand is a struggle." Scholars tried to offer different definitions of the term brand, which are among others the following. Barlow and Steward offer a relatively simple explanation by naming it “Unique Identity”. Davis presents in his book a traditional and updated explanation of a brand of the American Marketing Association. The updated explanation is: “A brand is a customer experience represented by a collection of images and ideas; often, it refers to a symbol such as a name, logo, slogan and design scheme. Brand recognition and other reactions are created by the accumulation of experiences with the specific product or service, both directly relating to its use, and through the influence of advertising, design and media commentary. A brand often includes an explicit logo, fonts, color, schemes, symbols, sound, which may be developed to represent implicit values, ideas, and even personality.” The definition above includes characteristics such as the vision and values. These are mainly attributes that direct or guide a brand and build up its meaning and cause, and therefore can be called brand identity. Scholars have different opinions of what is part of a brand identity; but the majority agrees that the identity of a brand affects how customers perceive it. Due to the difficulties of defining a brand, but to the same time its major importance; marketing or brand concepts are essential for understanding and using the term brand more effectively. These concepts are among others the Unique Selling Preposition, Positioning, Brand Image and Brand Personality.

The Brand Identity Prism is a tool, which manages to include many of the mentioned aspects of a brand above and which can also be used in real-time situations to track the identity of a brand. It consists of six dimensions, which are: Physique, Personality, Relationship, Culture, Reflection and Self-Image.

Brand Identity Prism

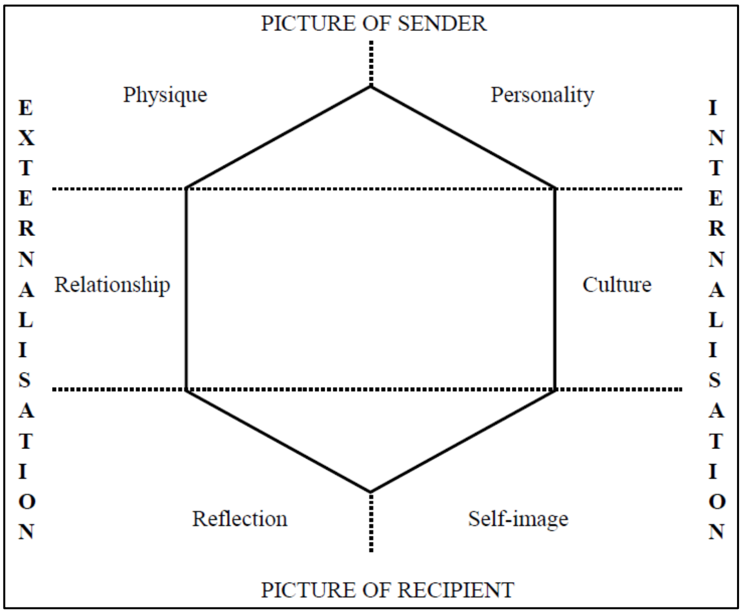


Figure 1: Brand Identity Prism

The concept has the advantage of compromising all aspects of a brand and communication in one model. No matter if, we refer to formal or informal communication, verbal or non-verbal. The framework represents the relationship between the brand and customer and can be understood as a continuous communication between the two parties. The sender of the speech is the brand, which is represented in the dimensions of physique and personality. The recipient of the speech is the customer, who is reflected in the dimension of reflection and self-image. In order to connect sender and recipient, we have two dimensions in between, which is the dimension of the relationship and culture. The separation between Externalization and Internalization takes place in order to divide the brand into its external appearance; how people perceive the brand and its internal factors that are more characteristics deeply integrated in the brand.

ADAPTION OF BRAND IDENTITY PRISM TO YAKULT

Brand Physique

The first essential part for each brand is to define its physique. In a general context, the physique of a brand indicates what the brand is about and what it looks like and focuses on its colors, features and qualities. No matter which brand, it is essential for anyone to express its material benefit and in having a unique image that enables consumers to differentiate the product from others. Some also call it the face of a brand. Most important characteristics are therefore:

- Physical appearance of a brand
- Its key specific or feature which is essential for the presence of the product/brand

Brand Physique of Yakult

As already mentioned in the introduction most people will think of the small bottles when thinking of Yakult. The famous designer Mr. Isamu Kenmochi created the bottles in 1968 and since then the design has not been changed. The design is plain, traditional, unique and even won prices for its timeless look. Yakult offers a relatively small product range compared to other companies. In Germany, one can buy three different Yakult product: Yakult original (with red letters), Yakult light (with blue letters) and Yakult Plus (with green letters). In Japan the same product range is offered. In the United States, one can only buy Yakult Original and Yakult Light. The bottles do not differentiate within the three countries and look all the same.

The key feature of Yakult is its Shirota bacteria or so called Probiotics drink, which shall have a positive impact on the health and happiness of people. This message is openly communicated in Japan and USA. In Germany however, Yakult does not clearly communicate its key feature and only points out that the Shirota bacteria reaches the stomach alive. It is assumed that this is due to the prohibition of calling Yakult a Probiotic drink in Europe.

To summarize the key physique features of Yakult I chose consistency, health and its plain design. The health factor is however not strongly/ not at all presented in Germany.

Brand Personality

Within the brand personality dimension, one should think of the brand as a human being and consider how the brand represents its product through human traits. Each brand can be imagined to have a character, which is consistent over what the brand is doing. Generally speaking, consumers always prefer brands which share the same personality or reflect a desired personality. Furthermore, recent studies point out that consumers express themselves with a brand and that brands are used to confirm individual's identity. Many brands therefore also started to use famous people as their face of the brand, which also often leads to the phenomenon that consumers can clearly state which kind of person a brand would be. Key characteristics therefore are:

- Personalities of ambassadors or corporate people which represent company
- Events with which consumers connect the brand

Brand Personality of Yakult

If Yakult were a person it would most likely be very traditional and consistent. This was already shortly presented in its physical appearance, however can be prolonged to many other dimensions as well. One key indicator is further more that Yakult didn't introduce many new products over time, but focused on its key product and its improvement. Yakult could also be described as a scientific-oriented person, as the company strongly highlights its science and research department on all websites and offers several programs to enable people to be part of it. Yakult would mainly be a healthy and happy person who values its body and a balanced life-style. This characteristic is again strongly developed in Japan and USA, but less in Germany. One can also assume that Yakult would be a highly involved person in social activities, but this aspect will later on be described further.

Yakult doesn't use strong international ambassadors to represent its company and in its advertisements or on its websites it presents normal people, mainly older people or families. However, when reading the website in depth or articles about the company one frequently reads about the founder of Yakult, which also reflects the tradition of the company.

To summarize the key personality features of Yakult I chose tradition, consistency, health, (less in Germany), happiness and social-orientation.

Brand Culture

Brand culture is the internal intangible dimension of a brand. According to literature, culture consists of artifacts, values and basic assumptions. Artifacts of a brand can for example be the logo or other graphical elements. Values can either be explicitly stated as for example on a homepage or can be observed. Basic assumptions is an intangible and difficult to capture part, which is about basic beliefs and assumptions. The culture can also be described as the relation between the brand and organization and often the brands origin strongly defines its culture. Essential parts are therefore:

- Significance of physical appearance of brand
- Public Relations Approach
- Corporate Social Responsibility

Brand Culture of Yakult

Yakult clearly states on its website the mission that Yakult shall contribute to a healthier and happier life of people. The same attributes are also described on the Japanese company profile where Yakult advocates health, strengthens work in peace, states to respect individualism and creative work and that the company possess an open and free culture. The company even offers child leave for its employees and kindergartens, mainly in Asia. Mainly for Japan one can realize a distinctive connection between the personality of the brand and the culture of the brand and company. One cannot find information in regards to the brand or company culture for USA or Germany, but generally one can expect that it is similar to the one in Japan. The link of course weakens again in Germany, because the key characteristic of the health of the product is missing. Nevertheless, one also needs to state the Yakult only produces bottles in the USA and in Germany there is only a comparatively small distribution and marketing office. On all websites the emphasis on research, science and its experience is outstanding again.

Yakult participates in many initiatives in respect to people and nature. These are biodiversity conservation events such as greening & cleaning-up campaigns and planting forest campaigns and for people Yakult offers seminars for a healthier lifestyle or hands out healthy recipes in cooperation with UNICEF. Yakult is also strongly engaged in preserving or building cultural establishments such as a child opera in Germany. Yakult indicates a strong social commitment within all regions and supports projects and initiatives worldwide. In Japan and other Asian and South-American countries Yakult also performs courtesy visits, carried out by the Yakult ladies, in order to check the well-being of old people and to chat with them for a while. In Japan Yakult also promotes sport with its own baseball club called Yakult Swallows.

The brand culture of Yakult can therefore be described with health, scientific orientation and strong social responsibility. The culture is however stronger established within Japan than in USA or Germany.

Brand relationship

The brand relationship connects the sender and the recipient of a speech with each other. Mostly a brand relationship is more obvious for services than for products, because for the service sector the relationship is the essential aspect for existence. The brand relationship strongly focuses on how products or services are related to a customer. Research has even pointed out that people form brand relationships in the same way they have relationships with each other. Key characteristics are therefore:

- How does staff interact with customers
- Customer Relationship Management

Brand relationship of Yakult

Yakult is a product so one would not expect a strong customer relationship. This is also mostly applicable in the United States and Germany. The products are sold in retail stores and no personal contact is taking place. Besides, of Yakult offering a hotline service and factory visits in order to engage with its customers or work on customer relationship management. Yakult also has a social media appearance such as via Instagram or Facebook where customers can find pictures and information of the product.

In Japan and other Asian and South-American countries, Yakult however offers a unique and personal distribution service, carried out by the Yakult ladies. The Yakult ladies are most of the time mothers, living in rural areas. In Japan there are 38.900 Yakult ladies and in the other countries 42.000. Yakut ladies deliver the Yakult drinks personally to their customers, which usually live nearby and already know each other for a long time. By doing the daily personal delivery, the well-trained Yakult ladies can give product information and advice and build up a personal relationship with their customers. Especially for older customers the delivery service is connected with courtesy visits where the Yakult ladies check on the well-being of the customer and have time for a short conversation. In bigger cities, Yakult is mostly sold in retail stores as well.

Therefore, the brand relationship in Japan can be described as a unique and personal relationship. The focus again lays on social and health aspects. In the United States and

Germany, the personal relationship cannot be strongly seen and one only uses impersonal mass distribution of the product.

Brand reflection

Brand reflection is a dimension that is not strongly pursued by a brand. Reflection is all about potential customers and their reflection of the brand or stereotype customer. Generally, one can say that these are the attributes a customer wants to be identified with when consuming the product. Nevertheless, of course brand reflection is influenced by a brand via its advertisement messages mainly. However, when thinking of a stereotype customer, this does not have to be the actual target group, because this can vary significantly. Key characteristics of the dimension are therefore:

- How brand is perceived
- Stereotype customer.

Brand reflection of Yakult

The mission and vision of Yakult is to contribute to a healthy and happy life of people. Therefore, they want to offer a Probiotic drink and/or preventive medicine that is affordable for everyone. In Japan, this message is clearly communicated to customers, via advertisement but also the Yakult ladies and the homepage. In the United States, one can also agree that the message of a healthy and good tasting product is clearly spread. Therefore, one can conclude that the customer reflection of the product represents its key features. In the United States and Germany one can however argue if Yakult is actually a product that is affordable for anyone, as the price per liter is in the USA $6.2 or 8.44€ in Germany. (Compared to the price of Coke per liter of$1.48 USA or Germany 0.79€) Furthermore, the advertisements in Germany do not focus at all on the products key features however have the motto that Yakult is not magic, but science. Within the advertisement, one can only see that a Japanese scientist created Yakult and that the Shirota bacteria reach the stomach still alive. In order to provide a definite result further research is needed, however within this study I conclude that the brand reflection in Germany may not reflect the actual product or brand at all. It is very likely that many German consumers are not aware of the actual meaning or target of the product.

This also leads to the challenge of defining the stereotype customer of Yakult in Germany. Within this paper I conclude that the stereotype customer is a customer of a higher income class and therefore most likely a person of higher age. However, further conclusions cannot be made.

In Japan I describe the stereotype customer as a health aware and educated person. In the United States the customer is also most likely showing a healthy lifestyle and is part of a higher income class.

Therefore, we conclude the following characteristics for brand reflection: healthy lifestyle (less in Germany), higher-income (less in Japan) and educated (less in Germany).

Brand Self Image

Brand self-image is about individuals who obtain certain brand characteristics just by using the brand. This can for example be that a customer has the feeling of being part of a higher class in society only because he is driving a SUV, even though he does not belong to that class. The self-image allows consumers to make assumptions what other people think about them. The key characteristic can therefore be:

- Target segment .

Brand Self Image

Consumers in Japan and United States might be considered as health conscious and fit individuals. Especially in Japan customers can also reflect themselves as traditional. Furthermore, people who are informed about the brand, might also consider themselves as consuming highly scientific products and therefore feel smarter. Yakult consumers can also consider themselves as happier or having a longer life expectancy.

Unfortunately, the brand and its communication in Germany are very week, which makes it impossible to make any conclusion for that market.

To summarize the brand self image for Yakult I decide on health, education and tradition. For Germany, no analysis can be made.

