

Volume 11
Number 1
Spring 2013

ISSN 1854-6935

*Managing
Global
Transitions*

EDITORS
Mitja Ruzzier
Andrej Bertoneclj
Matjaž Nahtigal

*International
Research
Journal*

Managing Global Transitions *International Research Journal*

EDITORS

Mitja Ruzzier, *University of Primorska, Slovenia*

Andrej Bertoneclj, *University of Primorska, Slovenia*

Matjaž Nahtigal, *University of Primorska, Slovenia*

ASSOCIATE EDITORS

Boštjan Antončič, *University of Primorska, Slovenia*

Andrej Bertoneclj, *University of Primorska, Slovenia*

Roberto Biloslavo, *University of Primorska, Slovenia*

Štefan Bojnec, *University of Primorska, Slovenia*

Evan Douglas, *Sunshine State University, Australia*

Robert D. Hisrich, *Thunderbird School of Global Management, USA*

Matjaž Nahtigal, *University of Primorska, Slovenia*

Anita Trnavčević, *University of Primorska, Slovenia*

Zvone Vodovnik, *University of Primorska, Slovenia*

EDITORIAL BOARD

Zoran Avramović, *University of Novi Sad, Serbia*

Terrice Bassler Koga, *Open Society Institute, Slovenia*

Cene Bavec, *University of Primorska, Slovenia*

Jani Bekő, *University of Maribor, Slovenia*

Heri Bezić, *University of Rijeka, Croatia*

Vito Bobek, *University of Maribor, Slovenia*

Guido Bortoluzzi, *University of Trieste, Italy*

Branko Bučar, *Pace University, USA*

Suzanne Catana, *State University of New York, Plattsburgh, USA*

David L. Deeds, *University of Texas at Dallas, USA*

Jeffrey Ford, *The Ohio State University, USA*

Ajda Fošner, *University of Primorska, Slovenia*

William C. Gartner, *University of Minnesota, USA*

Tim Goddard, *University of Prince Edward Island, Canada*

Noel Gough, *La Trobe University, Australia*

András Inotai, *Hungarian Academy of Sciences, Hungary*

Hun Joon Park, *Yonsei University, South Korea*

Štefan Kajzer, *University of Maribor, Slovenia*

Jaroslav Kalous, *Charles University, Czech Republic*

Maja Konečnik, *University of Ljubljana, Slovenia*

Leonard H. Lynn, *Case Western Reserve University, USA*

Monty Lynn, *Abilene Christian University, USA*

Massimiliano Marzo, *University of Bologna, Italy*

Luigi Menghini, *University of Trieste, Italy*

Marjana Merkač, *Faculty of Commercial and Business Sciences, Slovenia*

Kevin O'Neill, *State University of New York, Plattsburgh, USA*

David Oldroyd, *Independent Educational Management Development Consultant, Poland*

Susan Printy, *Michigan State University, USA*

Jim Ryan, *University of Toronto, Canada*

Hazbo Skoko, *Charles Sturt University, Australia*

David Starr-Glass, *State University of New York, USA*

Ian Stronach, *Manchester Metropolitan University, UK*

Ciaran Sugrue, *University of Cambridge, UK*

Zlatko Šabič, *University of Ljubljana, Slovenia*

Mitja I. Tavčar, *University of Primorska, Slovenia*

Nada Trunk Širca, *University of Primorska, Slovenia*

Irena Vida, *University of Ljubljana, Slovenia*

Manfred Weiss, *Johan Wolfgang Goethe University, Germany*

Min-Bong Yoo, *Sungkyunkwan University, South Korea*

Pavel Zgaga, *University of Ljubljana, Slovenia*

EDITORIAL OFFICE

University of Primorska

Faculty of Management Koper

Cankarjeva 5, SI-6104 Koper, Slovenia

Phone: ++386 (0) 5 610 2021

E-mail: mgt@fm-kp.si

www.mgt.fm-kp.si

Managing Editor: Alen Ježovnik

Cover Design: Studio Marketing J W T

Text Design and Typesetting: Alen Ježovnik

Managing Global Transitions

International Research Journal

VOLUME 11 · NUMBER 1 · SPRING 2013 · ISSN 1854-6935

Table of Contents

- 3 Social Entrepreneurship in an Emerging Economy:
A Focus on the Institutional Environment
and Social Entrepreneurial Self-Efficacy
Boris Urban
- 27 The Impact of Social Responsibility Vision and Strategy
on Successful Corporate Operations
Anton Peršič
Mirko Markič
- 41 A Theoretical and Empirical Analysis of Gender Differences
within the African Business Environment
Herman Linde
Renjini Alex
Felicity van Vrede
Werner Havenga
Jan C. Visagie
- 61 Brand Identity Development and the Role of Marketing
Communications: Brand Experts' View
Nusa Petek
Maja Konecnik Ruzzier
- 79 The Effectiveness of Dual Branding
in the Agricultural Sector
Christo A. Bisschoff
Hendrik P. Van Staaden
Amareza Buys
- 111 Abstracts in Slovene

Social Entrepreneurship in an Emerging Economy: A Focus on the Institutional Environment and Social Entrepreneurial Self-Efficacy

Boris Urban

Consistent with the notion that the institutional environment affects entrepreneurial activity, this article interrogates how a person's willingness to pursue social entrepreneurship is connected with self-efficacy beliefs. Hypotheses are formulated in terms of South Africa's regulatory, normative, and cognitive institutional profiles relating to an individual's social entrepreneurship self-efficacy. Findings indicate favourable perceptions of the regulatory and normative dimensions, which are associated with higher levels of self-efficacy. Implications imply that although institutional support mechanisms are essential to increase social business practices, ultimately social entrepreneurship can only spread by fostering individual self-beliefs.

Key Words: institutions; self-efficacy; social entrepreneurship;
South Africa

JEL Classification: D8; J24

Introduction

As with any change-orientated activity, social business and social entrepreneurship have not evolved in a vacuum, but rather within a complex framework of institutional, political, economic, and social changes occurring at the global and local levels (Harding 2006; Johnson 2000; Kramer 2005). The institutional environment (the socio-economic and political milieu in which an entrepreneur operates) influences people's willingness to engage in socially productive activity (Baumol 1990; Šušteršič, Wostner, and Valič 2010). Research attests that the nature and quality of institutions in a country determine whether individuals will pursue entrepreneurial activity (Naude 2007; Welter and Smallbone 2011).

In South Africa, social entrepreneurship has unequivocal application where traditional government initiatives are unable to satisfy the entire social deficit, where an effort on the reduction in dependency on social welfare/grants is currently being instituted, and where the survival

*Dr Boris Urban is Chair in Entrepreneurship (Lamberti Foundation)
at the Graduate School of Business Administration, University of
Witwatersrand, South Africa.*

of many non-governmental organizations (NGO's) is at stake. Such challenges are exacerbated by a social context characterized by massive inequalities in education, housing, the HIV/AIDS pandemic, and high unemployment and poverty rates (Rwigema, Urban, and Venter 2010). Under these conditions, social entrepreneurs play the role of change agents by adopting a mission to create and sustain social value by recognizing and relentlessly pursuing new opportunities to serve that mission.

The entrepreneurial process is often conceptualized as the result of a combination of various motivational and belief components where environmental conditions also play a role (Shane, Locke, and Collins 2003). Being motivated is not only considered an integral aspect of the entrepreneurial process but must be supplemented with the requisite skills and competencies. Unless individuals perceive themselves as capable and willing to be entrepreneurial, their venture will remain uncompetitive and underperforming. The research finds those with higher entrepreneurial self-efficacy as perceiving their environment as more opportunistic rather than fraught with risks, and they tend to believe in their ability to influence the achievement of goals (Chen, Greene, and Crick 1998; De Noble, Jung, and Ehrlich 1999).

Self-efficacy is based on tenets of social cognitive theory (SCT), which favours the concept of interaction where behaviour, personal factors, and environmental influences all operate interactively as determinants of each other (Bandura 1986; 1997; 2001). However, although motivation is implied, or assumed, in papers on beliefs, intentions, and cognitions in relation to entrepreneurial behaviours, it remains largely under the researched despite its critical importance to predicting and explaining different types of entrepreneurial behaviors (Carsrud and Brannback 2011).

To address this gap, this study extends earlier research that suggests that the setting up of new ventures by intending individuals is influenced by individual beliefs (Busenitz and Lau 1996), and by broader environmental factors at both individual and national institutional levels (Davidsson and Wiklund 1997; Dutta and Thornhill 2008). To the degree, therefore, that a countries' context and institutions may influence the beliefs, behaviours, occupation patterns, and outcome effects of entrepreneurs, the research question of this paper then becomes: To what extent is the institutional environment, in terms of the regulatory, normative and cognitive dimensions, linked to an individual's self-belief to engage in social entrepreneurial activity in an emerging market context? This general label, self-belief provides little point of reference for the sci-

entific study of social entrepreneurship, and for the purposes of this paper is operationalized through the social entrepreneurial self-efficacy (SESE) construct (Nga and Shamuganathan 2010).

The study has important implications, as there is a need to analyse how contextual variables differs in emerging economies and to what degree they shape social entrepreneurial goals, behaviors, and intentions. A theory is more powerful if its applicability is established in different settings. Emerging economies are unique environments that offer the ability to obtain fresh insights, expand theory, and increase understanding by incorporating more contextualized considerations (Bruton, Ahlstrom, and Obloj 2008). It is anticipated that this study will contribute to the literature on formal and informal institutions in terms of analyzing the regulatory, normative, and cognitive dimensions in an under-researched region such as South Africa.

Based on recent calls for research in this area, this study is timely and as noted by Manolova, Eunni, and Gyoshev (2008), a large part of research on institutions and entrepreneurship have been either case-based, or predominantly examined the regulatory (formal) environment. The empirical research investigating the complex effect of the institutional environment for unlocking entrepreneurial phenomena in emerging economies remains unexplored.

The rest of the article is structured as follows. First, relevant theoretical foundations are accessed to provide a basis for the hypotheses, which are formulated on existing theory. Next, the research approach is delineated in terms of sampling, measures and analytical techniques employed. Results and implications follow, the study's limitations are addressed and avenues for future research are suggested.

Social Entrepreneurship

The language of social entrepreneurship (SE) may be new, but the phenomenon is not. Peter Drucker (1979, 453) introduced the concept of social enterprise when he advocated that even the 'most private of private enterprise is an organ of society and serves a social function.' Increasingly, researchers are looking beyond entrepreneurship as only having an economic component or Schumpeterian purpose where entrepreneurs spur innovation and speed up structural changes in an economy, but also recognize a social component which acknowledges that people pursue their need for independence or have no alternative options for work and hence engage in self-employment (Bosma, Wennekers, and Amoros 2011).

Based on established literature, the concept of SE remains poorly defined and its boundaries to other fields remain fuzzy (Mair and Marti 2006). Conceptual differences are noticeable in definitions of social entrepreneurship (focus on process or behavior), social entrepreneurs (focus on founder of initiative), and social enterprise (focus on tangible outcome of SE). In this paper, based on the Global Entrepreneurship Monitor (GEM) reports, social entrepreneurship is defined as an attempt at new social enterprise activity or new enterprise creation, such as self-employment, a new enterprise, or the expansion of an existing social enterprise by an individual, teams of individuals, or an established social enterprise, with social or community goals as its base and where the profit is invested in the activity or venture itself rather than returned to investors (Harding 2006:5).