CONCLUSION

According to the application of the Brand Identity Prism to Yakult the results within the different regions vary significantly. One can conclude that Yakult has a strong brand identity in Japan, with its focus on the health and happiness of people, but also by being a brand of tradition, significant social engagement and the scientific focus. The Yakult ladies strongly contribute to the success of the brand by offering a unique relationship to the brand and its customers. One can conclude that the brand successfully manages that individual customers can identify themselves with the product.

In the United States the key messages are also spread to the customers in regards to health and happiness. The social engagement and scientific focus is also demonstrated in that market. The tradition factor is lower, but also due to the fact that the long brand history is missing in the United States because it was launched later than in Japan. The customer relationship is significantly lower compared to Japan, however comparing Yakult to similar products, Yakult doesn’t have a lower relationship than any other comparable brand. One cannot clearly state, but still assume a link between the identification of a customer with the product.

The brand identity within the German market is very low and a clear message is completely missing. The company is prohibited to state the key features of the product and does not manage to find another unique selling point. Therefore, the aspects of health and happiness are not clearly transmitted and the company lacks adaptions. Due to that reason it is impossible to clearly state the reflection or self-image for Germany, which also demonstrates a lack of brand identity within the market. The social engagement and scientific approach is clearly communicated, but this cannot be taken as the unique selling point or identity of the brand.

As the brand has similar brand characteristics in other countries of each region, one can assume similar results. Which means that most likely the brand has identity problems in all European countries like in Germany. However, in order to receive reliable results each country needs to be investigated individually.

Taking into account the sales numbers of 2008 of Yakult, the numbers represent the same distribution. Asia Oceania makes up the biggest proportion of daily sales, Japan being the most significant consumer market. The consumption of the United States is growing slightly and already represents a great amount of daily sales. The sales in Europe are low compared to all other regions, especially when taking into account the bargaining power of European countries.

Brand Identity Prism – Yakult (Japan, USA, Germany)

Physique

	Japan	USA	Germany
Consistency	X	X	X
Plain Design	X	X	X
Health	X	X	

Personality

	Japan	USA	Germany
Tradition	X	X	X
Consistency	X	X	X
Health	X	X	
Happiness	X	X	
Social-Orientation	X	X	X

Relationship

	Japan	USA	Germany
Uniqueness	X		
Personal	X		
Health	X	X	

Culture

	Japan	USA	Germany
Scientific-orientation	X	X	X
Social responsibility	X	X	X
Health	X	X	

Reflection

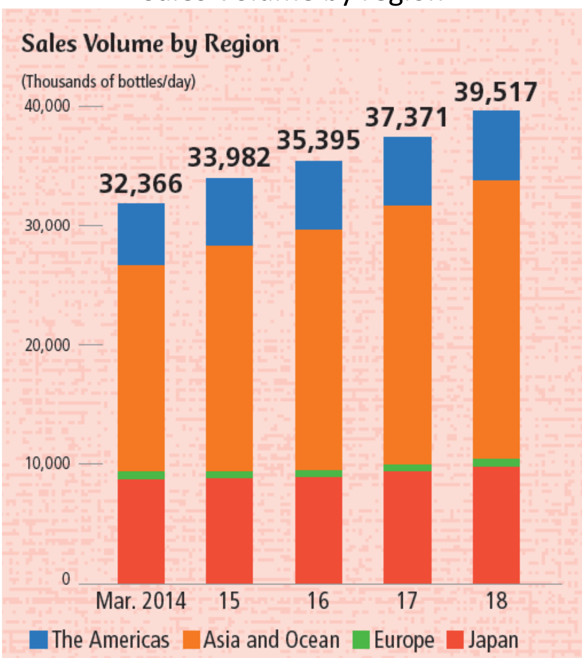
	Japan	USA	Germany
Health	X	X	
Education	X	X	
Higher-income		X	X

Self-image

	Japan	USA	Germany
Health	X	X	
Education	X	X	
Tradition	X		

Source: Own Interpretation

Sales Volume by region



Source: Yakult Annual Report

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PORTER`S VALUE CHAIN - DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY AS A COMPETITIVE UNIVERSITY (DEKUT)

PETER ONYONJE OSIAKO

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INTRODUCTION

I am employee (Assistant Lecturer) at the **Dedan Kimathi University of Technology, in Kenya.** In January 2019, Dedan Kimathi University of Technology (DeKUT) was voted the University of Choice in Kenya. This was based on the percentage of students aspiring to proceed for higher education selecting it as first choice. The ranking was a result of an in-depth assessment done by the Kenya Universities and Colleges Central Placement Service (KUCCPS). This is a great achievement for the university given that the country has over seventy (70) universities for prospective scholars to choose. The position places this university in a front competitive position enabling it enjoy many advantages that come with preference by most students as the University of Choice. The competitive advantages to be enjoyed include:

- More students being admitted in the university
- Revenue being realized from fees paid by students
- Economies of scale in utilization of university assets and other resources
- More funding from the government and other collaborators because of higher student numbers
- Stronger bargaining power between the university and its publics

This favourable competitive position of DeKUT can possibly be attributed to the integration of factors and processes working together to enable the university out-compete others in Kenya. This work attempts to analyse these factors basing on Porter's Value Chain Model.

It is important to consider the different elements of a value chain, firstly, to ensure consistency – and secondly, it may be that through linking separate activities more effectively than competitors, a firm can gain a competitive advantage.

The organisation's value chain does not exist in isolation. There will be direct links between the inbound logistics of the firm and the outbound logistics of its suppliers, for example. An understanding of the value system and how the organisation's value chain fits in to it will therefore aid in the strategic planning process.

A value network is a web of relationships that generates economic value and other benefits through complex dynamic exchanges between two or more individuals, groups or organisations.

Tangible value exchanges - involve all exchanges of goods, services or revenue, including all transactions involving contracts and invoices, return receipt of orders, request for proposals, confirmations or payment.

Intangible knowledge exchanges - include strategic information, planning knowledge, process knowledge, technical know-how, collaborative design, policy development, etc.

USING THE PORTER'S VALUE CHAIN ANALYSIS TO UNDERST AND DEKUT

Considering Michael Porter model, it can be said that DeKUT follows several key steps within its value chain that together create value for their customers, in this case, employers of graduates.

The primary activities focus on: admitting the right quality of students, converting them into competent graduates, and delivering the expected labour force to the job market. The support activities play an auxiliary role in primary activities. The university seems to have efficiently combined these activities to produce superior training and outstanding graduates. Therefore, customers, who in this case are students and their parents/guardian are willing to do all they can to secure admission into this university.

The goal of the University being to achieve the highest possible performance of students in education by producing admirable graduates within the guidelines and restrictions set forth by the ministry of education and other partner stakeholders in higher education.

THE UNIVERSITY'S PRIMARY ACTIVITIES AT DEKUT

Inbound Logistics

Robust admission procedure for new students and recruitment of new staff based purely on merit – this ensures that the students are teachable and can end up being competent graduates after the training process. Students are the raw materials for the university as a system. For one to pursue a course in any of the focus areas in the university, they must meet the basic requirements set forth in the university admission criteria.

The university top management team (portfolio managers, analysts) – tasked with making the key infrastructural, curriculum development and delivery decisions. They determine the institution's competitive advantage and pursue activities that go towards reaching those goals.

For this university, focus is on pursuing a strategy of differentiation by majoring in science and technological courses and being consistent in them. The university has avoided venturing in many and all fields of training like many others do. Instead it has focused on Engineering, ICT, Food Technology, Health Sciences, Applied Sciences, and Business Studies.

To ensure credibility of courses offered at DeKUT, all Academic Programmes are accredited by both local and international accrediting bodies. Locally, the University's Programmes have been accredited by the Regulatory Body, Commission for University Education, and respective Professional Bodies where they apply.

Considering value for time through effective application of the trimester system of study, DeKUT ensures that her students complete their courses within the shortest time possible while not compromising quality. For instance, students taking four year's course graduate within three and half years while those taking five year's course graduate within four and half years. Apart from the trimester system, time advantage is a privilege that DeKUT students get through ensuring that the semesters and learning is not interrupted by strikes and any issues that can be solved amicably between the students and management as well as the management, staff and the government. As the Vice

Chancellor likes to say, "Time is a valuable resource that once wasted can never be recovered and proper utilization of time sets you apart."

In the spirit of one family, in 2014, the University established an Endowment Fund (DeKUTEF) with the goal of supporting talented and financially disadvantaged students to access and successfully complete the highly competitive programmes offered by the University through provision of scholarships and bursaries.

Operations

(Departmental heads and supervising personnel and lecturers) – tasked with ensuring the teaching and learning operations are in line with the guidelines set forth and are at the best execution cost. Execution of programmes is such that education is not just about academic knowledge and skills but holistic development of a person. Through involvement in various co – curricular and extra- curricular activities within the university; academic tours, sports, community service, clubs, environmental programs, outdoor excursions and Mt. Kenya expeditions, which help students become the best they can be by developing their intellectual, emotional, social, physical, artistic, creative and spiritual potentials. DeKUT has a number of vibrant student exchange programmes which are in line with the University's vision of producing globally competitive graduates and building international linkages to grow her profile as a global premier university of technology. Have signed memoranda of understanding with various universities globally for exchange of students. These include the International Association for the Exchange of Students for Technical Experience (IAESTE) and the Association for the International Exchange of Students in Economics and Commerce (AIESEC).

Outbound Logistics

The university endeavours to maintain contacts with all potential employers of its graduates through the Industrial Liaison and community linkages department at the University. Students are also taken through a series of career talks to prepare them for job application and interview procedures. Student at DeKUT are well exposed to the industry and labour market situation in advance of their graduation. This is done through regular industrial visits, industrial attachments and internship ornanised by the university. This prepares the graduates well for the labour market and they are able to know places to apply for jobs and to quickly adapt to their work when they get employed.

Marketing and sales

(programmes communication and marketing department) – Strategies to enhance visibility and target appropriate students for intake and employers of graduates - such as advertising, promotion. This concerns the university department responsible for sourcing for students' placement after graduation through advertisements and other channels. The Marketing and Public Relations Department is dynamic and has come up with a university-public-industry collaborative programme dubbed "Climb to Educate". It is meant to enhance the university's presence in the competitive market as a preferred university for all its publics. DeKUT continuously establishes partnerships and collaborations towards enriching the training offered to her students. International collaborators include Japan, Germany, France, Canada and Hungary. Students and staff benefit through these collaborations by working together in exchange of technology and training towards enhancing education quality. More collaborations and partnerships **https://dekut.dkut.ac.ke/index.php/about-dekut/s5-accordion-menu/collaborations-**

and-partnerships. The university also has presence in the social media through Facebook, Instagram and Tweeter. It also makes presence in local trade shows and exhibitions.

Service

By the Alumni association, Industrial Liaison and community linkages department at the University (client relationship management) – these are responsible for providing all the touch points to the students and other publics. The university organized follow-ups on its graduates through these departments and association. This is aimed at building customer loyalty through a kind of "customer service" by finding out how well graduates fit-in the jobs they secure in their relevant industries.

Support activities at DeKUT

Technological Development – At DeKUT, there are laboratories where students interact with the most modern machines and technologies with the help of their lecturers and the lab technicians to the library that provides competitive, adequate and relevant information services in support of learning, teaching and research. An innovation incubation Centre labelled *"DeHUB"* is operational, having been launched by the Minister in-charge of Communication in the Country, in the year 2016. Learning from this, several students have featured with great innovations developed using these technologies and others have challenged the existing technologies through research. To facilitate teaching in the Institute of Tourism And Hospitality Management, the University established a conservancy that is a tourist attraction as well as an avenue for the students to practice service in the Tourism and Hospitality Industry. There is free and unlimited WiFi in the university. For future, a multi-million state-of the art Science and a technology Park is under construction in DeKUT.

Human Resources Management – to be able to find and retain the highest level of talent at the university, lecturers and technologists are employed only if they fir in the specific field of teaching. Emphasis has been on lecturers to only teach courses they did at undergraduate and Master's Level. There are many training programs conducted for employees in a setting of a work culture which keeps its staff motivated and efficient. Periodical pedagogy training and refresher course has been made mandatory for all teaching staff, while non-teaching staff are equally deployed on merit.

Infrastructure – the university has state of the art lecture and seminar rooms, library with digital capabilities, sufficient staff offices and vehicles for transportation. The process of constructing a one-of-its kind Science Park at the University is on-going, funded by the government and African Development Bank. This also includes departments like management, finance, and legal, present in the university which are required to keep the university operational. It is complemented with good customer service provided by the dedicated team of employees.

Procurement - in procuring its material, equipment and services that facilitate learning, the university strives to strictly adhere to the provisions of the Public Procurement and Asset Disposal Act 2015, whose full title is "An Act of Parliament to give effect to Article 227 of the Constitution; to provide procedures for efficient public procurement and for assets disposal by public entities; and for connected purposes". This has ensured efficiency and accountability in procurement practices in the university, contributing to the general competitiveness.