Reflecting on the SE academic literature, a number of themes, preoccupations and domains, have emerged (Weerawardena and Mort 2006). Broadly, these include the following three: firstly, SE may be expressed in a vast array of economic, educational, welfare, and social activities reflecting such diverse activities (Bhowmick 2011). Secondly, SE may be conceptualized in a number of contexts, i. e. public sector, community, and social action organizations (Peredo and Chrisman 2006); and thirdly the role of innovativeness, proactiveness, and risk taking in SE has been emphasized in distinguishing SE from other forms of community work (Rwigema, Urban, and Venter 2010).

Considering the research question of this article, the focus of this study is based on the stream of literature on social entrepreneurship perceptions and behaviour (Mair and Marti 2006; Urban 2008).

Social Entrepreneurial Self-Efficacy

Several studies (e. g., Krueger and Brazeal 1994; Kruger and Dickson 1994) have focused on entrepreneurial motives, values, beliefs, and cognitions. Self-efficacy is an important motivational construct that influences individual choices, goals, emotional reactions, effort, coping, and persistence (Stajkovic and Luthans 1998). It refers to individuals' convictions about their abilities, and consequently an important set of cognitions is self-efficacy or beliefs about one's capacity to perform at designated levels (Bandura 1986; 1997; 2001). The self-efficacy construct has application to entrepreneurship and the entrepreneurial self-efficacy (ESE) construct has been proposed to predict the likelihood of the individual being an entrepreneur. That is, entrepreneurial self-efficacy refers to the strengths

of a person's belief that he/she is capable of successfully performing the various roles and tasks of an entrepreneur (Chen, Greene, and Crick 1998; Chen, Gully, and Eden 2001; De Noble, Jung, and Ehrlich 1999; Markman, Balkin, and Baron 2002).

The research is coalescing that traits and perceptual variables may be significant universal factors influencing entrepreneurial behavior (Vecchio 2003; Edelman et al. 2010). Recognizing the importance of perceptual variables, this study is focused on four related aspects of social entrepreneurship, as captured by Nga and Shamuganathan (2010) with the SESE construct namely, social vision, sustainability, social networking, innovativeness, and financial returns. Social vision encompasses the sense of destiny. Social networks (formal and/or informal) form an invaluable resource to social entrepreneurs for advice, human resources, innovative ideas/capabilities, financial, and emotional support. Social innovation unlocks value by creating a platform for sustainable solutions through a synergistic combination of capabilities, products, processes, and technology to create a social and strategic fit into underdeveloped, unchartered markets. Sustainability and financial return cover the aspects of social value creation. Although social businesses are set up as for profit ventures, they differ from commercial ventures in that they emphasize social returns as well as financial returns. Profits are reinvested in the business to serve social policy initiatives.

The Institutional Environment and Entrepreneurship

Institutions can be described as relatively widely diffused practices, technologies, or rules of social interaction that have become entrenched in the sense that it is costly to choose alternative practices, technologies, or rules (North 1990; Welter and Smallbone 2011). The institutional framework of a society comprises the fundamental political, social, and legal ground rules that establish the basis for production and distribution, and organizations must conform to it if they are to receive support and legitimacy (DiMaggio and Powell 1983; North 1990). Thus, institutions are seen as conducive to good policies, which in turn will facilitate accumulation of capital and labor (Naudé 2007).

Acknowledging earlier work on institutions, where North (1990) and Scott (1995) classified the formal and informal institutions that influence organizations and organizational actors into regulatory, normative, and cognitive categories, this study builds in this direction by investigating how perceptions of institutional profiles may influence SESE. Regulatory

institutions refer to the formally codified, enacted, and enforced structure of laws in a community, society, or nation. Less formal do professional and trade associations, and business groups establish the normative institutions, which typically manifest in standards and commercial conventions such as those. Cognitive institutions inform the axiomatic beliefs about the expected standards of behaviour that are specific to a culture, which are typically learned through social interactions by living or growing up in a community or society. Consistent with the notion that the institutional environment does indeed affect entrepreneurship, the next section further interrogates how a person's willingness to pursue a certain course of behaviour (in this case social entrepreneurship) is determined by self-efficacy beliefs while taking cognizance of the institutional environment.

Hypotheses Development

Despite the importance of social entrepreneurship, many individuals in emerging economies may have the desire to pursue entrepreneurial ventures but are not engaging because they are lacking in self-belief and requisite entrepreneurial skills (Luthans, Stajkovic, and Ibrayeva 2000). The research confirms this lack of 'can-do' attitude is prevalent in South Africa, where there is a sense of entitlement and an expectation that big business, government and others should create jobs, rather than that one creating one's own employment. Aspiring entrepreneurs also have low levels of self-belief, experience, inadequate education, and lack of access to finance and business-orientated networks (Herrington, Kew, and Kew 2010; Urban 2006). To elucidate further the nature of the institutional environment and its potential influence on social entrepreneurship, the regulatory, normative, and cognitive dimensions are unpacked in terms of South Africa's current socio-economic milieu.

REGULATORY ENVIRONMENT

Evidence is accumulating which suggests that improving the regulatory environment may have positive benefits on the growth and survival of new ventures in South Africa (Bosma, Wennekers, and Amorós 2011). In 2009, the average new firm prevalence rate for all efficiency-driven countries was more than double South Africa's rate. The prevalence rates for established business activity were even more disturbing, with the average for all efficiency driven countries being almost six times higher than South Africa's rate. The economic implications of these findings paint

a bleak picture of the South African SMME sector's current potential to contribute meaningfully to job creation and economic growth (Bosma and Levie 2010).

Acknowledging the context of the regulatory environment and given the definition of regulatory institutions, which refers to the formally codified, enacted, and enforced structure of laws in a community, society, or nation (Busenitz, Gomez, and Spencer 2000), the first hypothesis predicts that:

HYPOTHESIS 1 Positive perceptions of favorability of the regularity institutional environment are associated with higher levels of SESE.

NORMATIVE ENVIRONMENT

Not only does the macroeconomic environment together with the more immediate business environment affect the levels of entrepreneurial activity in a country, but also more specifically enduring national characteristics have been predicted to have an impact on entrepreneurship (Bygrave and Minniti 2000). Calls have been made for countries to re-orientate their values and behaviors towards entrepreneurship. If entrepreneurship is not valued in the culture of a particular country, then not only will it be associated with criminality and corruption but also other forms of economic encouragement will prove ineffective (Baumol 1990). Recent work suggests that social entrepreneurs who are members of a disadvantaged community seem to have incomparable insight into that community's needs. However, they may not always be able to procure the resources required to launch a social venture intended to address the needs, and are not always well prepared to manage and lead such a social venture (Peredo and Chrisman 2006).

In line with the definition of the normative dimension of the institutional environment, which determines the degree to which a country's residents admire entrepreneurial activity and value creative and innovative thinking (Busenitz, Gomez, and Spencer 2000), the second hypothesis predicts that:

HYPOTHESIS 2 Positive perceptions of favorability of the normative institutional environment are associated with higher levels of SESE.

COGNITIVE ENVIRONMENT

The central premise of the cognitive perspective is that entrepreneurial behaviour emerges as a result of the entrepreneurs underlying cognitions.

Essentially the entrepreneurial cognitions perspective allows researchers to understand how entrepreneurs think and why they do some of the things they do (Krueger 2000). Cognitive institutions are the axiomatic beliefs about the expected standards of behaviour that are specific to a culture, which are typically learned through social interactions by living or growing up in a community or society. Research suggests that while such a cognitive task is difficult to achieve (Rozin 1976), it is positively related to decision performance in contexts that can be characterized as complex, dynamic, and inherently uncertain (Earley and Ang 2003; Kirzner 1979; Starr-Glass 2011). The entrepreneurial context, particularly the country's institutional environment, exemplifies such a decision environment. In South Africa, most entrepreneurs are restricted by their scarcity of skills, business knowledge, and resources in their ability to grow and create employment (Urban, Van Vuuren, and Barreira 2008).

Recognizing that the cognitive dimension reflects the knowledge and skills possessed by the people in a country pertaining to establishing and operating a new business (Busenitz, Gomez, and Spencer 2000), it is hypothesized that:

HYPOTHESIS 3 Positive perceptions of favorability of the cognitive institutional environment are associated with higher levels of SESE.

Methodology

It was deemed appropriate to closely approximate the characteristics of the sample with those of earlier studies investigating institutional profiles and entrepreneurship (Douglas and Shepherd 2002; Manolova, Eunni, and Gyoshev 2008).

The initial sample included 250 students from random class selections at different university faculties located in cities of two provinces (Gauteng and Eastern Cape) in South Africa. Data was gathered over a four month (one term) period from respondents attending a series of day and evening classes during their studies. It was emphasized to the students that they consider the questions in a social entrepreneurship context. The survey was administered as a paper-and-pencil test, and as a matter of practicality was distributed during a classroom setting allowing the researcher to maintain control over the environment, and to ensure a high response rate (65.5%), rendering a final sample of 165 complete surveys. Sample parameters, which served as control variables, rendered a profile, which emerges as: (a) gender (female = 51%; male = 49%), (b) age (mean age =

21.4 years), (c) education level (undergraduate student = 67%; postgraduate student = 33%), (d) race/ethnic group (black = 83%; colored = 2%; Indian = 2%, white = 13%), (e) family (41%), friends (48%) or relatives (63%) who are or had been entrepreneurs.

MEASUREMENT VALIDITY AND RELIABILITY

Institutional dimensions: As Manolova, Eunni, and Gyoshev (2008) note the Busenitz, Gomez, and Spencer (2000) scale is an appropriate instrument to use in the context of emerging economies. Results from their study employing confirmatory factor analysis suggest high reliability, internal consistency, and construct validity. For the present study all items were measured with five-point Likert scales ranging from strongly agree (5) to strongly disagree (1). The regulatory dimension was measured with five items, the normative dimension with four items and the cognitive dimension with four items.

The social entrepreneurship self-efficacy (SESE) measure (Nga and Shamuganathan 2010) was adopted as the dependent variable using an interval scale (1–5) starting on the left with the statement ‘not very true,’ and ending on the right with the statement ‘very true.’ A total of 14 items were used to measure the SESE construct.

Exploratory factor analysis was used to identify the de facto underlying orthogonal dimensions of institutional profiles and the SESE construct evident in the theory and data. The data was initially subjected to Conventional Item and Test Analysis, where item to total correlation of each item established that items were not highly correlated. Subsequently, Varimax rotation was used to first establish the validity of the institutional dimensions. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.817, with the Bartlett’s test of sphericity chi-squared value of 858.186 ($df = 78, p = 0.00$). A KMO value of 0.90 to 1.00 indicates a high degree of common variance, indicating that the items are measuring a common factor (Cooper and Emory 1995).

Using principal component analysis as the extraction method, three factors emerged for the institutional dimensions, with loadings marked as greater than or equal to 0.45 considered significant and eigenvalues greater than 1 (based on scree tests and Kaisers stopping rule) (Cooper and Emory 1995). Based on the rotated factor results (eigenvalue and per cent of total variance explained are indicated in brackets next to each factor), the groupings of items reflect the previously established institutional dimensions as: (Factor 1 = 4.345; 33.42%) regulatory dimension, (Factor

2 = 2.692; 20.71%) normative dimension, (Factor 3 = 1.409; 10.84%), and cognitive dimension. These results support the notion that scale is an appropriate instrument to use in the context of emerging economies, and suggest high reliability, internal consistency, and construct validity as obtained by Manolova, Eunni, and Gyoshev (2008) in their original study.

For the *SESE* construct after several iterations, a *KMO* measure of 0.943 emerged with the Bartlett's test of sphericity showing a chi-squared value of 1643.615 ($df = 91, p = 0.00$). Two factors emerged with eigenvalues above one (1) with a per cent of total variance explained of 72.68 per cent. Examining the loadings in the rotated component matrix, it was evident that factor one (1) represented the social vision, financial return, and innovation dimensions of the *SESE* construct, while factor two (2) represented the sustainability and social networks dimensions. These findings, to some degree, support the validity of the *SESE* scale as established previously by Nga and Shamuganathan (2010). Internal consistency was tested and the Cronbach Alpha was calculated for each individual factor by using the items selected in the sorted rotated factor-loading matrix. Cronbach's Alpha has the most utility for multi-scales at the interval level of measurement (Cooper and Emory 1995). Item statistics were calculated for each factor and the Cronbach Alpha's are displayed in table 1 all of which are deemed satisfactory (Nunnally 1978).

Results and Interpretation

Diagnostics were carried out for data normality checks using the Lilliefors and Shapiro-Wilk test. Results indicate that data is approximately normally distributed because the means, modes and medians for each question are almost equal. The Q-Q plots also support the normality of the data and the stem-and-leaf plots show a bell shape and all the significant values for the items are less than 0.05 indicating that the data is normally distributed and parametric tests could be conducted on this data set (Cooper and Emory 1995).

Mean scores, standard deviations and correlation coefficients are displayed in table 1 and table 2. By interpreting the standard deviations in table 1, one can draw the conclusion that there is a relatively large amount of dispersion, with several items exceeding a value of 1.0. The item-total correlations have positive and greater values than 0.30 indicating the items are measuring the same underlying characteristic (Cooper and Emory 1995).

To evaluate the hypothesized relationships between the variables, cor-

TABLE 1 Descriptives for institutional and SESE variables

Variables	(1)	(2)	(3)	(4)
<i>Regulatory variables</i>				0.776
Government organizations assist individuals starting their own businesses.	3.47	1.01	0.625	0.774
Government sets aside government contracts for new and small businesses.	3.47	0.97	0.642	0.771
Local and national government have support for individuals starting a new business.	3.48	1.05	0.692	0.753
Government sponsors organizations that help new businesses develop.	3.56	0.95	0.618	0.778
Even after failing, government assists entrepreneurs starting again.	2.77	1.09	0.475	0.823
<i>Normative variables</i>				0.772
Turning new ideas into businesses is admired in this country.	3.79	1.05	0.690	0.769
In SA, innovative and creative thinking is viewed as a route to success.	3.86	1.06	0.692	0.769
Entrepreneurs are admired in this country.	4.01	0.98	0.671	0.779
People in SA greatly admire those who start own businesses.	3.77	0.97	0.577	0.819
<i>Cognitive variables</i>				0.791
Individuals know how to protect a new business legally.	2.79	1.05	0.545	0.854
Those who start new businesses know how to deal with risk.	2.72	1.09	0.741	0.771
Those who start new businesses know how to manage risk.	2.74	1.09	0.784	0.752
Most people know where to find info about markets for their products.	2.73	1.09	0.646	0.813

Continued on the next page

relational and regression analyses were performed. For the correlation matrix, refer to table 2, the Pearson Correlation Coefficients is shown with levels of significance denoted. The interpretation of these correlations and the corresponding levels of significance allowed for acceptance or rejection of the hypotheses, as follows:

- Perceptions of favourability of the regularity institutional dimension were positively and significantly correlated with higher levels

TABLE 1 *Continued from the previous page*

Variables	(1)	(2)	(3)	(4)
<i>Social entrepreneurship self-efficacy</i>				0.956
Take a focused stand on social issues	3.79	0.91	0.657	0.958
Strongly committed to a social vision	3.85	0.97	0.737	0.957
Not distracted to pursue non-social issues	3.62	1.07	0.713	0.957
Clearly be able to identify social need	3.89	0.98	0.801	0.955
Create a social vision	3.86	0.93	0.798	0.955
Strongly motivated to defend a social need	3.93	0.97	0.834	0.954
Be an agent of social change	3.88	0.98	0.799	0.955
Be determined to meet social need	3.92	0.94	0.799	0.955
Improve quality of life in the long run	4.06	0.94	0.832	0.954
Create an environmental friendly business	4.14	0.95	0.773	0.956
Improve a long term social need	3.99	0.95	0.768	0.956
Promote a balance of economic, social and environmental concerns	4.06	0.98	0.809	0.955
Promote a balance between social mission and social value	3.98	0.98	0.776	0.956
Promote solutions that are ethical	4.18	0.94	0.743	0.956

NOTES Column headings are as follows: (1) mean, (2) standard deviation, (3) item – total correlation, (4) alpha – if deleted.

TABLE 2 Correlation matrixes for institutional dimensions and SESE ($n = 165$)

Variable	Regulatory	Normative	Cognitive	SESE
1. Regulatory dimension	1.0000			
2. Normative dimension	.5145*	1.0000		
3. Cognitive dimension	.1244	.1033	1.0000	
4. SESE	.4462*	.4453*	.1062	1.0000

NOTES * Correlation is significant at the 0.05 level (2-tailed).

of SESE ($r = 0.4462$, $p = 0.031$), leading to the acceptance of Hypothesis 1.

- Perceptions of favourability of the normative institutional profile were positively and significantly correlated with higher levels of SESE ($r = 0.4453$, $p = 0.025$), leading to the acceptance of Hypothesis 2.
- Perceptions of favourability of the cognitive institutional profile

TABLE 3 Summary of stepwise regression, DV: SESE

Dimension	(1)	(2)	(3)	(4)	(5)
Regulatory	1	0.446	0.199	0.199	0
Normative	2	0.512	0.262	0.063	0.000

NOTES (1) step, ± in/out, (3) multiple R, (4) multiple R², (5) Multiple R² change p-value.

Dimension	(1)	(2)	(3)	(4)	(5)	(6)
Intercept			1.920	0.269	7.131	0
Regulatory	0.295	0.078	0.290	0.077	3.752	0.000
Normative	0.293	0.078	0.267	0.071	3.728	0.000

NOTES (1) *b**, (2) standard error of *b**, (3) *b*, (4) standard error of *b*, (5) *t*(165), (6) *p*-value.

were positively but not significantly correlated with higher levels of SESE ($r = 0.1062, p = 0.137$), leading to the rejection of Hypothesis 3.

A plausible explanation for this may be that individuals constrained in their cognitive schemas and attitudes are less likely to engage in alternative strategies and are, therefore, less adaptable when the decision context changes, or when the decision context is novel and uncertain (Earley and Ang 2003), as is the case with social entrepreneurship which is in essence a change orientated activity (Kramer 2005). Since the cognitive dimension reflects the knowledge and skills possessed by the potential entrepreneurs (Busenitz, Gomez and Spencer 2000), it is not surprising that no links were discovered with SESE, as one of the biggest challenges facing South Africa is the development and improvement of its knowledge and skills base (Urban, Van Vuuren, and Barreira 2008).

For further trying to evaluate the relationship between the institutional dimensions and SESE, stepwise regression was conducted (refer to table 3 for the full results). It is worth noting that although the coefficient of determination (*R*-squared) does not exceed 30 per cent, the relationships determined through the regression analysis, while they may be weak, are nevertheless statistically significant. The first section in table 3 reveals a multiple *R*-square of 0.199 for the regulatory dimension, which is interpreted that as a predictor of SESE, this institutional dimension explains 19.9 per cent of variance in the dependent variable (SESE). When the normative dimension is added to the equation a multiple *R*-square of 0.262 is achieved which means that 26.2 per cent of variance in SESE is explained

TABLE 4 Summary of best sub-sets, DV : SESE

Item	R ²	No. of effects	Regulatory dim.	Normative dim.	Cognitive dim.
1	0.263	3	0.291	0.291	0.039
2	0.263	2	0.295	0.293	
3	0.201	2		0.439	0.060
4	0.201	2	0.439	0.051	
5	0.199	1	0.446		
6	0.198	1		0.445	
7	0.011	1			0.106

in terms of these two institutional dimensions. In the second section of table 3, the standard errors of beta are displayed where the constant coefficients provide a *t*-value of 7.131 and 3.752 respectively for the regulatory and normative dimensions, both of which are significant at the .001 level ($p < .001$). Table 4 provides a summary of best sub-sets in terms of the dependent variable, SESE. The *R*-square value and number of effects are shown for each of the institutional dimensions. These results again provide support for hypothesis 1 and 2, but not for hypothesis 3 in terms of the cognitive dimension.

It is important to elaborate on the relationships between the dependent and independent variables in view of above findings. Although the hypotheses were couched to imply causality and analyzed as such, it is acknowledged that in fact the relationships between the proposed variables are reciprocally causal in nature and may be influenced by mediating or moderating effects. Because of the multiplicity of interacting influences as postulated in SCT, the same factor might be part of different blends of conditions, which have different effects (Bandura 1986). Research suggests that the setting up of new firms by intending individuals is moderated and mediated by personal circumstances, such as parental background and educational level, as well as cognitions of new business opportunities (Busenitz and Lau 1996; Hao, Seibert, and Hills 2005).

Factors such as individual differences and purely situational influences operate indirectly on intentions by changing the antecedents of intentions, not by directly affecting intentions. In other words, intentions reflect a person's willingness to pursue a certain course of behaviour, taking account of constraints imposed by the external environment or the individual's background/abilities. It is important to note that perceived

self-efficacy would moderate the relationship between the development of entrepreneurial intentions and the likelihood that these intentions will result in entrepreneurial behaviour (Boyd and Vozikis 1994). In SCT, social structural factors operate through psychological mechanisms of the self-system to produce behavioural effects. The self is socially constituted and by exercising self-influence human agents operate generatively and proactively, not just reactively to shape the character of their social (institutional) systems (Bandura 1997; 2001).

Although social entrepreneurial intentions were not measured in this paper, it is useful to recognize that intentions and actions are different aspects of a functional relation separated in time. The capability for self-motivation and purposive action is rooted in intention. The projected future can be brought into the present through forethought, however. In cognitive motivation, people motivate themselves and guide their actions anticipatory through the exercise of forethought or intention (Bandura 1997). According to Bandura (2001) an intention is a representation of a future course of action to be performed; it is not simply an expectation of future actions but a proactive commitment to bringing them about. Intentions center on plans of actions. Consequently, as self-efficacy is closest to action, and action intentionality, it can be used to predict and study the entrepreneur's behaviour choice and persistence, as was conducted in this paper through the SESE construct.

The multiplicity of interacting influences in SCT has relevance to social entrepreneurship. Social entrepreneurs, virtually by definition, are attacking social problems caused by shortcomings in existing markets and social welfare systems (Mair and Marti 2006). The institutions that comprise these markets and social welfare systems are part of the structure that created those very social problems (Nicholls 2011). Consequently, as argued in earlier in this paper it is important to understand the context of the institutional environment when proposing linkages to SESE.

From another perspective, economists would argue that there is a strong case to be made that entrepreneurship is itself a consequence of the adoption and development of institutions that encourage entrepreneurial behavior (Baumol 1990; Stiglitz 2006). Furthermore, the institutional environment determines the process of gaining cognitive and socio-political legitimacy, which is critical for entrepreneurial organizations to overcome the liabilities of newness (Stinchcombe 1965), smallness (Aldrich and Auster 1986), and increase their survival prospects (Freeman, Carroll, and Hannan 1983).

Conclusion

While political initiatives and international collaboration are essential to raise awareness about entrepreneurship in general and more recently, social business practices, ultimately change can only come about through changes in individual beliefs, attitudes and behaviours (Baker 2011). Building on this notion of self in a social context, this paper addressed the extent to which the institutional environment is linked to an individual's self-belief to engage in social entrepreneurial activity in an emerging market context.

Findings generally indicate relatively favourable perceptions of the regulatory and normative dimensions and positive associations with *SESE*. This means that these two institutional profiles are significantly connected with social entrepreneurship in terms of social impact, innovativeness, expandability and sustainability. This is relevant considering that social new ventures offer the promise of empowering marginalized segments of the population in emerging economies. Social enterprises are pivotal to the growth and development of the South African economy, and inextricably linked to economic empowerment, job creation, and employment within disadvantaged communities (Gauteng Provincial Government 2008).