ANALYSIS OF HOW DEKUT IMPROVED THE ITS PROCESSES IN THE CHAIN

It appears that in taking into account its value chain, the university considered its value proposition, or what sets it apart from its competitors (in this case, it is the special focus in Science and Technology). But improving a value chain for the sake of improvement should not be the end goal, therefore the institution decided why it wanted to improve its value chain in the context of its competitive advantage to differentiate itself among its peers. Michael Porter identified two common competitive advantage strategies as, low cost provider and specialization/differentiation of product or service.

Low-cost provision – basing on value chain analysis, the university focuses on costs and how it can reduce those costs, mainly through competitive bidding and tendering during procurement.

Specialization – under this value chain analysis, it focuses on the activities that create a unique product or differentiation in degree programmes offered at the university.

Based on the drivers of uniqueness Porter identified, the university focuses on its policies and decisions and learn to differentiate itself in terms of performance. By focusing on these drivers, the two primary activities of the primary activities with all the identified support activities, manage to produce graduates that achieve the university's differentiated competitive advantage.

BENEFITS OF THE MODEL

Proponents suggest that the value chain model has many benefits, including:

It provides a generic framework to analyse both the behaviour of costs as well as the existing and potential sources of differentiation.

Activities that are not adding value can be identified and addressed – for example, improved so they do add value or outsourced if this is not possible.

It emphasises the importance of (re)grouping functions into activities to produce, market, deliver and support products, to think about relationships between activities and to link the value chain to the understanding of an organisation's competitive position.

It makes it clear that an organisation is multifaceted and that its underlying activities need to be analysed to understand its overall competitive position.

It is an attempt to overcome the limitations of portfolio planning in multidivisional organisations. Rather than assuming that SBUs should act independently, Porter used his Value Chain analysis to identify synergies or shared activities between them and to provide a tool to focus on the whole rather than on the parts.

Criticisms raised against the Model

The main criticisms of Porter's Value Chain model are as follows:

It is more suited to a manufacturing environment and can be difficult to apply to a service provider.

The Value Chain model was intended as a quantitative analysis. However, this is time consuming since it often requires recalibrating the accounting system to allocate costs to individual activities.

CONCLUSION

Value chain analysis is a handy management tool which identifies the activities that go into creating a superior product or service that is highly valued by customers. The outcome of creating this highly valued product is that customers are willing to pay a premium, which exceeds its costs, thereby delivering higher profit.

The usefulness of this model created by Michael Porter is mostly seen in its ability to breakdown work product into various activity groups to strategically focus the management on what are beneficial activities, and what creates value.

It also concentrates a company to determine a vision utilizing a competitive advantage strategy which will drive future products and services. Supporting activities are further validated in the process, creating an understanding that these sometimes overlooked activities are integral to the value chain and value proposition for a company.

The concept of helps to understand and segregate the useful (which help in gaining a completive edge) and wasteful activities (which hamper market lead) accompanying each step during the product development process. It also explains that if a value is added during each step, the overall value of the product gets enhanced thus helping in achieving greater profit margins.

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PORTER`S VALUE CHAIN AND COMPETITION MATRIX - SHOPPING CENTER GALERIE ROTER TURM

THOMAS STOYKE

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INTRODUCTION

Competition stimulates business - a common phrase that describes the competitive situation of companies on local and global markets.

But what does this mean for the individual companies and how can a company position itself better than its competitors on the market and thus distinguish itself more clearly from the competition? The clearer the demarcation, the better products and services can be sold.

In order for companies to succeed in this, the exact analysis of competitive and disadvantage disadvantages vis-à-vis potential counterparties is of enormous importance in order to capture strengths and weaknesses as realistically as possible.

A suitable instrument for the analysis of competitive advantages is the value chain according to Michael Porter, which is applied in the area of real estate management, specifically at the „Shopping Center Galerie Roter Turm“, in this work in the area of marketing.

THE VALUE CHAIN ACCORDING TO PORTER

Porter's value chain model, partly also called value chain, is an instrument of company analysis and also a method of strategy development. In addition to the traditional analysis options, which examine external factors, the value chain model is based on the identification of a company's competitive advantages.

The company's activities are examined with regard to the satisfaction of customer needs. With the help of the value chain, a competitive and customer benefit-oriented analysis is thus possible.

In order to recognize competitive advantages, one must deviate from the holistic view of an enterprise and examine individual activities; because each activity in an enterprise has potential influence on this. The value chain provides a systematic method to examine all activities and their interactions and divides the company into strategically relevant activities.

A competitive advantage is defined as the fact that a product or service is cheaper or better than the competition.

Porter calls this cost advantage ("cheaper") or differentiation ("better").

For example, a company can achieve a cost advantage through a more cost-effective trade distribution system or a very economical assembly process, whereas a differentiation is characterized, for example, by a more responsive order entry system or superior product design. [BÜHLER]

However, the value chain analysis should go beyond the value chain of the company under consideration, because the product still passes through the value chain of the suppliers, distribution channels and ultimately also that of the customers. Thus, after analysis of all essential influencing factors, a holistic view of the links is necessary in order to identify competitive advantages.

The value chain of the customer plays a special role, because a competitive advantage can only be created if the service provided (or the product) represents a value in the value chain of the customer.

Further strategic advantages can be achieved by optimally linking one's own value chain with that of upstream and downstream service partners (suppliers and customers).

Porter calls this "value system", which is illustrated in the following figure.

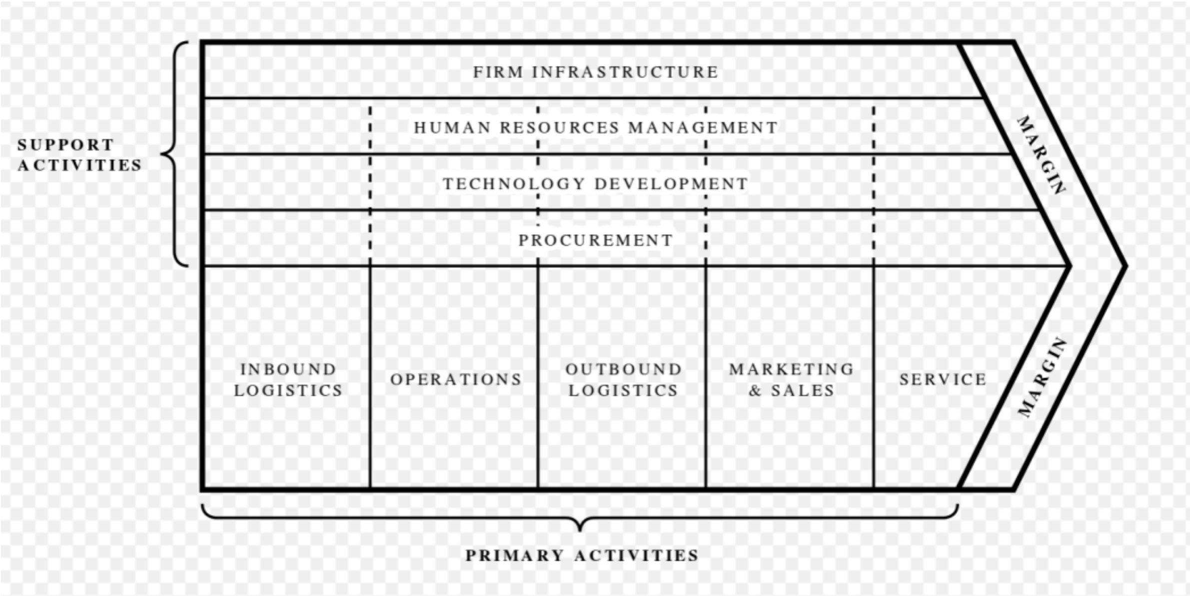

Figure 1. Porter`s Value Chain
Source: Roger Posadas, Researchgate

Although the value chains of companies in the same industry are very similar, they often differ from the competition. It is precisely these differences that reflect possible competitive advantages.

CHARACTERISTICS OF THE VALUE CHAIN

According to Porter's value chain model, each company has an individual value chain consisting of nine interlinked basic types of activities.[RAPPAPORT]

All strategically relevant activities of a company (e.g. production, sales, shipping, etc.) can be systematically represented in a value chain. The value chain is made up of the value activities and the profit margin and represents the total value.

The value a company generates is the amount a customer is willing to pay for a particular product or service. The nine value activities discussed in the following chapter are "the building blocks from which the company creates a valuable product for its customers". The execution of each individual value activity has a potential influence on the acceptance of the product or service. By comparing the individual value activities with those of the competition, competitive advantages become clear.

Furthermore, value activities can be divided into two categories, primary and supporting activities. Primary activities concern the manufacture, sale and after-sales service of a product. The supporters, also called secondary activities, form the basis for the primary activities, but do not directly contribute to the production and sale. The figure clearly shows that three of the four supporting activities (procurement, technology development and personnel) not only support the entire chain, but are also related to the primary chain. The fourth activity, the enterprise infrastructure, is not related to specific primary activities, but supports the entire value chain.

In addition to the value activity, the profit margin (also called margin) must be considered in order to correctly interpret Porter's value chain. "The profit margin is the difference between the total value (yield) and the costs incurred in carrying out the value activities (for purchased inputs, equipment, human resources, technology and information).

Competition matrix the positioning of companies in competition

The most established concept in this field is the competition matrix of Michael E. Porter. This categorizes the competitive positioning possibilities of a company: on the one hand according to the strategic advantage (uniqueness vs. cost advantage), on the other hand according to the competitive breadth (overall market vs. submarket).

Depending on the choice of strategy, a company differentiates itself in the market by its products or by focusing on maximum efficiency in value creation with the resulting cost leadership in the market.

In addition, Porter points out the further option for companies to position themselves in a niche market on the basis of differentiation or cost leadership and thus escape the broad competition in the overall market.

The choice of the right competitive positioning should be made carefully by managers. Every type of positioning has its advantages and disadvantages.

But let us begin one by one.

Figure 2. Competitive advantage through differentiation

Michael E. Porter sees the first competitive orientation in the clear differentiation from the existing competition. In this strategy, products and services are characterized by a clear Unique Selling Proposition, which differs significantly from existing offerings on the market. The differentiation strategy can be implemented with different tactics, e.g. through

- the establishment of a unique, target group-relevant brand,
- special product features,

- above-average customer-oriented services,
- price leadership and/or
- quality leadership.

Apple, for example, has succeeded in successfully positioning itself in the highly competitive technology market with a target group with purchasing power through continuous image cultivation, high product quality and above-average services at the point of sale.

Risks associated with the implementation of the differentiation strategy

If companies follow the differentiation strategy, the desired uniqueness is still dependent on the subjective perception of the (potential) buyer. However, good products are usually imitated by competitors shortly after market launch, which reduces the perceived difference between the existing offering on the market. In addition, ever shorter product life cycles make it a challenge to ensure quality or price leadership.

Companies often see the solution in the establishment of a brand with a correspondingly valuable image. But this is an ongoing and long-term process, because trust cannot be built into a brand in the short term. In addition, the brand image, which has been painstakingly built up, must be maintained with high investments and regularly adapted to the changing circumstances in the market.

The implementation of the differentiation strategy requires creativity, zeitgeist, know-how and the associated high investment sums, especially in competitive market segments.

Competitive advantage through cost leadership

Porter defines cost leadership as the second major competitive strategy. Companies can therefore achieve a decisive competitive advantage by keeping cost structures to a minimum. This enables them to offer their products more cheaply than any other market participant and even then still generate a profit. Their less efficient competitors would already incur significant losses at the same price point and thus lose a possible price war. This results in risks when implementing the cost leadership strategy.

Paradoxically, this cost reduction initially results in enormous investment costs. The purchase of modern and energy-efficient production facilities is expensive and will only pay for itself after a few years.

In addition, achieving cost leadership requires minimizing superfluous links along the value chain. In particular, the question is whether external suppliers can be replaced by the creation of their own production plants with more cost-effective production structures.

Despite the high investment costs, many companies find it worthwhile to take over services outsourced to external companies themselves and thus be less dependent on cost-volatile external services. However, these integration phases only pay off in the medium or long term, as the acquisition of industry-specific know-how takes time. On the other hand, there is the possibility of achieving a competitive advantage by focusing. In addition to differentiation and cost leadership, Porter defines focusing (niche strategy) as the third competitive strategy.

In this case, a company positions itself within a specific partial or niche market. Here, too, either through differentiation or cost leadership.

Porter sees the competitive advantage in the targeting of a narrower market segment with more precisely defined target groups, which in his eyes leads to a better understanding and thus better fulfilment of customer needs.

The retail real estate market

Retailers act as demanders in the real estate market and are looking for properties that enable retailers to present the goods on offer in a sales-promoting atmosphere and meet the general requirements of the industry. The following diagram illustrates that the market for retail properties is determined by various influencing factors on both the supply and demand sides.