The present study was based on a student sample – in line with past research that finds student samples are very similar to actual entrepreneurs provided that the sample has high entrepreneurial potential (Hemmasi and Hoelscher 2005). As Dipboye and Flanagan (1979) argue, laboratory research that relies on mostly college students provides a solid basis for the generalization to the population of working people and adults, whereas a research that relies on contextually grounded samples (managers, entrepreneurs, team leaders) is exceedingly homogeneous (male, professional, educated, etc.), and therefore potentially constrained in its generalizability. Moreover, the research focused on social entrepreneurship, indicates that respondents in this group possess the talent, interest and energy to become the next generation of social and civic leaders (CCSE 2001).

In the UK, some 5 per cent of the student populations are social entrepreneurs compared with 3.5% of those in full-time employment (Harding and Hoelscher 2005). This indicates that younger people are more likely involved in social initiatives, with the highest social entrepreneurship activity rate of 3.9 per cent in the 18–24 age group, compared to 2.7

per cent in 25–34 age group, with significant differences between youngest and oldest age groups.

This study has important implications for practice. By highlighting the importance of self-efficacy in relation to social entrepreneurship, this study conveys to practitioners and managers of various organizations the value of beliefs and capabilities in formulating a social vision, aiming for sustainability, engaging in social networking, demonstrating innovativeness and securing financial returns. Additionally, practitioners need to be aware of the importance of the cognitive and normative institutional dimensions when considering that those who fund social entrepreneurs are looking to invest in people with a demonstrated ability to create change, and the factors that matter most are the financial, strategic, managerial, and innovative abilities of social entrepreneurs (*The Economist* 2006; Kramer 2005). In many instances, it is impossible to obtain start-up funds without demonstrating proof of concept together with commensurate abilities required to execute such an initiative (i. e., high levels of SESE).

Interpreting the findings in light of past literature reveals that idiosyncrasies in the institutional profiles of emerging economies contrast with those of the developed market economies, generally characterized by a well-established regulatory basis, a long tradition of management in a market-based competition, along with societal acceptance and support for entrepreneurship (Erk and Erk 2011; Manolova, Eunni, and Gyoshev 2008). The formation of entrepreneurial start-ups is often cited as the most effective way to relocate labour and capital in a transitional economy, with research among European countries in transition emphasizing the point that entrepreneurship exists in every country and this spirit can be fostered with an appropriate institutional framework (Luthans, Stajkovic, and Ibrayeva 2000). This challenge to foster social entrepreneurship is exacerbated by South Africa's low levels of entrepreneurial activity in general, which are the results of personal as well as environmental factors. Improving the skills base and fostering positive entrepreneurial attitudes through the education system is critical. Additionally, in line with the study's thesis, a major prerequisite for a thriving social enterprise sector is the existence of an enabling environment, institutions, which render political and economic stability, relative security, and market, based incentives, and access to resources needed to grow (Herrington, Kew and Kew 2010; Manolova, Eunni, and, Gyoshev 2008).

For practioners, it is recommended that they need to be aware of the less than favourable conditions for social entrepreneurship in emerg-

ing markets, and of the numerous and often conflicting institutional pressures and constraints facing potential entrants. Like business entrepreneurs, social entrepreneurs initiate and implement innovative programs, even though they are differently motivated, the challenges they face during start-ups are similar to those faced by business entrepreneurs (Sharir and Lerner 2006). The commercial entrepreneur thrives on innovation, competition and profit, whereas the social entrepreneur prospers on innovation and inclusiveness to change the systems and patterns of societies (Jeffs 2006). This entrepreneurial mind-set invokes the need for openness in the construction of meaning within the complex business environment involving the internal deliberation of personal values/beliefs and social concerns while making business sense (Nga and Shamuganathan 2010; Shane, Locke, and Collins 2003).

This study also has important policy implications, where, public policy makers need to enhance the institutional framework in order to support social entrepreneurship by developing a country-specific mix of entrepreneur-friendly legislation, and promoting positive entrepreneurial role models to influence social attitudes and aspirations towards social entrepreneurship. Although innovative management and efficient operations may ensure financial sustainability, they in themselves do not drive social change, and it is this potential to achieve a new or more just social equilibrium, which has led to the current interest in social business (Bhowmick 2011; Nicholls 2011). Social entrepreneurship is gaining popularity under these shifting conditions and is increasingly portrayed as an alternative process that catalyzes social change and varies according to the socioeconomic, cultural and institutional environments (Mair and Marti 2006).

In terms of academic relevance, this study is a starting point in filling the gap in the entrepreneurship literature, which has largely neglected economic transformation, structural change, and inequality. In addition, it is not only the absence of good institutions that may result in the inappropriate allocation of entrepreneurial ability, but generally the 'qualitative' requirements (in this case SESE) that need to accompany growth for it to be development consistent (Naudé 2009).

A limitation of the study is that a cross-sectional study loses the dynamic aspects of social entrepreneurial activity, which may well change over time. As with previous studies, using aggregate measures of the institutional environment and SESE may mask subtle and persistent differences, and less readily observable influences such as legal and cultural

traditions, or social norms and values (Manolova, Eunni, and Gyoshev 2008).

Few studies focus on social entrepreneurship that incorporates an impact assessment of their social ventures. This rapidly expanding sector of the economy is evolving without effective evaluation tools that can provide reliable measurement and impact assessment. Consequently future studies could examine the potential links between institutional profiles, SESE and the social impact of the venture.

References

- Aldrich, H. E., and A. R. Auster. 1986. 'Even Dwarfs Started Small.' In *Research in Organizational Behavior*, edited by B. M. Staw, and L. L. Cummings, 8:165–98. Greenwich, CT: JAI Press.
- Baker, M. J. 2011. 'Editorial – Why Social Business?' *Social Business* 1 (1): 1–15.
- Bandura, A. 1986. *Social Foundations of Thought and Action: A Social Cognitive Theory*. Englewood Cliffs, NJ: Prentice-Hall.
- . 1997. *Self-Efficacy: The Exercise of Control*. New York: Freeman.
- . 2001. 'Social Cognitive Theory: An Agentic Perspective.' *Annual Review of Psychology* 52 (1): 1–36.
- Baumol, W. J. 1990. 'Entrepreneurship: Productive, Unproductive and Destructive.' *Journal of Political Economy* 98 (5): 893–921.
- Bhowmick, S. 2011. 'Social Cause Venturing as a Distinct Domain.' *Journal of Social Entrepreneurship* 2 (1): 80–99.
- Bosma, N., and J. Levie. 2010. *Global Entrepreneurship Monitor: 2009 Global Report*. Wellesley, MA: Babson College.
- Bosma, N., S. Wennekers, and J. E. Amorós. 2011. *Global Entrepreneurship Monitor: 2011 Extended Report; Entrepreneurs and Entrepreneurial Employees across the Globe*. Wellesley, MA: Babson College.
- Boyd, N. G., and G. S. Vozikis. 1994. 'The Influence of Self-Efficacy on the Development of Entrepreneurial Intentions and Actions.' *Entrepreneurship Theory and Practice* 18 (4): 63–78.
- Bruton, G. D., D. Ahlstrom, and K. Obloj. 2008. 'Entrepreneurship in Emerging Economics: Where Are We Today And Where The Research Should Go In The Future?' *Entrepreneurship Theory and Practice* 32 (1): 1–14.
- Busenitz, L. W., C. Gomez, and J. W. Spencer. 2000. 'Country Institutional Profiles: Unlocking Entrepreneurial Phenomena.' *Academy of Management Journal* 43 (5): 994–1003.
- Busenitz, L. W., and C. M. Lau. 1996. 'A Cross Cultural Cognitive Model of New Venture Creation.' *Entrepreneurship Theory and Practice* 20 (4): 25–39.

- Bygrave, W. D., and M. Minniti. 2000. 'The Social Dynamics of Entrepreneurship.' *Entrepreneurship Theory and Practice* 24 (3): 25–36.
- Carsrud, A., and M. Brännback. 2011. 'Entrepreneurial Motivations: What do we Still Need to Know.' *Journal of Small Business Management* 49 (1): 9–26.
- Chen, C. C., P. G. Greene, and A. Crick. 1998. 'Does Entrepreneurial Self-Efficacy Distinguish Entrepreneurs from Managers?' *Journal of Business Venturing* 13 (4): 295–316.
- Chen, G., M. S. Gully, and D. Eden. 2001. 'Validation of a New General Self-Efficacy Scale.' *Organizational Research Methods* 4 (1): 62–83.
- Cooper, R. D., and C. W. Emory. 1995. *Business Research Methods*. 5th Ed. Chicago: Irwin.
- Davidsson, P., and J. Wiklund. 1997. 'Values, Beliefs and Regional Variations in New Firm Formation Rates.' *Journal of Economic Psychology* 18 (2–3): 179–99.
- De Noble, A. F., D. Jung, and S. B. Ehrlich. 1999. 'Entrepreneurial Self-Efficacy: The Development of a Measure and its Relationship to Entrepreneurial Action.' In *Frontiers of Entrepreneurship Research 1999*, edited by R. D. Reynolds, W. D. Bygrave, S. Manigart, C. M. Mason, G. D. Meyer, H. J. Sapienza, and K. G. Shaver, 73–87. Waltham, MA: P & R Publications.
- DiMaggio, P. J., and Powell, W. 1983. 'The Iron Cage Revisited, Institutional Isomorphism and Collective Rationality in Organizational Fields.' *American Sociological Review* 48:147–60.
- Dipboye, R., and M. Flanagan. 1979. 'Research Setting in Industrial and Organizational Psychology: Are Findings in the Field More Generalizable Than in the Laboratory?' *American Psychologist* 34:141–50.
- Douglas, E. J., and D. A. Shepherd. 2002. 'Self-Employment as a Career Choicer: Attitudes, Entrepreneurial Intentions and Utility Maximization.' *Entrepreneurship Theory and Practice* 26 (3): 81–90.
- Drucker, P. 1979. *The Practice of Management*. London: Pan Books.
- Dutta, D. K., and S. Thornhill. 2007. 'The Evolution of Growth Intentions: Toward a Cognition-Based Model.' *Journal of Business Venturing* 23 (3): 307–32.
- Earley, P. C., and S. Ang. 2003. *Cultural Intelligence: Individual Interactions across Cultures*. Palo Alto, CA: Stanford University Press.
- Edelman, L. F., C. G. Brush, T. S. Manlova, and P. G. Greene. 2010. 'Start-up Motivations and Growth Intentions of Minority Nascent Entrepreneurs.' *Journal of Small Business Management* 48(2): 174–96.
- Erk, N., and S. F. Erk. 2011. 'Business Startups: Cultural-Economic Controversy.' *Managing Global Transitions* 9 (1): 3–13.
- Freeman, J., G. R. Carroll, and M. T. Hannan. 1983. 'The liability of New-