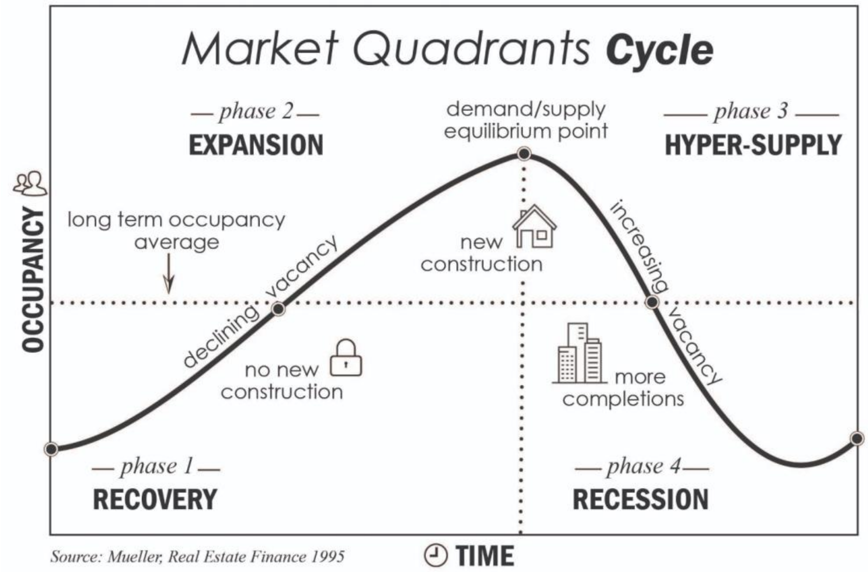

Figure 3. Market quadrants cycle
Source: Marshall Commercial Funding

Demand for real estate is primarily driven by the economic prospects of the individual properties, the shopping centers. A positive development of demand is a necessary prerequisite here. This in turn depends on macroeconomic factors and is subject to cyclical cycles. The supply side is dominated by the portfolio of properties plus construction. In this environment, it is essential for the success of the individual shopping center to precisely define the value chain for itself and to generate derived strategic advantages.

Marketing of retail properties

In the classical interpretation, marketing can be understood as the planning, coordination and control of all current and potential markets for aligned company activities. A constant satisfaction of customer needs should also ensure the achievement of the respective company goals.

Real estate marketing must therefore be understood as an entrepreneurial whole, which means a consistent linking of the operative and strategic levels. The long-term objectives fall to the strategic level, while the operational level deals with concrete measures to meet these long-term objectives. In the practice of real estate marketing, a precisely elaborated, straightforward and target group-oriented marketing mix is indispensable. In order to develop successful real estate-specific marketing concepts, extensive knowledge of the special features of the industry, the real estate market, the submarket to be worked on and the current marketing concept of the company is required. Individual points will be dealt with in more detail below.

Preparation of marketing measures

As previously indicated, the basic prerequisite for the targeted marketing of retail space is comprehensive knowledge of its potential and characteristics as well as the environment in which the property is located. Experience has shown that a SWOT analysis makes it possible to analyse and assess the area to be marketed, but it does not replace the actual strategy, but can only be derived from it. The SWOT analysis includes a strengths-weaknesses analysis and an opportunities-threat analysis. The strengths and weaknesses analysis refers to the subject and is an internal analysis. The opportunity/risk analysis is an external analysis of the framework conditions to which the subject is exposed. The following relationships between the terms apply:

- Strengths (strengths) and Opportunities (chances): The strengths should be used to exploit the chances.
- Strengths and threats: The strengths are designed to mitigate risks.
- Weaknesses and opportunities: Opportunities should be exploited by reducing weaknesses.
- Weaknesses and threats: By reducing weaknesses, risks are to be reduced.

When carrying out a SWOT analysis, however, it must be taken into account that a target state has been agreed beforehand, otherwise the expected result cannot be successful. Furthermore, the definition of the objective helps to limit the scope of the SWOT analysis so that it is not too abstract. Investigation-relevant areas in the real estate sector can be included.

Areas of investigation for strengths and weaknesses:

- Microlocation (e.g. car parking spaces, optics and social structure in the surrounding area, public transport)
- Macro location (e.g. rental market, economic development, competition)
- Property and construction law (e.g. rights of third parties, structural expandability, development plan)
- Technical state of maintenance (e.g. building structure, supply media, equipment)
- Use and tenants (e.g. value in use, sector mix, tenant credit rating, target group)
- Lease agreements (e.g. term, price level, ancillary costs, price development)
- Resaleability (e.g. positive and negative circumstances in case of sale)
- Administration of the house (e.g. specialist knowledge, costs, organisation, personality)
- Profitability and liquidity (e.g. yield, cash flow, loss of rent, fluctuation, vacancy)
- Financing (e.g. equity ratio, interest and repayment rate, maturity)
- Business concept (e.g. goals, strategies, business plan, market conformity)

Areas of investigation for opportunities and risks:

- Rental market (e.g. location, tenant demand/expectations, competition)
- Property condition and law (e.g. condition, access, rights of third parties)
- Technical maintenance status (e.g. modernization backlog, maintenance, equipment)
- Cost structure (e.g. ability to influence costs, follow-up costs, level)
- the saleability of the property (e.g. positive and negative circumstances in the event of sale)
- Performance (e.g. development of prices, yields, results)

– Purchase contract (e.g. buyer obligations, deposit, documents)
– Debt service and taxes (e.g. loan burden, change in tax law, VAT)
– Profitability and liquidity (e.g. expectation and development of return and cash flow)
– Effect on the property portfolio (e.g. effect on overall result and risk)
– Person of the landlord (e.g. personal success characteristics, specialist knowledge)
– Laws and ordinances (e.g. changes in tenancy law, design options)

On the basis of the SWOT analysis, unique selling propositions can be developed for the retail property, which can be used for marketing and the use of suitable marketing instruments. The profiling of the real estate is a prerequisite for the elaboration of a communication strategy and the USP to be worked out should represent the uniqueness of the real estate compared to other locations and are the essential distinguishing features to potential alternative locations. The aim of the communication strategy should also be to transform previous negative associations with the property into positive ones.

Since real estate marketing is based on a long-term character that spans all economic cycles and real estate cycles, the marketing mix must be adapted to the life cycle of real estate.

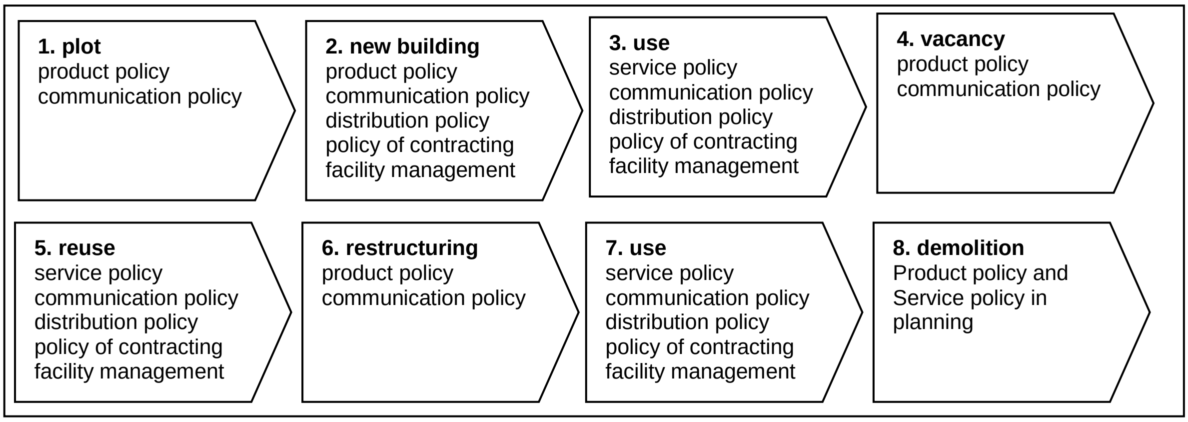

Figure 4. Holistic marketing approach

As the figure shows, constant, targeted and holistic marketing is necessary in every phase in out. Not only it is to meet customer needs but also to achieve a high level of customer satisfaction. The aim of all marketing activities is to equip the property in question with a kind of special boom, so that the property is less exposed to the fluctuations of the real estate cycle than comparable competing properties within the microlocation.

With regard to Porter in the area of marketing, the model presented above in the area of communication policy has the highest "agreement" in numbers 2 to 7 on Porter's service and marketing activities, which is now presented in concrete terms at the Shopping Center Galerie Roter Turm.

Marketing measures for the marketing of retail properties

As part of their communication policy, real estate providers try to provide market participants with targeted information. In order for this to be successful, it is necessary to first think about the marketing environment and the budget available. Furthermore, all communicative measures should be coordinated and designed in the sense of a corporate identity of the company, so that a uniform corporate image is guaranteed. In addition, the communication measures should be monitored against previously set targets.

When using the communication policy, it should be borne in mind that its use is always linked to the other instruments of the marketing mix. Only the targeted use of all four instruments can lead to the achievement of the previously defined goals. Overall, communication policy is one of the most important strategic tools and is applied in all phases of a property's life cycle. The diverse developments on the market therefore require increased attention from all parties involved - project developers, brokers and investors. The strategies used are becoming increasingly comprehensive, innovative and original. Too much use of these instruments can, however, easily produce the opposite effect, so that targeted use is indispensable. The main instruments used in communication policy are advertising, public relations, sponsorship and sales promotion. This can be either influential or informative.

In addition to advertising, event, direct and construction site marketing, public relations is becoming increasingly important. Although no monetary consideration can be earned due to public relations, the inclusion of companies or persons involved in the project often has a positive effect on the success of a project.

Sponsoring is also closely linked to public relations. Here, a company tries to arouse positive associations in the public through financial expenditures and the associated support of projects, which are then linked to its own company. Companies within the real estate sector, for example, become active in the areas of sports, cultural, environmental or social sponsoring.

Sales promotion can also be mentioned as a further element of communication policy. This refers to all measures that take place directly on site in order to bring about the immediate sale or presentation of the possible uses. The use is limited in time, has only a short-term character and is used to support classical advertising.

The following instruments are increasingly used in practice. The most important are then examined in more detail:

Table 1. Proposals for practicioners

Measure	Target audience	Description of the
image brochure	Investor, User	General information to communicate the brand core and to supplement other instruments (e.g. direct approach, trade fair, etc.)
Expose and area potential pass	investor	Detailed information to supplement other instruments (e.g. direct approach, Internet, combination with image brochure, ...)
Internet	Public, User, Investor	Web presence as a medium for simultaneous information of different target groups. Expandable in the direction of online marketing
Quarter Newspaper/ -magazine	Public, Residents, local stakeholders	Good communication tool for image building and information exchange. Motivation of regional actors and companies.
Press work	public	Good dissemination of mainly general information. Important instrument for image building.

Event	local actors, residents, users	organising district festivals, competitions, information events - strengthening the "we" feeling of local actors.
Attendance at trade fairs	User, Investor	Targeted approach of potential tenants

In real estate and property marketing, an exposé in the classic sense is a brief description of the respective area. In terms of content, in addition to data on the property and the real estate (e.g. size, location, age, condition), photos as well as purchase and / or rental price or current rental income are taken into account. In addition, an expose can contain all kinds of information that appears relevant to brokers, sellers or landlords.

The Flächenpotenzialpass (FPP) represents an extension of the exposé. This is a newly developed strategy that takes greater account of potential and at the same time leaves room for the investor to make his own extensive plans. An FPP can usually advertise a larger area or several smaller areas together under one umbrella brand (portfolio marketing).

The image brochure extends the FPP by a more intensive emotional address. Based on a value-free analysis, the image brochure links the core statements (strengths/opportunities) of an area, an area or a property with emotional components (appearance, images, texts).

Internet portal: An Internet portal is predominantly used for a spatially delimited area, e.g. a shopping center. In this, one or more areas are combined under an umbrella brand. Here, information is provided about a project and a positive basic mood is conveyed. An important building block is an emotionalising and informative internet presence which investors and interested parties can use to gain an overview of the newly emerging or existing project.

Events: Events can be used to present individual areas on site. To address investors, national trade fair appearances for the presentation of real estate are usually more targeted.

Marketing of retail properties using the example of the "Galerie Roter Turm" center

The marketing of retail properties is strongly linked to local market conditions. For this reason, there are no universal strategies that can be applied 1 to 1 to any property. Therefore, the marketing strategy of the shopping center "Galerie Roter Turm" in Chemnitz will be considered in order to draw conclusions and give possible recommendations for action. First of all, it is necessary to consider the location Chemnitz to find out in which environment the Galerie Roter Turm is located and which special features have to be considered now and in the future. Subsequently, the property itself is examined more closely in order to get a precise picture of the market opportunities. Finally, the focus is on marketing measures.

The Chemnitz site

On November 4, 2009, the City Council of Chemnitz adopted the Urban Development Concept - Chemnitz 2020. The data published in the concept form the basis for an analysis of Chemnitz as a retail location and its future development.
The city of Chemnitz is one of the major centres within the metropolitan region of Central Germany, which was recognised in 1997 by the Ministerial Conference for Regional Planning of the Federal Government and the Länder.

The aim of this group of cities is to be better able to face up to international competition and to create additional impulses for economic and social development within the individual regions. Furthermore, Chemnitz belongs to the joint initiative "Chemnitz-Zwickau Economic Region" (WIREG) in whose densely populated area almost one million inhabitants live. With a population density of about 600 inhabitants/ km², the densely populated area has the highest population density in the new federal states.