- ness: Age Dependence in Organizational Death Rates.' *American Sociological Review* 48 (5): 692–710.
- Gauteng Provincial Government. 2008. *Provincial Economic Review and Outlook*. Marshall Town: Gauteng Provincial Government.
- Hao, Z., S. E. Seibert, and G. E. Hills. 2005. 'The Mediating Role of Self-Efficacy in the Development of Entrepreneurial Intentions.' *Journal of Applied Psychology* 90 (6): 1265–72.
- Harding, R. 2006. *Social Entrepreneurship Monitor*. United Kingdom: London Business School.
- Hemmasi, M., and M. Hoelscher. 2005. 'Entrepreneurship Research, Using Students as Proxies for Actual Entrepreneurs.' Paper presented at the 50th Annual Conference of the International Council for Small Business, Washington, DC, 15–20 June.
- Herrington, M., J. Kew, and P. Kew. 2010. *Global Entrepreneurship Monitor*. Cape Town: UCT Centre for Innovation and Entrepreneurship.
- Jeffs, L. 2006. 'Social Entrepreneurs and Social Enterprises: Do They Have a Future in New Zealand.' Paper presented at the International Council for Small Business World Conference, Melbourne, 18–21 June.
- Johnson, S. 2000. 'Literature Review on Social Entrepreneurship.' Discussion paper, Canadian Centre for Social Entrepreneurship, School of Business at the University of Alberta, Edmonton.
- Kirzner, I. M. 1979. *Perception, Opportunity, and Profit*. Chicago: Beard Books.
- Kramer, M. R. 2005. 'Measuring Innovation: Evaluation in the Field of Social Entrepreneurship.' Skoll Foundation, Palo Alto, CA.
- Krueger, N. F. 2000. 'The Cognitive Infrastructure of Opportunity Emergence.' *Entrepreneurship Theory and Practice* 24 (3): 5–23.
- Krueger, N. F., and D. V. Brazael. 1994. 'Entrepreneurial Potential and Potential Entrepreneurs.' *Entrepreneurship Theory and Practice* 18 (3): 91–105.
- Krueger, N. F., and P. R. Dickson. 1994. 'How Believing in Ourselves Increases Risk Taking: Self-Efficacy and Perceptions of Opportunity and Threats.' *Decision Sciences* 25 (3): 103–23.
- Luthans, F., A. D. Stajkovic, and E. Ibrayeva. 2000. 'Environmental and Psychological Challenges Facing Entrepreneurial Development in Transitional Economies.' *Journal of World Business* 35 (1): 95–117.
- Mair, J., and Marti, I. 2006. 'Social Entrepreneurship Research: A Source of Explanation, Prediction, and Delight.' *Journal of World Business* 41:36–44.
- Manolova, T. S., R. V. Eunni, and B. S. Gyoshev. 2008. 'Institutional Environments for Entrepreneurship: Evidence from Emerging Economies in Eastern Europe.' *Entrepreneurship Theory and Practice* 32 (1): 203–18.

- Markman, G. D., D. B. Balkin, and R. A. Baron. 2002. 'Inventors and New Venture Formation: The Effects of General Self-Efficacy and Regretful Thinking.' *Entrepreneurship Theory and Practice* 27 (2): 149–65.
- Naudé, W. 2007. 'Peace, Prosperity, and Pro-Growth Entrepreneurship.' Discussion Paper 2007/02, United Nations University, Helsinki.
- . 2009. 'Entrepreneurship is not a Binding Constraint on Growth and Development in the Poorest Countries.' Research Paper 2009/45, United Nations University, Helsinki.
- Nga, J., and G. Shamuganathan. 2010. 'The Influence of Personality Traits and Demographic Factors on Social Entrepreneurship Start up Intentions.' *Journal of Business Ethics* 95 (2): 259–82.
- Nicholls, A. 2011. 'Social Enterprise: At the Forefront of Rethinking Business.' *Journal of Social Entrepreneurship* 2 (1): 1–6.
- North, D. 1990. *Institutions, Institutional Change, and Economic Performance*. New York: Norton.
- Nunnally, J. C. 1978. *Psychometric Theory*. 2nd Ed. New York: McGraw-Hill.
- Peredo, A. M., and J. J. Chrisman. 2006. 'Toward a Theory of Community-Based Enterprise.' *Academy of Management Review* 31 (2): 309–28.
- Rozin, P. 1976. 'The Evolution of Intelligence and Access to the Cognitive Unconscious.' In *Progress in Psychobiology and Physiological Psychology*, edited by J. M. Sprahue and A. N. Epstein, 245–80. New York: Academic Press.
- Rwigema, H., B. Urban, and R. Venter. 2010. *Entrepreneurship Theory in Practice*. Johannesburg: Oxford University Press.
- Scott, W. R. 1995. *Institutions and Organizations*. Thousand Oaks, CA: Sage.
- Shane, S., E. A. Locke, and C. J. Collins. 2003. 'Entrepreneurial Motivation.' *Human Resource Management Review* 13 (2): 257–79.
- Sharir, M., and M. Lerner. 2006. 'Gauging the Success of Social Ventures Initiated by Individual Social Entrepreneurs.' *Journal of World Business* 41 (1): 6–20.
- Stajkovic, A. D., and F. Luthans. 1998. 'Self-Efficacy and Work Related Performance: A Meta-Analysis.' *Psychological Bulletin* 124 (2): 240–61.
- Starr-Glas, D. 2011. 'Trust in Transactional and Relationship Marketing: Implications in a Post-Crisis World.' *Managing Global Transitions* 9 (2): 111–28.
- Stiglitz, J. 2006. 'Civil Strife and Economic and Social Policies.' *The Economics of Peace and Security Journal* 1 (1): 6–9.
- Stinchcombe, A. L. 1965. 'Social Structures and Organizations.' In *Handbook of Organizations*, edited by J. G. March, 142–93. Chicago: Rand-McNally.

- Šušteršič, J., P. Wostner, and T. B. Valič. 2010. 'Qua Vadis, Slovenia? Between Framework Conditions and Internal Capabilities.' *Managing Global Transitions* 8 (4): 21–34.
- The Economist*. 2006. 'The rise of the social entrepreneur.' 23 February. <http://http://www.economist.com/node/5517666>
- Urban, B. 2006. 'Entrepreneurship in the Rainbow Nation: Intentions and Entrepreneurial Self-Efficacy across Cultural Groups.' *Journal of Developmental Entrepreneurship* 11 (1): 3–14.
- . 2008. 'Insights into Social Entrepreneurship and Associated Skills.' *International Journal of Entrepreneurial Behavior and Research* 14 (5): 346–64.
- Urban, B., J. van Vuuren, and J. Barreira. 2008. 'High-Growth Entrepreneurs: The Relevance of Business Knowledge and Work Experience on Venture Success.' *Journal of Contemporary Management* 5:58–71.
- Vecchio, R. P. 2003. 'Entrepreneurship and Leadership: Common Trends and Common Threads.' *Human Resource Management Review* 13 (2): 303–27.
- Weerawardena, J., and G. S. Mort. 2006. 'Investigating Social Entrepreneurship: A Multidimensional Model.' *Journal of World Business* 41 (1): 21–35.
- Welter, F., and D. Smallbone. 2011. 'Institutional Perspectives on Entrepreneurial Behavior in Challenging Environments.' *Journal of Small Business Management* 49 (1): 107–25.

The Impact of Social Responsibility Vision and Strategy on Successful Corporate Operations

Anton Peršič
Mirko Markič

The aim of our research was to study the impact of social responsibility vision and strategy on successful corporate operations by taking into consideration the completeness and co-independence of socially responsible conduct, as well as following the principles and components of social responsibility on an organization's sustainable development. Familiarization with an organization's strategy allows us to fulfil the company's vision and achieve its goals. The data and information were gathered using the quantitative research method, by means of a questionnaire, which was distributed among 759 large and medium-sized organisations in the market services sector in the Republic of Slovenia. We have identified that there is a direct impact of fulfilling the vision, strategy, and co-independence between social responsibility factors on successful corporate operations, in particular on the revenue ($p = 0.017$), profit ($p = 0.003$), and operational economy ($p = 0.019$). Research results provide theoretical as well as practical benefits for everyone involved with the planning, implementation and control of sustainable development, as well as socially responsible conduct within the organization.

Key Words: social responsibility; operational success; sustainable development; market services

JEL Classification: L80; Q01; M11; M14

Background

Organisations that include the vision and strategy of socially responsible conduct into their business plans run a successful business. However, the fulfilment of the organization's goals also significantly improves the experience of customers, employees, and other stakeholders in a social

Anton Peršič is Head of Standardization in Zavarovalnica Triglav, Slovenia.

Dr Mirko Markič is Professor at the Faculty of Management, University of Primorska, Slovenia.

Managing Global Transitions 11 (1): 27–40

environment. An implemented vision and strategy of excellence in organizational management, as well as of socially responsible conduct, can serve as the foundation of an organization's long-term development and growth. According to historical data, every society fails when social responsibility as the crucial element of ethical attitude disappears, since it prevents narrow-minded and short-lived selfishness (Mulej and Hrast 2012). The paradigm of social responsibility in general is gaining popularity within the global social environment (Avolio and Gardner 2005). The focus is shifting towards the organization's management of employee motivation and constant adaptation to market demands (McAlister, Ferrell, and Ferrell 2005; Amabile and Kramer 2007; Daft 2010; Yukl 2010), towards new technological advances, innovativeness, sustainable development of the organization (Wilson 2010), and generally towards the knowledge management of the organization's workforce (Hron 2004; Ortenblad 2004; Nohria, Groysberg, and Lee 2008; Dimovski et al. 2010; Gomezelj Omerzel and Ellemose Gulev 2011). In addition, the demands and expectations of consumers are constantly changing. They require employees of these organizations to constantly adapt to the social environment, they demand an approach to the operational development as well as the creation of added value that is increasingly innovative (Schwarz and Carroll 2003; Kottler and Lee 2004; Kaplan and Norton 2006; Jeston and Nelis 2008; Markič et al. 2012).

In the current economic situation in the European Union, it is being explicitly emphasized that socially responsible conduct by organizations is no longer an isolated or a self-sufficient initiative to change the business environment. It is rather a suitable tool for resolving critical socially economic issues in the society (Mulej and Hrast 2012). The principles and guidelines of social responsibility are outlined in the most recent release of the ISO 26000 standard, which links the principles of management with the business excellence model EFQM (Commission of the European Communities 2001; ISO 26000 2010). The latter is especially important in the service industry, since services are provided by suitably qualified and motivated employees. That is why mutual trust, personal and business reputation, as well as ethical operations of an organization and its employees, are the basic conditions that need to be fulfilled in order to ensure a successful cooperation with consumers in the long-term (Celinšek and Markič 2008; Bavec 2012).

Social responsibility is defined in ISO 26000 (2010, clause 2.18) as the responsibility of an organization for the impacts of its decisions and ac-

tivities on society and the environment through transparent and ethical behaviour that:

- contributes to sustainable development;
- takes into account the expectations of stakeholders;
- is in compliance with applicable laws and consistent with international norms of behaviour;
- and is integrated throughout the organization and practised in its relationships.

An organization's sustainable growth, according to ISO 26000 standard (2010, clause 2.23), is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development is about integrating the goals of a high quality of life, health and prosperity with social justice and maintaining the earth's capacity to support life in all its diversity. However, it is also important to be engaged in ethical conduct in accordance with accepted principles of fair and qualitative performance in certain circumstances, and in accordance with international norms of behaviour. These are the starting points for an organization's long-term success and business excellence, which are achieved through team operation and management of employees, creativity and employee motivation, interpersonal co-operation and trust, personal responsibility and excellency of each individual in the organization (Windsor 2006; Nohria, Groysberg, and Lee 2008).