Figure 5. Chemnitz site

According to the city of Chemnitz's publication on www.chemnitz.de, the city has 240,569 inhabitants (as of 30.09.2009) compared to the figures within the development concept - in 2020, a further decline in the population must be mentioned here. As of 31.12.2007, Chemnitz still had 242,885 inhabitants, which compared to 31.12.1990 already meant a population decline of 72,795 inhabitants. However, it can be said that the steady losses have been significantly reduced in recent years. Since 2004, the annual loss has been only 0.4% to 0.6%, while in previous years (2000-2003) it was still between 1.1% and 1.5% and even significantly higher. For the year 2020 it is assumed that a total of 225,800 inhabitants will live in the city of Chemnitz. In addition to the demographic development of Chemnitz, it is above all the changes within the age structure that must be taken into account, as these also have an impact on demand.

- The largest declines are expected in the age groups 20-25 year olds (-32%), 25-30 year olds (-26%), 40-45 year olds (-21%) and 45-50 year olds (-25%), with declines in the age groups 20-25 year olds and 40-45 year olds already visible by 2015 and a slight stabilisation thereafter.
- Significant declines can also be expected in the 50 to 55 year olds (-14%) and the 55 to 60 year olds (-11%).
- The number of 35- to 40-year-olds (-6%) and 60- to 65-year-olds (-5%) will develop similarly to the total population. For the first age group, stabilization or a slight increase is forecast from 2015 onwards.
- The number of under-20s (-1%) will remain relatively stable.
- The only increases in the forecast are expected for the 30 to 35-year-olds (+10%) and the over-65s (+11%).

The changing composition of the population is also increasingly influencing the retail structures of the city. It can be assumed that not only will the volume of demand decline, but that consumer behaviour will also change. In order to take this aspect into account, the

City of Chemnitz is attempting not only to control the distribution of the retail offer with the specialist concept for retail trade and local supply, but also to control the size of the sales areas. The aim is to ensure a nationwide distribution of the local supply for the pedestrian accessibility of supply facilities and to further increase the importance of the city centre within the overall location.

The Chemnitz retail landscape has undergone fundamental changes as a result of the political turnaround in the wake of the fall of the Berlin Wall. The sales area (VKF) in the entire city has increased more than fivefold and now has an average of 2.3 m² VKF per inhabitant. In the course of this expansion, the sales area in the city centre was further increased by the new buildings Galerie Roter Turm, Galeria Kaufhof and Peek & Cloppenburg, but the sales area share is only 11.3%. If one compares this value with other city centres such as Karlsruhe (approx. 36%), Wiesbaden (approx. 33%), Magdeburg (approx. 20%), Leipzig (approx. 18%) or Halle (approx. 28%), one can speak of a very low value here.

Table 2. Chemnitz's retail trade

Year	Inhabitant	Sales area whole city	Sales area downtown	Sales area per inhabitant
1990	approx. 294.000	approx. 104,000 m²	k. A.	0,35 m²
2000	approx. 255.000	approx. 560,000 m²	approx. 28,500 m²	2,2 m²
2015	approx. 245.000	approx. 570,500 m²	approx. 49,700 m²	2,3 m²

Data source for the respective year:

- 1990: Framework concept for retail trade (old urban area without integrated municipalities)
- 2000: Centre concept 2001
- 2015: Center concept 2006

If one also considers the different locations and categories of Chemnitz's retail trade, it becomes clear that the decentralised shopping locations are very important, accounting for around 47% of the total sales area. This aspect is further reinforced by the fact that the four shopping centers on the "greenfield site" - Chemnitz Center, Neefe-Park, Sachsen-Alle and Alt-Chemnitz-Center - alone account for around 28% of the total retail space.

In the course of demographic change, retail trade structures in Chemnitz have changed or will continue to change. Combining these findings with the theory of the hybrid seller results in various consequences for the retail trade.

In areas of Chemnitz in which housing will be demolished on a larger scale, demand will also decline. The retail trade and local supply concept therefore pursues the central goals for the coming years:

- The importance of the city centre (A-centre) within the overall location structure of the Chemnitz retail trade is to be further increased. Compared to 2005, the aim is to increase the sales area by approx. 35,000 m² to approx. 85,000 m² by 2020.
- The local supply of the population is to be guaranteed as far as possible by a fine-meshed supply network, which also enables the less mobile population to reach a provider of daily needs within a reasonable walking distance.

The Chemnitz city centre as a whole is to be further strengthened in comparison to the greenfield site, which is pursued with the above concepts. As a result, Chemnitz city centre offers an attractive retail location in the short, medium and long term, which must be advertised accordingly.

The Galery Roter Turm

The Galerie Roter Turm shopping center was opened on April 26, 2000 and belongs to Wealth Management Capital Holding GmbH, or WealthCap for short. The company is a 100% subsidiary of Bayerische Hypo- und Vereinsbank AG and was founded at the beginning of 2007. WealthCap Real Estate Management GmbH leases the shopping centers from the WealthCap funds. It is responsible for the commercial and technical management of real estate with a total rentable area of 1,878,000 sqm.

The property of the Galerie Roter Turm has a size of approx. 10,398 sqm and is located in a central location in the city centre, at the Straße der Nationen. In the immediate vicinity, in addition to the city's oldest landmark, the Red Tower, there are other retail locations (a total of 193 with a sales area of 49.70 m² in accordance with the GMA 2006 centre concept). These include Galeria Kaufhof, Peek & Cloppenburg and other shopping streets with small rental units. Directly in front of the shopping centre is the hub of the local public transport system. Around 80,000 to 100,000 people get in and out at the central stop every day. In addition, the adjacent market square of Chemnitz radiates a high attractiveness.

The shopping centre has a five-storey above-ground and a three-storey underground development. Around 60 shops, restaurants and leisure facilities were spread over the individual floors.

On the second and third basement floors there are around 460 underground parking spaces available for visitors. On the first basement floor, ground floor and first floor there are shop units and gastronomic areas. The retail spaces on the ground floor are accessed through passages that lead centrally from three sides of the building to the central square. On the second floor there is a multiplex cinema with 11 halls, which can accommodate 2,281 visitors. The entire "mall" design, such as floors, shop windows and roof levels, is adapted to the architectural character of the center.

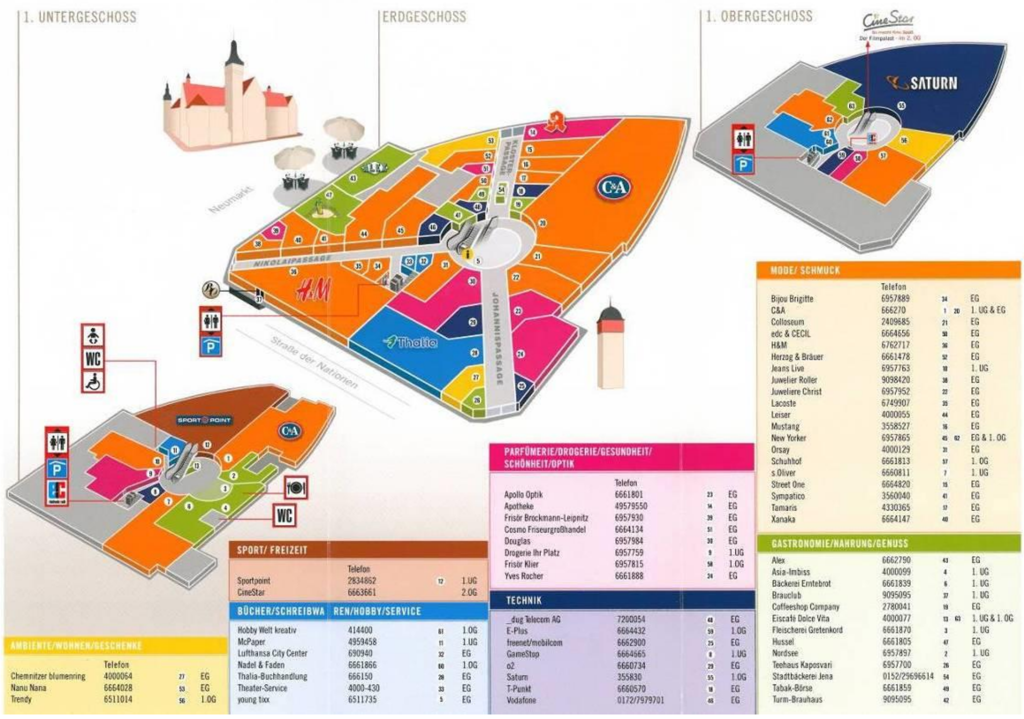

Figure 6. Site plans of the Galerie Roter Turm

The concept of "making shopping an experience" and the combination of shopping with suitable gastronomy and leisure facilities has created a broad tenant mix. The shopping center is characterized by major tenants such as Saturn, C&A, Sportpoint and H&M, which can be seen as the basis of the center's appeal. A total of around 60 tenants ensure sufficient breadth and depth of the retail offering. In addition to this mix of offers from a wide variety of industries, the Galerie Roter Turm is also characterised by a gastronomy area - predominantly housed in the Food Court on the 1st basement floor. The shopping center thus ties in with similar, tried and tested concepts in numerous German city centers. In particular, the operation of the restaurants is regulated independently of the opening hours of the shopping arcade in the Galerie Roter Turm and is also enriched by the multiplex cinema. In the basement of the Galerie Roter Turm there is a discotheque that wants to do justice to the ever-increasing trend towards supplementing the classic shopping area with leisure facilities that fill the object with life both parallel to and outside the opening hours of the retail trade.

Marketing strategies

For the targeted marketing of retail properties, WealthCap Real Estate Management GmbH relies among other things on a combination of Exposé, an Internet presence and direct communication between interested parties and the marketers Carsten Pannek, Alexandra Mewis and Stoyke. In the following, the two essential instruments, the exposé of the Galerie Roter Turm and the website will be presented, explained and critically questioned.

The Exposé of the "Galery Roter Turm"

In the marketing of retail space, exposés represent a direct approach by the marketer to the addressee. Especially the valuable design as well as the high information content of the exposé achieve an essential added value in the transfer of information and the acquisition of interests. Furthermore, the following rules for the design of real estate exposés should therefore be observed.

- The aim is to crystallize the outstanding product advantages of the object for the potential interested party.
- The self-contained structure in terms of title, location and surroundings, architecture and equipment, usable space, price and contract conditions should be taken into account.
- The cover design should be limited to elements such as headline, object photo and company logo.
- Both the structure and the design of the texts should focus on reader-friendliness.
- Careful selection of images according to technical and aesthetic criteria, which also convey an emotional added value, should be taken into account.
- A micro and macro plan as well as pictures of the surroundings and a plot plan are basic elements of every exposé.
- Attractive floor plans that are as true to scale as possible should also give the layman a good impression of the usable area.
- A colour design that is as consistent as possible according to the corporate design of the company or object should be used.
- If the exposé offers sufficient content for the potential interested party, the final question should be in the design. If this question can be answered with yes, rules can also be deliberately ignored in order to communicate the added value of the space.

It can be noted that all points were taken into account. However, a concrete contract offer was not attached to the exposé as it was used to establish the first contact with potential interests before the concrete contract conditions were discussed during a discussion. The dispatch of binding offers in the case of initial contact is not to be regarded as target-oriented due to the major restructuring and construction measures taking place within the property and is rather incumbent in the area of concrete contract negotiations.

Internet

The Internet is primarily used for local addressing directly on site. Here there is a subfield on the homepage of the Galerie Roter Turm, which tends to be primarily aimed at retail customers, in which prospective tenants can establish contact. Subsequently, the contact between the marketers and the potential tenant is established. Due to the diversity of the multitude of enquiries, it is goal-oriented to enter more specifically into the marketing of retail space only on the basis of the first contact approach. Only after the discussion negotiations can detailed contract conditions be discussed.

RESULTS, CONCLUSIONS

The framework conditions for the retail trade of larger commercial properties have not been easy in recent years. The market, particularly as a result of the recent financial crisis, which has now reached the real economy, has caused the market to shrink. As a result, customers have spent less money on clothing and other retail goods. Against this background, consumer preferences have shifted in favour of price erosion and, as a result, have continued to strengthen discounters such as Aldi and KiK. Only vertical retail suppliers such as H&M or New Yorker can remain competitive due to their high value chain from purchasing to finishing to independent distribution. As a result, customers can expect more goods for less money.

In addition, the shopping opportunities, attractive retail locations, have expanded. In addition to the well-known pedestrian zones in city centres and the well-known "green meadow", integrated shopping centres in suburban districts, railway stations and airports have established themselves as retail-specific. For many people, shopping has become a combination of lifestyle, leisure activities and satisfaction of needs. The Internet trade was also included due to the very competitive prices. Furthermore, this will weaken the sales productivity of the retail trade as a further sales alternative. In addition, the chain stores have led to a homogenization of the pedestrian zones and shopping centers, so that no sufficient differentiation of the respective shopping location can be realized. In this respect, the respective shopping centre requires a sufficient positioning in the retail competition when it comes to making convenience, experience and supply sufficiently attractive for the customer to enable his activation.

As a result of the summation of the determinants for the marketing of retail properties, it can be clearly stated that a well-functioning retail property, which is characterised by an attractive rental offer, is the basis for successful marketing. Against this background, it should also be mentioned in advance what defines a successful retail property. Factors such as visitor frequency and the associated correlating turnover often play a role here.

The marketing of retail space thus has to take into account a large number of success determinants within the exposé. A pure space marketing based on exposés and potential analyses represents an almost unrealizable undertaking without a functioning retail space. In particular, macro- and micro-specific determinants such as the image of the city or the shopping centre, vacancy rates, visitor frequency, local public transport, branch mix, parking situation are structurally important components for the potential interested party, so that a blindly sent exposé without sufficient detailed information about the aforementioned data is not to be understood as target-oriented. The exposé illustrated in the apron forms in this respect rather the basis for a first discussion and moves the positive however position characteristics of the shopping center into the foreground, which let a positive expectation grow for the fellow prospective customer and can lead thus in a contact.

Porter's approaches theoretically point to the importance of the area for marketing, whereby the brand or added value can be achieved. With the practical presentation of the marketing activities Galerie Roter Turm the practical transfer is shown.

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LEADERSHIP IS NECESSARY TO IMPROVE CORPORATE PERFORMANCE – THE 5 LEVELS OF LEADERSHIP BY JOHN MAXWELL

DENNIS BOMBIS

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LEADERSHIP IS NECESSARY TO IMPROVE CORPORATE PERFORMANCE

To increase efficiency and maximize financial earnings, companies must focus on Leadership. It is an important management function, which is necessary to achieve organizational goals. Leadership is more than just providing guidance, coordinate and motivate employees, building morale and creating specific corporate cultures, it is more like John Maxwell describes having influence and long trained discipline. "Becoming a leader is a lot like investing successfully in the stock market. If your hope is to make a fortune in a day, you´re not going to be successful. What matters most, is what you do day by day over a long haul."

The Havard Professor John P. Kotter, who wrote the book "A Force For Change: How Leadership Differs From Management" mentioned, that the difference between managers and true leaders is, that managers are more like administrators and leaders are visionaries. Management rather stands for the perfect organization of processes, planning, and control. Leadership, on the other hand, means inspiring and motivating the leaders with visions. It creates creativity, innovation, the fulfillment of meaning and change.

Jack Welch also wanted to see leaders at General Electric, not managers. But Kotter knew that a company needs both types. In specific periods are managers necessary who know how to organize everything perfectly whereas for example in turnaround periods there is a high demand for leaders who can weld people together and show new directions.

The future is not static, but a process of permanent change. So Leaders must always be able to open up for the next piece of the future. Curiosity and the desire to learn, rational thinking, as well as emotional responsiveness and intuition, are decisive for this. Leaders must first work with themselves, sharpen their (self-)perception and develop vulnerability. Communication competence and the ability to relate are important, as well as confidence, creativity, sovereignty, and patience. Leaders must be able to invite change, encourage it, give security and offer incentives.

To increase these levels of leadership, John C. Maxwell explained: "*If you know how to influence people correctly and you increase that influence you will increase your leadership with that individual".* Also, Maxwell mentioned, that if you want to be a Leader you have to add value to for example your employees.

5 LEVELS OF LEADERSHIP BY JOHN MAXWELL

The internationally recognized leadership expert, John C. Maxwell, who sold more than 19 million books, explained, it took about five years to expand his concept for the five levels of leadership. The five levels show a way to understand and organize your own leadership development. Each level builds on the previous one and it is only possible to build on the next one if you have mastered the previous level. With each growth step, it becomes easier to lead because the impact grows with it. The philosophy behind this is that leadership is also becoming more and more service rather than gain in power. Maxwell says it takes longer than you think to get to the top level and some will never reach it. At the same time, the path down can be very fast. But if you build the right relationships with your counterpart, they will still carry you through missteps and wrong decisions. Maxwell is describing the following 5 Levels of Leadership:

Position—people follow you because they have to.

But it's not the position that makes you a leader - the other way around: the leader fills the position with content, otherwise you remain an empty suit. At level 1, the question often arises: "Why can't I get more out of my team? The commitment of the employees corresponds to the time against the payment deal.

Permission—people follow you because they want to.

The relationship is created as the most important foundation for effective leadership. At level 2, the leader listens, observes and learns. They enjoy a serving leadership style.

Production—people follow you because of what you have done for the organization.

People follow you because they appreciate your contribution. Here, guided tours take place by role models (tour guides instead of travel consultants) and a positive dynamic develops that helps to solve problems quickly and effectively.

People Development—people follow you because of what you have done for them personally.

People follow you because you pass on your abilities. A company develops itself by having its employees develop further. This starts with the hiring of new employees. Then it is important to recognize the strengths of the employee and assign him a corresponding role in the company. After all, he is put in a position to pass on the skills he has learned. This is an effective cycle for continuous improvement.

Pinnacle—People follow you because of who you are and what you represent.

People follow you because they admire you and your performance. The co-workers are fascinated by your life, your charisma and go "through the fire" for you.

Additionally, Maxwell explained, “The higher you go, the easier it is to lead”. this means that blind trust increases and the employees do not follow out of a sense of content, but increasingly out of intrinsic motivation and commitment to themselves. To reach a higher level, the effort rises and more time and commitment are required. Furthermore “Moving up levels occurs slowly, but going down happens quickly” so again in general climbing up the levels can be compared with a discipline. When an athlete trains for a running competition, he makes very big success steps at the beginning and can significantly improve his running time. After a certain time, however, he has only minimal improvements, for example, seconds, but he trains harder.

In an interview with CBN on January 9, 2012, Maxwell stated that Jesus Christ is his ultimate leader, and is the motivator who helps others to achieve leadership success. In this regard, it can be presumed that he compares the trust and sacrifice of co-workers for a leader with a religion. So, appropriate comparisons are to be made in history. For example, religion has many followers who live, represent and pass on values. Likewise, these characteristics are recognizable in the 5 Levels of leadership. A further comparison can also be found in various conflicts in history. So just as many people followed commanders and entrusted their future to them. This comparison shows the historical significance and underlines the influence of leadership.

But Leadership is not an "exclusive club for those who were born with it. Also here the comparison to the sport can be found. It is not often that successful coaches need a certain talent, but rather years of experience in leading people. For example, Jürgen Klopp, one of Germany's most successful coaches, has had a long career before he was able to lead Borussia Dortmund to success. There he trained the team from 2008 to 2015 and before that had already 20 years of coaching experience. In summary, it can be said that there are different leadership levels to be achieved, which are ordered according to the depth of penetration, whereby the achievement is more difficult after each level. Leadership is not a talent, but a discipline to be attained, whereas an Excellence Status can only be achieved after appropriate time and effort.

LEVELS OF LEADERSHIP IN PRACTICAL ENVIRONMENTS

The example company is part of a group that employs around 160,000 people in almost 80 countries worldwide. The company itself has about 6,000 employees, who are spread over several foreign locations and 4 main locations in Germany. In addition, the company is divided into 4 business segments: Submarine construction, surface vessel construction, services and the development and production of various subsystems for submarines and surface vessels. As one of the world's leading manufacturers of diesel-electric submarines, the company has been producing for a wide range of customers since 1960. In total, the company has been able to conclude contracts for the construction of more than 160 submarines since the 1960s. The organizational structure is structured as a line organization. The previously mentioned contracts run through their life cycle as a project in a matrix organization. Thus the projects are mainly handled by the line employees, which has created an additional challenge in terms of leadership.

Due to the high number of projects completed, a high fluctuation of the teams is given. Each project start results in a new team, which is going through the phases of team building according to Tuckman and the role of the leader is being redefined. This way the new level of leadership is passed through every time. But there is a special case. As soon as an already existing project team is reactivated for another project, the manager's acceptance begins at the same level where the last project ended. The same is reflected in the line organization. Due to the size of the company, there is a high fluctuation of leaders in the line, similar to the number of projects.

This leads to the fact that the executives in the company start the level of leadership each time from level 1 due to the organizational form. Thus the development up to the last level is very difficult to realize. In addition over the period of 60 years, a culture has developed that is very historically shaped. Over the decades, several trends and leadership styles have been passed through. As a result, different expectations have grown for a leader and are passed on from generation to generation. This additionally blocks the speed in the development of the relationship between leader and employee.

All in all, the relationship in the first level is already given by the pure organizational form. It is now necessary to fill this with content by achieving the project or line goals and to build an effective team. This way level 2 is reached very quickly in the first weeks. In connection with the first successes in the project or the line, level 3 is conditionally achievable. From this point on it is up to the leader whether the employees are promoted and the projector line objectives are linked with the respective needs or not. Level 5 will be difficult to reach due to the above-mentioned points, as the high level of fluctuation makes this difficult.

CONCLUSIONS

In my opinion, the model represents a very good step-by-step structuring of the quality levels of leadership. The model can certainly be used for orientation and classification of the leadership culture. As a benchmark, it serves as a comparison with other companies and can make statements about employee satisfaction. As in the practical example, however, the consideration of various influencing factors such as time and trends is missing. A constant orientation cannot be allowed if, for example, agile working methods are established. Digitalization also increases isolation and leadership-delegation. With increasing digitalization, the model is in conflict with some cases.

On the one hand, more and more solutions are being sought to work across borders in the globalized world, while on the other hand, the quality of leadership is correspondingly important to improve performance. In my opinion, these trends are therefore important to look at and to find solutions for the implementation and achievement of the highest level of leadership. In my opinion, time is also the most important influencing factor. With faster processes and constant changes, flexibility is also demanded of employees and, above all, managers. This flexibility is also evident in fluctuation. It can be said that nowadays it is difficult to recognize top managers who have reached the highest level because they were usually not in the company for long and could earn appropriate recognition.

It would also be interesting to examine the financial success of this model and compare it with the development stages. In this way, it can be made clear what influence the leadership factor has in various companies and how targeted personnel selection can also influence the financial result.

Overall I come to the conclusion that the model is very important and necessary for orientation. However, current trends and needs must be taken into account. The model will also still be valid in the future and can serve as orientation. Proposed solutions for the problems mentioned above as well as the average time needed to reach various levels would have to be researched. In my opinion, the failure at corresponding levels should also be investigated in order to be able to give recommendations for action for acceleration and to measure the performance of the company on the basis of the development speeds of the leaders.

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AMBIDEXTROUS LEADERSHIP AS A SUCCESS FACTOR IN THE PROCESS OF DIGITAL TRANSFORMATION – AN EXAMPLE ON HEARING HEALTHCARE

FLORIAN ROSS

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INTRODUCTION

Hearing impairments are becoming an increasing problem in our society. It is estimated that in Europe 30% of men and 20% of women aged 70, have a remarkable hearing loss. By the age of 80 that figures increase to 55% of men and 45% of women (Roth et al., 2011). That disability affects the people with hearing loss significantly due to difficulties to recognize speech or to locate sounds easily. The consequences could be social isolation or even depressions (Arlinger, 2003). On that point, the fitting of hearing aids by a Hearing Care Professional is mostly the only option. The process of the device´s fitting - as well as the entire Hearing Healthcare - is still very traditional and characterized by classical structures.

These structures are for example the treatment by an otorhinolaryngologic who firstly confirms the hearing impairment and the following visit at a Hearing Care Professional´s clinic. Despite these existing structures, the digital transformation does not stop in this industry. It can be defined as a way to rebuild business models following the needs of customers by using new technologies (Berman, 2012).

Due to generational changes, the patient´s needs are changing, too. The mayor part of the current patient generation are the Traditionalists, born in the years after 1945 and this generation is going to be replaced by the subsequent generation, the Baby Boomers, born 1956 – 1965. They are in lots of points completely different and expect another types of attendance, service and communication (Coleman et al., 2006). According to the definition, new technologies are also available in Hearing Healthcare. From the ear trumpet to digital sound processors, hearing aids had an impressive development in the last decades.

Today, they can be connected easily with the user´s smartphones over Bluetooth. That enables the patients to adjust their devices individually with a smartphone app and engages them into the fitting process. Hearing Care Professionals can change the patients setting remotely over the connected devices, while the user is at home or in any other place outside the clinic (Weaver, 2014). That technology and changing demand´s driven developments have to be taken into account and the business model adapted. That paper aims to offer a framework for Hearing Care Professionals to support them on their way of digital transformation. It is based on the management approach of Ambidextrous Leadership, which is intended to help bridging the gap between analog and digital processes and thus meet the needs of traditional and future customer generations.

AMBIDEXTROUS LEADERSHIP

Ambidextrous leadership is a term from the field of management. It refers to the simultaneous use of explorative and exploitative activities by leaders (Kraft, 2018). While the explorative part refers to search, risk taking, experimentation and innovations in companies, the exploitative part focusses more on refinement, efficiency, implementation and execution (March, 1991). Leaders have to recognize which mix of explorative and exploitative activities is required to achieve great company outcomes (Raisch and Birkinshaw, 2008).