Successful organizations propel the development of business excellence and social responsibility models for a comprehensive improvement of the competitiveness of a state. The EFQM business excellence model can serve as an example of integration and as a system for the improvement of an organization's operational success on the basis of the integration of models and leadership standards (Bukovec and Markič 2008; Rusjan and Castka 2010). Numerous studies worldwide and in Slovenia confirm that the connection between social responsibility and economic success has been identified (Kern Pipan 2010). Bakker states that 127 empirical studies were reviewed in 2003. Mostly, they confirmed the positive link between individual key components of social responsibility and the financial success of an organization (Bakker 2008). International studies on the meaning of social responsibility and its impact on the operational success of companies have also been conducted. They included organizations in the Republic of Slovenia (KPMG 2008) that firstly

demonstrated very limited awareness and generally seriously inadequate reporting on the crucial meaning of social responsibility principles and their consideration in their business environment. What is more, organizations merely acknowledged socially responsible conduct as highly limited forms of sponsorships and donations to non-governmental organizations and associations. They were mostly unfamiliar with environmental aspects, sustainable development, excellence, and the improvement of operations. Bodlaj also identified the direct connection between the market focus of an organization in the social environment, innovations, and business excellence. Integrated standards of managing an organization have been established as the starting point of this link (Bodlaj 2009).

In Slovenia, a formal quality and excellence strategy until 2015 has already been developed (SFBE 2011). In addition, a national strategy of social responsibility according to the international standard ISO 26000 (2010) has been drawn up as an upgrade of excellence models, which significantly supports the resolution of the global social and economic crisis under the current circumstances. But in fact, no real effect has been observed in business practices, especially in terms of understanding the meaning and benefits of sustainable reporting on socially responsible conduct, whereas this is the most evident in the service sector (Fink Babič and Biloslavo 2012). The latter can even be the key to economic development and the growth of the entire society, especially under these critical economic circumstances. Innovations and a revamp of business processes, suitable employee motivation, on-going upskilling of managers and the whole workforce, development and research, as well as creating higher added value in the operations of an organization are inevitable in order to enable the organization's long-term development and growth (Kottler and Lee 2004; Visagie, Linde, and Havenga 2011; Verle, Markič, and Kodrič 2012).

As part of the study of the impact of a social responsibility vision and strategy, we created the following hypothesis H1: 'Organizations which incorporate social responsibility principles into their strategies have more successful operations.'

Therefore the purpose of this article is to research the impact of the vision and strategy of socially responsible conduct, and the meaning of management completeness and co-independence on the operational success of medium-sized and large organizations within the market services sector in the Republic of Slovenia.

Methodology, Research Questions and Research Context

The research methodology is a quantitative methodology as described by Easterby-Smith, Thorpe, and Jackson (2008). For this research, we compiled a questionnaire based on the existing measurement tools and studies, the Horus award (Mulej and Hrast 2012), and the impact of constant improvements and human capital on the business excellence of an organization (Kern Pipan 2010). In order to measure business excellence, we used the indicators obtained from the questionnaire-based data (realized sales, profit, growth, number of employees) and specialist literature to calculate the productivity and economy of the company. The questionnaire was electronically implemented in the Fluid Surveys software environment.

In all developed economies, services in general represent the biggest and growing economic sector from the perspective of employment, social capital, and added value. That is why the competitiveness of services is the key determining factor of growth and welfare in modern economies. Furthermore, services that are directly linked to products or production also play an important role in ensuring the competitiveness of the industrial sector. The employment potential of the services sector has been changing significantly over the last 50 years. According to Eurostat data for 2011 (<http://epp.eurostat.ec.europa.eu>), the employment share in the services sector in Slovenia is 67.26%, whereas the average number in the EU member states is as high as 76.98% (in 2008, the average was 75.79%) – this figure is highest in the most well developed EU member states. A very important role of social capital in the global economy plays the field of ‘market services’ as defined by the Panorama of European Business. For EU member states, the share of ‘market services’ in the total capital raised in 2011 was 48.09%, whereas it was 43.45% for Slovenia, which represents an increase from 42.29% in 2008.

According to the official data of the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES), there were a total of 759 registered companies under the ‘market services’ designation (according to the 2008 Standard Industrial Classification of the Republic of Slovenia under the codes D through N) in the Republic of Slovenia on 31 March 2012 – 635 medium-sized (50–249 employees) and 124 large (more than 250 employees). When sampling the organizations for the study, we examined the crucial impact of market services or services as sources of income provided by medium-sized and large companies on

the social product creation, their immediate influence on socially responsible conduct, and their fundamental focus on the expertise and certification of quality standards as well as the EFQM business excellence model. There are virtually no micro or small organizations in the field of 'market services' (with less than 50 employees) whose conduct and reporting on socially responsible conduct would have a significant impact, or that have obtained quality certificates or other excellence models in Slovenia. Nor do they boast of awards from the Republic of Slovenia for Business Excellence. By sampling the organizations in the study in this way, we could more reliably confirm the impact of the vision, strategy and co-dependence of socially responsible conduct in the field of market services that have the strongest impact on the social environment.

Within the poll that was carried out in September 2012, we distributed the questionnaire among 759 organizations registered in the 'market services' sector. The questionnaire was in general addressed to senior executives (members of the management board, executive officers) as the representatives of management, who also carry the greatest responsibility, while also in possession of the most power and resources for taking the principles of social responsibility into consideration, and for the operational success of their organization. The purpose of the questionnaire was a written assessment of the impact of social responsibility vision and strategy on successful corporate operations and the sustainable development of an organization. On completion of the poll, the data were exported from the 'FluidSurveys.si' environment and imported into the SPSS software suite. All gathered primary data were statistically analysed using suitable descriptive and inferential statistics. We used a normality test (the Kolmogorov-Smirnov Test and the Shapiro-Wilk Test) to examine the distribution of the gathered data and to determine the statistical characteristic in most cases (one-way *t*-test). Using the Spearman's rank correlation coefficient, we examined the connection between the aspects of the vision and strategy of socially responsible conduct within the organization and in the social environment. Using the independent samples nonparametric test (Kruskal-Wallis), we examined the existence of characteristic differences with regard to the activity sector, size, productivity, efficiency, and ownership of the organization.

Results

136 participants across all fields of 'market services' activities in the Republic of Slovenia completed the full questionnaire. The highest number

TABLE 1 Share of organizations participating in the research

Field of activity	Share (%)
Commerce (G)	14.0
Finance and insurance (K)	14.0
Other various business activities (N)	14.0
Transport and storage (H)	10.3
Professional, scientific and technical activities (M)	10.3
Electricity, gas and steam supply (D)	8.1
Water supply, sewage treatment (E)	8.1
Construction (F)	8.1
Hospitality (I)	6.6
Information technology and communication (J)	3.7
Real estate (L)	2.2
Declined to respond	0.7

(19 each) were executives from the fields of commerce, banking and insurance, as well as various other fields of economic activity (14% of all participants each). 41 questionnaires (31.2%) were filled out by representatives of large organizations (more than 250 employees), 67.7% of participants were members of top management, 69.1% of participants held at least a bachelor's degree or an equivalent level of tertiary education. The average age was 44 years and the average years of employment in the company they run was 14 years. The number of participants (136) out of a total 759 invited organizations equates to 17.9% uptake, which is acceptable for the integrity of the statistical analysis of data from this research. The structure of the participating organizations in% by field of activity is shown in table 1.

Using descriptive statistics, we wanted to assess how the goals of an implemented social responsibility vision and strategy impact on the success of corporate operations and the sustainable development of an organization in the opinion of the participants, how they fulfil the needs of consumers and other stakeholders, environmental protection and energy consumption reduction, the importance of the know-how of employees, and especially the values, culture and ethics of business cooperation in a social environment – shown in table 2. With the one-way *t*-test, we assessed whether all dimensions of the 'Vision' index had been assessed statistically normally.

TABLE 2 Descriptive statistics – social responsibility vision and strategy

Vision, strategy	(1)	(2)	(3)	(4)	(5)
The developed social responsibility strategy is directed towards the financial success of the operations and the sustainable development of the organization.	136	4.4	5.0	5	0.640
The organization's management strategy is based on the satisfaction of consumers and other stakeholders.	136	4.3	4.0	5	0.700
Our organization's vision and strategy include requirements for energy consumption reduction and environmental protection.	136	4.2	4.0	5	0.842
The business strategy for all employees in the organization includes the VCEN principles (values, culture, ethics, and norms).	136	4.1	4.0	5	0.935
Our organization's management strategy emphasizes the meaning of intellectual capital, i. e. employee knowledge, competences and skills.	136	4.1	4.0	4	0.826
The vision and strategy of our organization's operations include the principles of social responsibility as the key factor of successful operations.	136	3.9	4.0	4	0.846
The organization's management strategy is directed towards the integration of quality standards and the business excellence model.	136	3.8	4.0	4	0.899
The organization's management strategy provides comprehensive reporting on the achievements of socially responsible conduct to the employees and the external public.	136	3.7	4.0	4	1.039
The management has presented the strategies and goals to all employees, who also understand and implement them in daily practice.	136	3.6	4.0	3	0.832
The strategy of our organization's operations systematically supports cooperation in the form of sponsorship and donations to organizations and associations in the social environment.	136	3.4	3.0	3	1.024

NOTES Column headings are as follows: (1) *N*, (2) mean, (3) median, (4) mode, (5) standard deviation.

Using the Spearman's rank correlation coefficient, we examined whether the orientation of the organization's vision and strategy is linked to the features of the company (revenue, profit, growth, number of employees, economy) – shown in table 3.

With the Kruskal-Wallis test, we also assessed if there are any differences between individual activity sectors and with regard to the owner-

TABLE 3 Spearman's rank correlation coefficient – vision and characteristics of companies

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>r</i>	0.214	0.272	0.166	0.076	0.168	0.220
<i>p</i>	0.017	0.003	0.065	0.382	0.064	0.019
<i>N</i>	123	114	124	134	122	113

NOTES Column headings are as follows: (1) vision, (2) revenue, (3) profit, (4) operational growth, (5) number of employees, (6) productivity, (7) economy.

TABLE 4 Descriptive statistics – completeness and co-independence of social responsibility

<i>N</i>	Min.	Max.	Mean	Std. dev.
135	3	5	4.27	0.637

TABLE 5 Spearman's rank correlation coefficient – the importance of completeness and co-independence of social responsibility for the characteristics of companies

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>r</i>	0.208	0.211	0.102	0.203	-0.011	0.092
<i>p</i>	0.021	0.024	0.260	0.019	0.904	0.332
<i>N</i>	123	114	124	133	122	113

NOTES Column headings are as follows: (1) completeness and co-independence, (2) revenue, (3) profit, (4) operational growth, (5) number of employees, (6) productivity, (7) economy.

ship of the company. Both tests have shown that there are no statistically normal differences with regard to the activity sector ($p = 0.375$) and the ownership ($p = 0.059$).

During the further course of the research, we also wanted to assess the impact of the completeness and co-independence of social responsibility on promoting innovations, affecting successful corporate operations, and an organization's sustainable development – the results of the descriptive statistics are shown in table 4.

Using the Spearman's rank correlation coefficient, we wanted to assess whether the factor of completeness and co-independence of social responsibility is in any way connected with the characteristics of companies – with a company's revenue ($p = 0.021$), profit ($p = 0.024$), and number of employees ($p = 0.019$). We therefore sought to determine if acknowledging the importance of completeness and co-independence of

TABLE 6 Spearman's rank correlation coefficient: The correlation between the 'vision' index (incorporation of social responsibility into the company's strategy and vision) and financial indicators

(1)	(2)	(3)	(4)	(5)	(6)
<i>r</i>	0.214	0.272	0.166	0.168	0.220
<i>p</i>	0.017	0.003	0.065	0.064	0.019
<i>N</i>	123	114	124	122	113

NOTES Column headings are as follows: (1) vision, (2) revenue, (3) profit, (4) operational growth, (5) productivity, (6) economy.