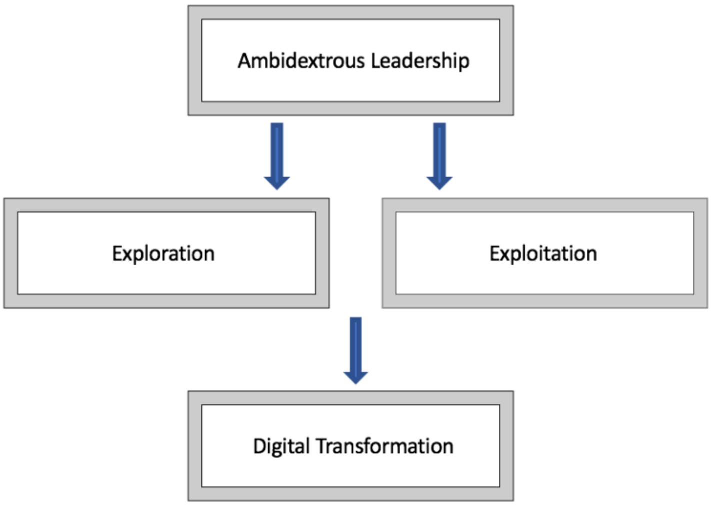


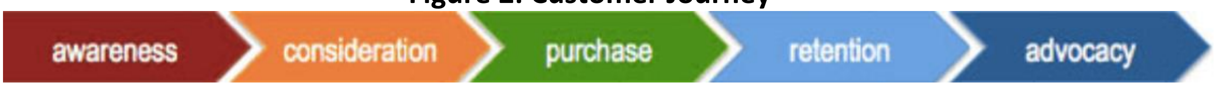
Figure 1: Ambidextrous Leadership Model

The two contrary parts are in the field of Hearing Healthcare equally important to implement successfully the digital transformation.

DIGITAL TRANSFORMATION - EXPLOITATION ALONG THE CUSTOMER JOURNEY

First, managing directors have to focus first on the existing situation. They have to analyze it out of the Hearing Care Professional´s as well as the patient´s perspective. Which processes exist along the whole customer journey? Which analog or respectively offline processes can be transformed and how will they contribute to the exploitational part.

Figure 2: Customer Journey



The first step is about making potential patients aware on a hearing aid retail company. In the past decades, this happened mostly over traditional ways like newspaper advertising. In this context, digitalization does not mean to resign completely with this medium. Especially for the elderly customer generation, reading newspapers is one of the most important information sources. But also for the younger generations, the Baby Boomers and Generation X, it still seems to be relevant.

A study from 2016 found out, that advertisers who are cutting back on newspaper advertising are missing a beat. In Hearing Healthcare, which counts to the category retail, there is a 2,8 times increasement of effectiveness, when the advertising company adds newspaper to their marketing campaigns (Goodfellow, 2016). So, Hearing Aid Retail Companies who want the best return on their investment should note this data. That way of advertising should be complemented with online marketing tools. The possibilities are huge. A great example therefor is social media marketing.

According to a Manifest Consumer Social Media survey from 2019, 86% of Baby Boomers and 81% of Generation X use social media daily. Among several reasons, searching for solutions for problems is one of the most frequently cited (Cox, 2019). Due to that, Hearing Aid Retail Companies should not just focus on simple ads in social media, which would still account to the Awareness category of the customer journey, but additional create video tutorials or other informative sources for interested hearing impaired people.

Also, information about the company and the products should be available for potential customers on the company´s website. This is already part of the Consideration part and will replace step by step traditional consideration ways like catalogues.

At the end of this phase, personal consulting for customers should be offered. If a customer needs any kind of information regarding to the company, the products or the hearing aid fitting process, it should be possible to contact the company still in analog but also in digital ways. That means an availability over telephone but also over e mail or WhatsApp. Even useful is the integration of a chat bot on the website, which can deliver answers to the most frequented asked questions 24 hours a day. For sure, the personal interaction at the Point of Sale is important as always. Until the final purchase, a few weeks trial of the fitted hearing aids is usually. In that step, various processes can be transformed into digital alternatives.

When the prospect found the way into the shop, more hearing examinations has to be done, as well as the initial fitting of the devices. These procedures cannot really be done different to the traditional way. But afterwards, a great initiative in the context of digital transformation can be to meet the customers in the follow up appointments partially online. In these sessions, the client gives a feedback about his experiences with the devices, his level of satisfaction or complaints, which have to be improved. Due to the technical opportunities, especially the connection of the hearing aids with the smartphone, it is possible to meet the customer online via Telecare Meetings.

This is realized over a hearing aid accompanying app, which enables the Hearing Care Professional the same access to the devices as in a regular face to face appointment. Additionally, the customer can see the Professional over an integrated video chat. It is noteworthy that working with that tools has no detrimental effects on hearing aid outcomes (Convery et al., 2019).

That workflow should be used much more by Hearing Aid Retail companies. Especially those with more Point of Sales should think about implementing an additional Remote Care / Telecare Center, which is just engaged in the patient´s online treatment. With their participation in the fitting process, they can disburden the staff in the shops through less customer visits. Further, that Remote Care is able to monitor the customer´s satisfaction with the hearing aids or the problems they still have. With that kind of information provided, the Hearing Care Professionals in the shops can solve the problems very clearly and simply.

The actual sale after the test phase, is then also carried out in the store due to legal regulations and necessary signatures. In the Retention Phase of the Customer Journey, there are also a few items which can be transformed in the context of Exploitation. A great opportunity are the frequently service visits in the shops cleaning and maintaining the hearing aid by the Professionals. Some companies use a service book, where these appointments are scheduled.

The digital alternative could be an app, where every important date is displayed. Further, the Hearing Aid Retail company can contact the customer over this app with special offers, advertising or just some greetings like on birthdays. Depending to the various generations, the traditional way of customer communication needs to be remained. The digital ways should be additional to meet the younger generations demands. Accordingly, all customer letters or newsletters should be offered in both ways.

DIGITAL TRANSFORMATION – EXPLORATIONAL OPPORTUNITIES

The technical developments in combination with a younger becoming customer generation, offers new ways for innovative business models. An upcoming trend is the distribution of Over the Counter devices. These devices are non- customized by design but can be fitted according to the customers hearing loss with the smartphone. A lot of Hearing Care Professionals see that upcoming devices as a threat for their business models. Instead of reject working with that devices, it could be a great start to get in touch with new customers. Especially those, who suffer on just a mild hearing loss could use these products to make their first experiences in the Hearing Healthcare world. When the hearing loss worsens and the demand for perfectly fitted and individualized hearing aids comes up, the customer already knows which company to visit. Further new opportunities could be gained using the Remote Fitting Option to reach customers in other parts of the country. If they manage to address these customers through targeted marketing and to fit these hearing aids on a stationary basis, these customers can further be attended to via remote fitting to optimize the hearing aid´s settings. With the aim to reach more customers, an online shop can be used to sell standardized products like batteries or cleaning accessories also to customers who live far away.

THE ROLE OF HUMAN RESOURCES IN AMBIDEXTROUS LEADERSHIP

All those mentioned actions can be decided by the managing directors but have to be implemented by staff in every step of the company´s hierarchy. According to Probst et. al., the following table shows the several roles in Ambidextrous Leadership(Probst et al., 2011) to implement successfully the digital transformation.

The managing director has to seed the Initiative. That means, he has to plan all the relevant structures and to provide the needed budget for technical or personal issues. It is important to ensure, that the process of implementing the digital transformation has the necessary internal sponsorship. Hereby it is important to maintain the store managers informed over the various steps. Changing process from analog to digital requires the demanded oversight. The development is disrupting and various customer´s demands have to be noted.

That relationships are the foundation of the company´s success and when the relevant issues are planned, the change has to be induced step by step under consideration of the various stakeholder´s aspects. Any kind of conflict with the middle management regarding to explorational or exploitational aspects of the digitization has to be cleared by the managing director, too. Depending of the Retail Company´s size, the middle and the line management have a major role. The middle management would be the store managers, the regional managers – existing in bigger companies- can be grouped to the line management. Both groups are the main driver to integrate the new processes through exemplifying it into the company. They are responsible in their environment – a region or a store – and have to monitor the ongoing processes.

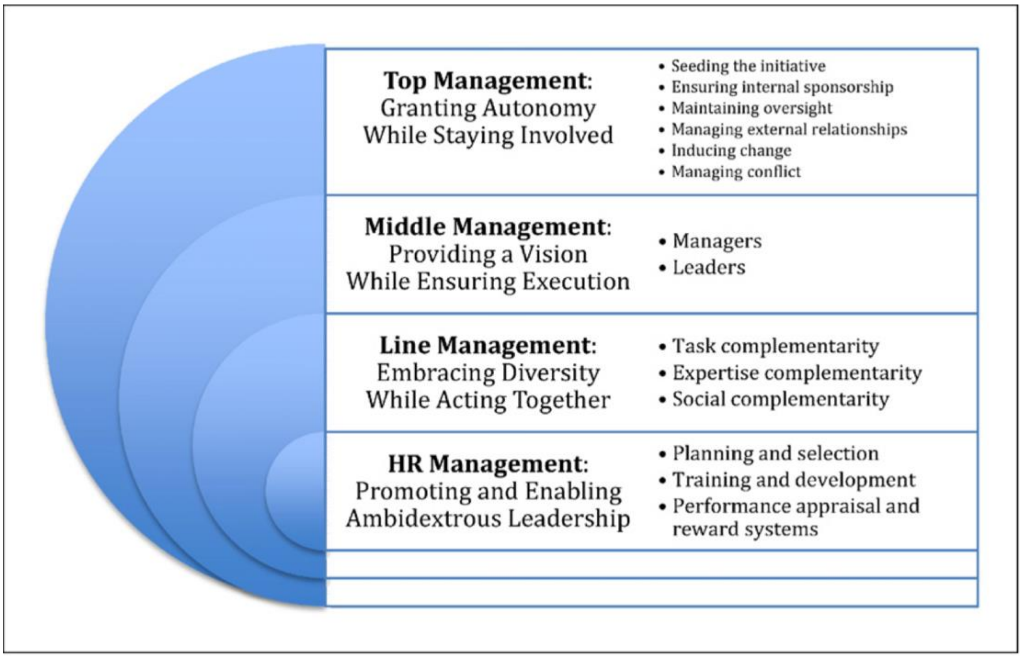


Figure 3: Roles in Ambidextrous Leadership according to Probst et. al., 2011

That means they have to assure that the employees have the needed expertise and stand for taking social responsibility in the change process. They are contact persons for the employees and accompany them on the way to implementation. The critical components and setbacks must also be taken account and managed in a socially acceptable manner. The mentioned levels of management have to be supported by the HR department. They have to plan and select the employees in the several shops and to assure that they have the required skills. Especially various trainings in the field of Remote Fittings, technically but also psychologically should be organized to avoid problems during the implementation.

CONCLUSION

Hearing Healthcare is in the midst of a paradigm shift, due to new technologies and new patient generations. To take this development into account, various processes have to be digitalized. It can be concluded that a mix of traditional and innovative processes might be the best solution to address the elderly as well as the younger customer groups. Some services should be offered parallel. So, implementing aspects of the digital transformation considering the model of Ambidextrous Leadership seems to be a very effective manner in that intention to stay competitive in the future.

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SUPPLEMENTATION OF THE BLUE OCEAN THEORY AND THE 7 TRANSFORMATIONS OF LEADERSHIP

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INTRODUCTION

Building effective leadership is a wide field of research and of outmost importance in competitive markets. That's one of the reasons why millions and billions are spent on training for managers to (at the end) increase the output of the people they manage.

Most likely the research will never end, the human being will continue to be a miracle for researchers and the optimization process is an endless endeavor. But I strongly believe that the research of the last century made a huge contribution to improve the leadership we experience today.

There are still discontented, demotivated, unhappy, untrained and poorly led employees in the world; there are more countries and regions where old fashioned and outdated leadership is the normalcy and not the exception.

But in those industries, where highly trained employees are necessary, where the human capital is finite, a higher education is necessary and where the employees have the chance to move and change the employer, other, integrative management styles are the normal, not the exception.

The leadership style is also a key lever for the competiveness of a company. It has been analyzed, tested and verified in hundreds of surveys that employees see the leadership style and the relationship to the managers as an important part of the work, and not only the paycheck.

They are willing to work for less, are more bound and loyal to the company and have a greater output than poorly managed employees.

The fact that companies invest into leadership programs and try to improve the quality of their leaders demonstrates that companies see the value in changing resp. transforming the leadership style of their managers.

But still there is a lot of untapped talent and employee potential in organizations, the so-called 'blue ocean', even in highly profitable and successful companies.

For this essay I analyzed the article 7 Transformations of Leadership, written by David Rooke and William R. Torbert (Rooke and Torbert, 2005) and the article Blue Ocean Leadership, written by W. Chan Kim and Renée Mauborne (Kim and Mauborne, 2014).

The two articles connect from my perspective in the untapped resources and the change of the leadership behavior.

The first action logics are not able to release the potential of the blue ocean and the leader has to change his action logic and to do the things others won't do. I especially refer to the tasks that are no 'fun' in management, such as 'dealing with underperformance'. Too often managers look away or tend to not recognize when employees underperform because this is often the hard part of the management activities; especially in countries where the element of social solidarity (such as Sweden) has a high admission or where the boundaries to take action (e.g. due to the workers council) is very high (such as Germany).

My hypothesis is that the findings of the two articles from Rooke and Torbert, and Kim and Mauborne can be combined and that the action logics explained in the article of Rooke and Torbert can be merged with the leadership canvases (proposed by Kim and Mauborne) to get a better understanding why there are leaders that reach a higher performance than others.