TABLE 7 Spearman's rank correlation coefficient: The correlation between the 'principles' index (following the principles of social responsibility in accordance with ISO 26000) and financial indicators

(1)	(2)	(3)	(4)	(5)	(6)
<i>r</i>	0.284	0.392	0.240	0.159	0.284
<i>p</i>	0.001	0.000	0.007	0.080	0.002
<i>N</i>	123	114	124	122	113

NOTES Column headings are as follows: (1) vision, (2) revenue, (3) profit, (4) operational growth, (5) productivity, (6) economy.

social responsibility in large 'market services' companies impacts the operational results, which was demonstrated using the Spearman's rank correlation coefficient in table 5.

With the Spearman's rank correlation coefficient, we also assessed the hypothesis H1: 'Organizations which incorporate social responsibility principles into their strategies have more successful operations.' We wanted to find out if adopting the principles of social responsibility in accordance with ISO 26000 (2010) and the introduction of social responsibility into the organization's strategy and vision correlate with the financial operational indicators – revenue, profit, operational growth, productivity, and economy, which is shown in tables 6 and 7.

Discussion

The study results have confirmed the findings of the survey respondents that they have a well-developed operational vision and strategy in their organization, which are directed into the implementation of socially responsible conduct. All the items in the research that evaluate the 'Vision' dimension were rated very highly. What is more, the participants often believe that the social responsibility strategy of their organization is ac-

tually oriented towards its financial success and sustainable development. An organization's financial performance is a long-term implementation of its strategy and vision, and continuous improvement in the efficiency of business processes in order to meet the fixed objectives.

The survey respondents also believe that their organization's management strategy is based on the satisfaction of consumers and other stakeholders, and that it already includes the requirements to reduce energy consumption and aim towards environmental protection. The strategy itself to a large extent includes the VCEN principles (values, culture, ethics, and norms). For operational success, the organization's intellectual capital also plays a key role in achieving the objectives, i. e. the know-how, skills and experience. The one-way *t*-test, which was actually statistically normal for all items ($p = 0.000$) as well as yielding a positive *t* value, tells us that all the items received an above-average rating.

General perceptions of the impact of the completeness and co-independence of social responsibility on promoting inventions and innovations, as well as the influence on the company's successful corporate operations, are very positive, e. g. almost 90% of all participants either 'agree' or 'strongly agree' with the statement. When analysing the research results with regard to the characteristics of the company and financial indicators, we ascertained that the companies with higher revenue, profits and a larger workforce to a larger extent believe that the completeness and co-independence of social responsibility factors promote inventions and innovations, as well as positively impacting on the operational success of the organization.

Results from our research are mostly in line with the findings from other studies, especially those that included organizations from Slovenia (KPMG 2008; Kern Pipan 2010; Mulej and Hrast 2012). The results state that the management in numerous organizations has developed the vision and strategy of socially responsible conduct, and respects the completeness and co-independence of management in practice, which directly impacts on better operational results. The results of the research also confirm the findings that the implementation of principles and components of socially responsible conduct in accordance with ISO 26000 are actually linked to the size and success of an organization with regard to its revenue, profit and operational growth.

When assessing hypothesis H1 we were able to use the Spearman's rank correlation coefficient of the correlation between the 'Vision' index (incorporation of social responsibility into the company's strategy and vi-

sion) and financial indicators to confirm the statistical normality of the indicators Revenue ($p = 0.017$), Profit ($p = 0.003$) and Economy ($p = 0.019$). We have also confirmed the second hypothesis, which states that the organizations which adopt social responsibility principles in practice to a larger extent also achieve better results – they have higher revenue ($p = 0.001$), record operational growth ($p = 0.007$), are economical ($p = 0.002$), and in particular generally ($p = 0.000$) record higher profits.

The improvement and enhancement of the effects of adopting the vision and strategy of socially responsible conduct, which are presented in this research, can be directed towards improving communication between employees and consumers in the given social environment, into even higher investments into the know-how and qualifications of employees, as well as into the use and integration of existing management standards and models of excellence. Through proper planning and implementation of the strategy, as well as through completeness and co-independence of social responsibility, an organization's management can improve operational results and ensure long-term sustainable development, which is of the utmost importance during an economic crisis.

However, the research is limited by the inclusion of only the responsible persons from larger organizations from the field of market services, as well as the fact that mainly only members of the management participated, who are also responsible for the implementation of the strategy in their organizations. Opportunities for further research in other fields or activities can be found in the 'real sector' and smaller organizations.

References

- Amabile, T. M., and J. S. Kramer. 2007. 'Inner Work Life: Understanding the Subtext of Business.' *Harvard Business Review* 12 (5): 72–83.
- Avolio, B. J., and W. L. Gardner. 2005. 'Authentic Leadership Development: Getting to the Root of Positive Forms of Leadership.' *The Leadership Quarterly* 16 (3): 315–38.
- Bakker, M. 2008. 'Ethics and Financial Performance: The Big Question – Is There Really a Business Case?' [Http://www.ethicalcorp.com/communications-reporting/ethics-and-financial-performance-big-question-%E2%80%93-there-really-business-case](http://www.ethicalcorp.com/communications-reporting/ethics-and-financial-performance-big-question-%E2%80%93-there-really-business-case)
- Bavec, C. 2012. 'Social Responsibility and Professional Ethic in Management: Some Empirical Evidences at Country Levels.' *Managing Global Transitions* 10 (4): 361–77.
- Bodlaj, M. 2009. 'Link Between the Market Focus, Innovations and Operational Success: Conceptual Model and Empirical Examination.' PhD thesis, University of Ljubljana.

- Bukovec, B., and M. Markič. 2008. 'The Level of Integration of Various Models for Organizational Change Management in Slovenian Organizations.' *International Journal of Business and Systems Research* 2 (4): 431–46.
- Celinšek, D., and M. Markič. 2008. 'Implementing Problem-Based Learning in a Higher Education Institution.' *International Journal of Management in Education* 2 (1): 88–106.
- Commission of the European Communities. 2001. 'Green Paper: Promoting a European framework for Corporate Social Responsibility.' COM(2001) 366 final, Commission of the European Communities, Brussels.
- Daft, R. L. 2010. *New Era of Management*. Mason, OH: South-Western.
- Dimovski, V., B. Grah, S. Penger, and J. Peterlin. 2010. 'Authentic Leadership in Contemporary Slovenian Business Environment: Explanatory Case Study of HERMES SoftLab.' *Organizacija* 43 (5): 214–23.
- Easterby-Smith, M., R. Thorpe, and D. R. Jackson. 2008. *Management Research*. 3rd rd. London: SAGE.
- Fink Babič, S., and R. Biloslavo. 2012. 'Sustainable Reporting by Companies: Opportunities and Challenges.' *Organizacija* 45 (1): 14–26.
- Gomezelj Omerzel, D., and R. Ellemose Gulev. 2011. 'Knowledge Resources and Competitive Advantage.' *Managing Global Transitions* 9 (4): 335–54.
- Hron, J. 2004. 'New Economy and Manager Behaviour Changes.' *Czech* 50 (1): 1–46.
- ISO 26000. 2010. 'Social Responsibility.' Slovenian Institute for Standardization, Ljubljana.
- Jeston, J., and J. Nelis. 2008. *Management by Process*. 2nd ed. Oxford: Elsevier.
- Kaplan, R., and D. Norton. 2006. 'How to Implement a New Strategy Without Disrupting Your Organization.' *Harvard Business Review* 84 (3): 100–9.
- Kern Pipan, K. 2010. *Summary of the Key Findings of the Research on the Usage of Tools for Constant Improvements with the Focus on Quality and Excellence Improvements in Slovenian Companies*. Ljubljana: Ministry of Higher Education, Science and Technology, Metrology Institute of the Republic of Slovenia.
- Kottler, P., and N. Lee. 2004. *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause*. Hoboken, NJ: Wiley.
- KPMG. 2008. 'International Survey of Corporate Responsibility Reporting.' <http://www.kpmg.com/CN/en/IssuesAndInsights/ArticlesPublications/Documents/Corporate-responsibility-survey-200810-0.pdf>
- Markič, M., M. Meško, Z. Meško Štok, and S. Markič Hrast. 2012. 'Influence

- of Different Components of Organizational Support for Project Management on Success of the Project Realization in Institutes of Public Health.' *African Journal of Business Management* 6 (9): 3156–63.
- McAlister, D. T., O. C. Ferrell, and L. Ferrell. 2005. *Business and Society: A strategic Approach to Social Responsibility*. New York: Houghton Mifflin.
- Mulej, M., and A. Hrast. 2012. *(Supra)national Strategy of Social Responsibility against Global Poverty amidst Abundance: Essays on Social Responsibility*. CD-ROM. Maribor: Institute for the Development of Social Responsibility.
- Nohria, N., B. Groysberg, and L. Lee. 2008. 'Employee Motivation: A Powerful New Model.' *Harvard Business Review* 86 (7–8): 78–84.
- Ortenblad, A. 2004. 'The Learning Organization: Towards an Integrated Model.' *The Learning Organization* 11 (2–3): 129–30.
- Rusjan, B., and P. Castka. 2010. 'Understanding ISO's 9001 Benefits and Research through an Operations Strategy Framework.' *Managing Global Transitions* 8 (1): 97–118.
- Schwarz, S. M., and A. B. Carroll. 2003. 'Corporate Social Responsibility: A Three Domain Approach.' *Business Ethics Quarterly* 13 (4): 503–30.
- SFBE. 2011. 'Excellence One Toolkit for Corporate Social Responsibility.' SFPO and IRDO, Ljubljana.
- Verle, K., M. Markič, and B. Kodrič. 2012. 'Competences of Slovenian Managers and Organizational Structure.' *Organizacija* 45 (1): 2–13.
- Visagie, J., H. Linde, and W. Havenga. 2011. 'Leadership Competencies for Managing Diversity.' *Managing Global Transitions* 9 (3): 225–47.
- Wilson, F. M. 2010. *Organizational Behaviour and Work*. New York: Oxford University Press.
- Windsor, D. 2006. 'Corporate Social Responsibility: Three Key Approaches.' *Journal of Management Studies* 43 (1): 93–114.
- Yukl, G. 2010. *Leadership in Organizations*. Upper Saddle River, NJ: Pearson Prentice Hall.

A Theoretical and Empirical Analysis of Gender Differences within the African Business Environment

Herman Linde
Renjini Alex
Felicity van Vrede
Werner Havenga
Jan C. Visagie

The objective of this exploratory study was to determine whether there are any differences in the use of conflict-handling (management) styles between men and women among entrepreneurs of small businesses in South Africa, and to compare the results against the conflict-handling styles used by male and female executives in organisations in Nigeria. The empirical research was done by applying the Rahim Organizational Inventory (ROCI) model. The results revealed that, although slight, a variance in conflict-handling styles exists between males and females, respectively. In South Africa, females tend to make use of the integrating style on a more frequent basis than males do to manage conflict with subordinates. Males registered a strong negative correlation between integrating, dominating and compromising styles. The study also compared results of a similar study done on executives in Nigeria. The results of the Nigerian sample are similar to that of the South African sample, in that both males and females tend to use the integrating style more frequently. Also, there is a slight indication that Nigerians have marginally lower concern for self than South Africans do.

Key Words: organisation; conflict management styles; relationships
JEL Classification: J16; D74

Dr Herman Linde is Senior Lecturer at the School of Human Resource Sciences, North-West University, South Africa.

Renjini Alex is Lecturer at the Faculty of Management, University of Johannesburg, South Africa.

Felicity van Vrede is Lecturer at the School of Human Resource Sciences, North-West University, South Africa.

Dr Werner Havenga is Professor at the School of Human Resource Sciences, North-West University, South Africa.

Dr Jan C. Visagie is Director of the School of Human Resource Sciences, North-West University, South Africa.