SEVEN ACTION LOGICS

The research of Rooke and Torbert is based on a sentence-completion survey method, called the leadership development profile (Rooke and Torbert, 2005). They defined seven development action logics; a leader can only be categorized in one of these logics at a time. The logics are (in an ascending order of measured performance for organizational leadership): 1. Opportunist, 2. Diplomat, 3. Expert, 4. Achiever, 5. Individualist, 6. Strategist, 7. Alchemist.

Leaders can move (develop or degenerate) from on to another logic as their abilities grow, they don't have to be stuck in one category forever.

Leaders react differently when their power or safety is challenged. From an organizational leadership behavior Rooke and Torbert determine the Opportunist and the Diplomat as the least effective one; the most effective the Strategist and Alchemist.

The seven action logics are explained and how leader can develop from one action logic to another.

The authors explain the influence that current leadership programs have on the development of leaders and why the focus is so much on the development of the action logic achiever.

The authors also explain the potential of conflict between the different action logics, especially between the expert and achiever action logic.

The findings of Rooke and Torbert can be used from corporations to help their executives and leadership teams examine their action logics and to improve their leadership actions and reap the rewards.

Action Logic	Characteristics	Strengths	% of research sample profiling at this action logic
Opportunist	Wins any way possible. Self-oriented; manipulative; "might makes right"	Good in emergencies and in sales opportunities	5%
Diplomat	Avoids overt conflict. Wants to belong; obeys group norms; rarely rocks the boat	Good as supportive glue within an office; helps bring people together	12%
Expert	Rules by logic and expertise. Seeks rational efficiency	Good as an individual contributor	38%
Achiever	Meets strategic goals. Effectively achieves goals through teams; juggles managerial duties and market demands	Well suited to managerial roles; action and goal oriented	30%
Individualist	Interweaves competing personal and company action logics. Creates unique structures to resolve gaps between strategy and performance	Effective in venture and consulting roles	10%
Strategist	Generates organizational and personal transformations. Exercises the power of mutual inquiry, vigilance, and vulnerability for both the short and long term	Effective as a transformational leader	4%
Alchemist	Generates social transformations. Integrates material, spiritual, and societal transformation	Good at leading society-wide transformations	1%

Figure 1. The findings of Rooke and Torbert

BLUE OCEAN LEADERSHIP

In 2005 Kim and Mauborne published their classic book Blue Ocean Strategy. The blue ocean denotes all the industries not in existence today with unknown market space that is untainted by competition.

In 2014 they published in the Harvard Business Review an article and introduced their theory regarding the Blue Ocean Leadership.

The blue ocean leadership describes the conventional leadership practices and compares those to the blue ocean leadership practices.

The authors explain the commitment of employees to doing a good job and give different numbers for different countries. For the US it is for example:

- 30% of the employees are engaged, committed to doing a good job
- 50% of employees merely put their time in
- 20% of employees are counterproductive, negatively influencing coworkers, missing days at work and driving customers away through poor service.

The key differences from conventional leadership approaches are:

Conventional Leadership Development Approaches	Blue Ocean Leadership
Focus on the values, qualities and behavioral styles	Focus on acts and activities leaders need to undertake
Detached from market results people are expected to achieve	Leaders' actions closely connected to market realities
Focus mostly on the executive and senior levels	Distributes leadership across three management levels
Extra time required for the leadership practice	High impact leadership acts and activities at low cost

Figure 2. The differences between blue ocean and conventional leadership (Kim and Mauborne, 2014)

The change that needs to take place is sub-divided in the senior management leadership profile, the middle management leadership profile and what the authors call the frontline management leadership profile.

The authors recommend changing the leadership profile in the following way (Figure 3.).

It is not a one-day-to-another change, it takes time and a change process has to be conducted.

COMBINATION OF THE TWO STRATEGIES

The 7 action logics focus on different areas in daily business. To make my hypothesis more clear I'd like to explain it on the basis of the Opportunist and the Alchemist (7 transformations of leadership model, from Rooke and Torbert) and the Senior Managers from the day-to-day to the Big Picture canvas (Blue Ocean Leadership model).

The decision to take those two logics and this particular canvas is based on the following:

Those two action logics have the most distance in achieving effective organizational leadership.

The canvas for the senior manager is the one that has most influence on the organizational leadership and has therefore the most potential to prove my hypothesis (Figure 4.).

Figure 3. The profiles (Kim and Mauborne, 2014)

EFFECT OF THE COMBINATION OF THE TWO THEORIES

Combining the two theories has a triple effect on organizations. If a manager addresses underperformance, sets SMARTe goals and is consequent in her or his actions this will have the following three effects.

The first one is that a share of the 20% of employees that are counterproductive, negatively influencing coworkers, missing days at work and driving customers away through poor service will have to leave the company. The Alchemist will take action while the Opportunist is looking away.

The second one is, that some of the 20% share of employees will reconsider their attitude and will rediscover their intrinsic motivation; even if it is only for the sake of not losing their job or being downgraded.

Effect No. 1 and No. 2 should be part of the daily work of each manager but are often not taught in management development. Only some authors are straightforwardly to make such a statement, such as Jim Collins (Collins 2001) or Fredmund Malik (Malik 2006).

Most important is the third impact, delivering the unspoken promise that different performance leads to different results (such as payment) and that the company is aware of the underperformers. “A rotten apple befouls the whole fruit basket” and this is true for the collaboration of humans, too.

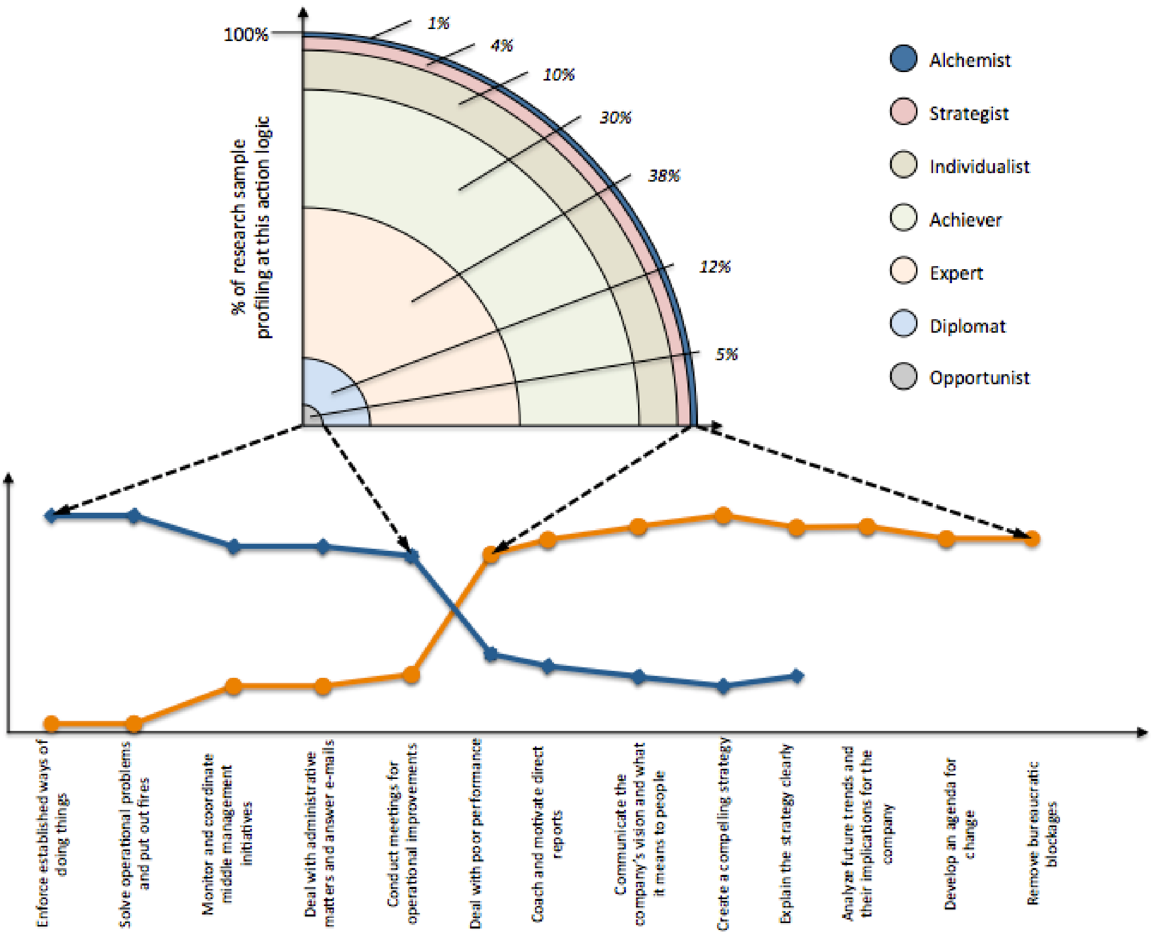

Figure 4. The profiling and the results (Kim and Mauborne, 2014)

Underperformers can become a role model for new employees or have a negative effect on the motivation of the other colleagues.

This proceeding has an effect on the whole organization or at least on the part that the acting manager is responsible for.

From my point of view the blue ocean lays not within the motivated and engaged employees, it is within the 50% of the employees that merely put their time in.

The shift will be done in all three areas of employees, but the major gain is lying within the middle layer (example):

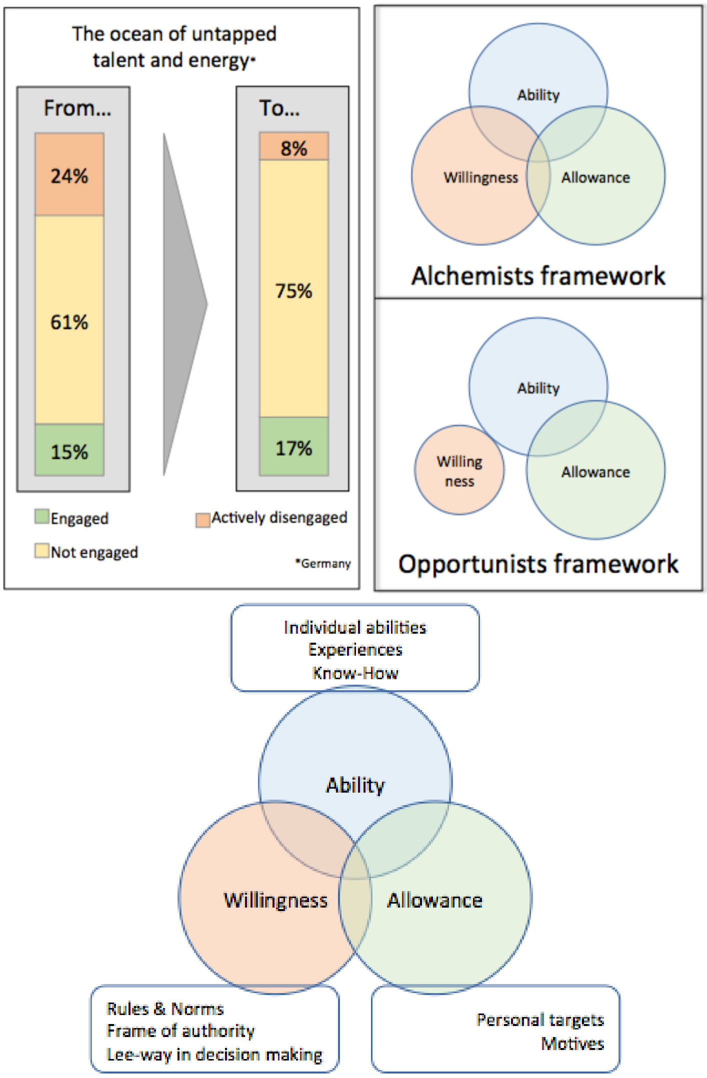

Figure 5. The frameworks (Kim and Mauborne, 2014)

This is the real lever that is going to optimize the performance and can be seen as the reduction of the blue ocean.

Leadership development program focus on the cognitive and behavioral skills of leaders and it is implicitly expected that those transform the new knowledge automatically into performance (Sheehan, 2009).

But it takes the willingness to apply those learning's in day-to-day routine (Straka 2009).

The personality of the Alchemist is much more motivated to use the know-how from leadership trainings, to apply it in the daily business and to use the findings of decades of research within the field of people management and is willing to drive the change that is necessary to dry out the blue ocean.

The Opportunist is applying the methods if it supports his motives, but due to the fact that he is an opportunist she or he won't see the advantages from a long-term perspective and also no advantage for themselves and therefore won't internalize the methods.

That's is why the Opportunist is falling short in applying the methods and won't achieve the results the Alchemist is able to archive.

CRITICISM

Both theories oversimplify the complex interaction between managers and those they manage. Each theory provides a model that can be understood easily and seems to be logic in its own sense.

But the day-to-day routine is also affected by factors that lie outside of the company and require the fast interaction of the top management. When the top management involves itself for a limited time to drive e.g. escalations, I would not say that they change their action logic and drop down from it to become e.g. an achiever instead of retaining being an alchemist.

Leaders can also become complacent when everything is going well, but when the context changes, the leader could miss what is going on and act too late, independent from its canvas (Snowden 2007).

Focusing on what a leader does can be interpreted as misleading (Martin 2007). Therefore the interpretation on where a leader is currently standing in the canvas can be influenced from the surrounding situation and the actual situation a leader is operating in.

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