Introduction

In developing countries, small business has evolved to become the panacea to socio-economic challenges and plights (Klapper and Parker, 2011; Sherifat 2013). Considered as a panegyric surge to larger industries, unemployment and the broader community, the significance of the small business is internationally recognised as a prolific contributor to development. However, despite acclaim received, the rate of failure for small businesses escalates comparatively higher in developing than in developed countries (Sherifat 2013). In specific, the micro-environment of the business has (among other factors) attracted attention as a source of organisational demise. Ndubisi (2013) proffers that a cognitive structure based on gender and relational demographics can impact processes of an interpersonal and organisational nature, including efficiency goals evident in communication, cooperation, satisfaction and performance.

Being the most populous African country and the eighth largest exporter of petroleum in the world, Nigeria is considered a force to be reckoned with. Besides South Africa, it is one of few African countries with a mature business environment and a stable government. Despite the geographical distance between the two countries, global players view both countries as access points into Africa. Invariably, international renown is bestowed as a result of a coalescence of human rights based on an increased awareness of equalitarian rights and discrimination practices. With due regard to the competitive environment in which businesses have to profitably operate, researchers have furthered investigation into the influences of gender and cultural differences on organisational performance and competence (Francis 2004; Davis, Capobianco, and Kraus 2010; Kark, Wiasmel-Manor, and Shamir 2012; Ramadoss and Rajadhyaksha 2012). Subsequently, the ascertaining of gender dynamics in workplace conflict bears plausible apperception, especially when taking into account the ostensible consequence response behaviour, role expectations and decision-making implications present with concerned role-players and the organisation (Davis, Capobianco, and Kraus 2010).

This article takes a look at the influence of gender on conflict management styles in the business environment in South Africa and reports the differences with which genders handle conflict situations in the workplace. Furthermore, the conflict management styles of the South African and Nigerian workforce are compared to establish whether there are similarities in conflict management styles of the labour force in the two most

prominent African countries within the business scenario. The purpose of this article is to uncover similarities (if any) between the two nations.

A Theoretical Analysis

A tangible inter-related relationship between the 'macro-' (industry and societal) and 'micro-' (organisational) levels is observed and perceived precarious when threatened by intra-organisational conflict (Ndubisi 2013). Therefore, conflict management has innately been applauded as an indispensable managerial skill that simultaneously facilitates prevention on the one hand, while enhancing efficiency and customer service on the other (Manyak and Kantono 2010; Ndubisi 2013).

Over the years, interest has grown in the determination of the influence of workplace conflict on the organisation. A variety of studies have been conducted on conflict and justice (Ohbuchi, Suzuki and Hayashi 2001), conflict of interests and objectives (Vilaseca 2002), and managing constructive (functional) and destructive (dysfunctional) conflict (Jehn 1995; Pelled, Eisenhardt, and Xin 1999), styles of handling interpersonal conflict (Jehn, Northcraft, and Neale 1999), resolution strategies in conflict situations (Van De Vliert and Euwema 1994), as well as theories of conflict management (Rahim 2002). It appears from previous literature that conflict management (strategies and techniques) has been studied at length (Havenga 2005).

Key to conflict management is the realisation that the managers spend approximately 20% of their time resolving conflict (Applebaum, Abdallah, and Shapiro 1999). This contributes to the ascertaining of positive correlations between the two dimensions, which in turn explains that when substantive conflict inflicts an impediment, increased affective conflict can also be noticed (Rahim 2002). It is of utmost importance to determine, not only the type of conflict, but also the dimensions of workplace conflict. Value can extend from the determination of the type of conflict to the various organisational levels in order to execute different types of conflict handling styles (Rahim 1986). In apposition, Brenner, Tomkiewics, and Shein (1989) suggest that the possibility of gender differences be duly considered when deliberating the ability to manage conflict. Management must determine whether conflict has a negative or positive effect, not only on the organisational performance, but also on the individuals (Rahim 2002). Dimensions of conflict that are useful for conflict management include, among others: task and emotional conflict (Ross and Ross 1989), cognitive and affective conflict (Amason 1996),

and task and relationship conflicts (Jehn 1997). Affective and substantive conflict accounts for differential effects in organisations and also affects the management of interpersonal conflict within the work environment (Jehn 1995; Pearson, Ensley, and Amason 2002).

Challenged by accelerating levels of unemployment, poverty and low skill levels, policymakers in developing countries have noted the benefit of encouraging women to participate in the growth and development of an economy (Nwoye 2007; Klapper and Parker 2011). Carrieri et al. (2013) assert that once women have entered the labour market, upward immobility denigrates impartial empowerment of women, thereby rendering gender studies a prerogative. The pursuant significance of noting gender differences in the workplace is therefore nestled in the yielded inferences displayed in specific conflict behaviour, and whether such inferences are gender specific. Brewer, Mitchell, and Weber's (2002) research extends to topics such as gender role conflict, organisational status, and conflict handling styles. They highlight two theoretical perspectives to explain conflict handling within different genders. These perspectives focus on the influence of gender role orientation on the one hand, while the other emphasises organisational status. Notably, Sherifati (2013) contend that empirical data on factors influencing gender differences as experienced in small businesses has escaped the focus and attention of social researchers. Similarly, studies on gender differences in conflict resolution strategies in Africa appear to be non-existent (Manyak and Kantono 2010). As such, Ehigie and Umoren (2003) have collated research from various Nigerian cultures, such as the Yoruba, Ibo, Hausa and Bini, where women have had to engage in a 'non-career occupations' like that of the small business entrepreneur. Invariably, the skill of managing a business effectively and efficiently is crucial to attain entrepreneurial success. Although an entrepreneur is said to possess specific traits, women are generally regarded as incompetent on account of irrational, emotional and even temperamental behaviour.

The inherent differences between men and women and the different conflict handling styles should not be lightly dismissed. Different expectations conveyed elicit diverse reactions from key role-players in the workplace. This seemingly has contributed to the perpetuation of gender stereotyping in an already deemed masculine work environment. Subsequently, women are described as being sensitive and empathetic towards subordinates and peers thereby promoting collective inter-personal relationships. They are said to favour collaborating and compromising conflict styles, while mediating with transformative and process-focused in-

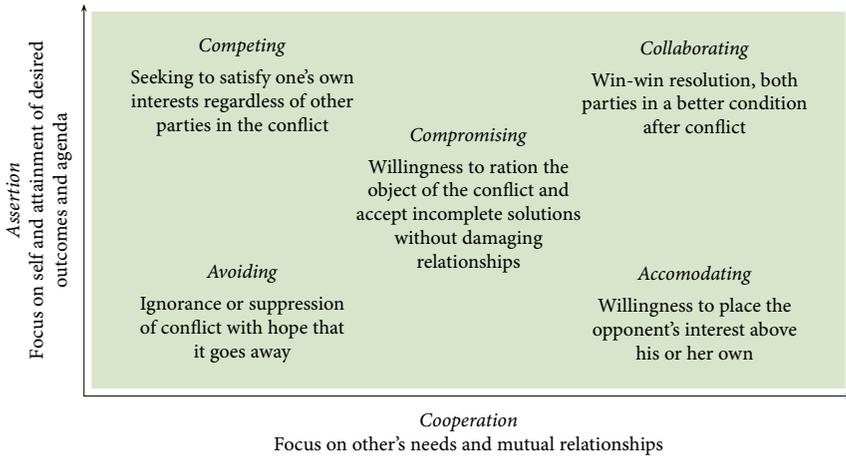


FIGURE 1 Conflict-management styles (adapted from Thomas and Kilmann 1974)

terventions. In comparison, men are regarded as self-centred and career orientated, thereby portraying themselves as agentic and destructive. An expression of anger by men denotes competence, while in women it symbolises emotional instability. Men endorse conflict-managing styles of avoidance and competition, and apply a more rights-based mediation approach.

However, substantial evidence does acknowledge men and women entrepreneurs to be psychologically on par with one another, in some instances even elevating the female counterpart as effectively superior in managerial skills and competence (Ehigie and Umoren 2003). Notwithstanding, previous research has recorded that the survival, growth and profit of women-owned small business are handicapped by external limitations, for instance female subordinates significantly challenge and exhibit behaviour of displeasure towards female managers (Nwoye 2007; Davis, Capobianco, and Kraus 2010; Klapper and Parker 2011; Ramadoss and Rajadhyaksha 2012). Comparatively, researchers such as Braidford, Stone, and Tesfaye (2013) and Booysen and Nkomo (2010) confirm that the ‘think manager-think male’ mantra continues to serve as a means by which women have adapted themselves to managerial strategies of ‘transformational leadership’ or ‘participatory management.’

Kark, Wiasmel-Manor, and Shamir (2012) juxtapose the above-mentioned with contemporary perceptions that preferably attach feminine and masculine characteristics rather than biological traits to a position. Androgyny describes the degree to which a focal role perceives him- or herself as an entity with blended instrumental (independent, assertive,

logical, competitive and task-driven) and expressive (emotional, sensitive and caring) traits. This is clearly evident within the upper levels of the organisational hierarchy where a convergence of male and female conflict styles is to be noted (Davis, Capobianco, and Kraus 2010). A causal nexus is accordingly detected between the transformational leadership style and leadership effectiveness (Kark, Wiasmel-Manor, and Shamir 2012). Nevertheless, Davis, Capobianco, and Kraus (2010) maintain that in the long run gender roles impact behaviour, even small gender differences as sensed by peers, subordinates and senior colleagues are considered to have extensive effects.

Invariably, conflict has the potential to negatively affect productivity, work performance and job satisfaction. Conflict can be an obstacle to upholding interpersonal relationships and job satisfaction. These negative effects show the importance of empirical studies on conflict. Studies need to focus on different facets of conflict, including appearance, causes, emotional effects, cognitive motivation and behavioural aspects (Nauta and Kluwer 2004).

The objective of this study was to firstly, through a thorough theoretical analysis, do a literature review on the current research and viewpoints on the underlying variables of the study in order to provide sufficient background and knowledge of the fundamentals of the topic. In the second phase in order to meet the primary objective a cross-comparison was done using secondary data obtained by one of the authors in a study done on gender differences within an small business in South Africa (Havenga 2005) and data obtained from a study done by Osisioma in Nigeria one year later, using the same instrument and methodology to obtain the data on which the this study's comparison was done. The research method of the study done by Havenga has been re-visited in the section below as well as Osisioma's study on the partial re-visit of methodology.

A sub-objective would be to compliment or reject previous studies' results that concluded that within the work-environment females are more inclined to use the cooperative, obliging and avoiding styles, while males are dominating.

Research Design and Methodology

RESEARCH PROPOSAL

In a study done by one of the authors in 2008, in which quantitative approach was followed, the data generated was used to provide results on the gender differences in conflict-handling styles within a South African

small business. Participants were surveyed by means of a standardised instrument of which the results were presented using descriptive group statistics and correlations. The comparative analysis was done using the results of the Nigerian study conducted in 2009. The methodology utilised is explained in the sections below.

PARTICIPANTS

The population in the survey consisted of 56 Caucasian entrepreneurs. Randomly, from a total of 102 small businesses, a sample of 68 was taken from a geographical area of South Africa. The questionnaire was completed by 82.4% ($n = 56$) of the respondents. Sorenson (1999) indicated that a response of this size is acceptable and the low response rate in small business is common to this sector. In his study, he only used 59 participants and indicated it as a usable response (Sorenson 1999). According to the biographical data, 73.2% of the respondents are males. Those respondents fewer than 11 years in the business were 48.2%, and those above total 51.8%. The participants fall into different age groups, namely 36 years (30.4%); 36 to 45 years (28,6%); and 41.0% are 46 years and older. From this data sample, it was deduced that 57.2% of the businesses employ 1 to 10 employees, while a remnant of 42.8% employ more than 10 persons.

Retail, namely 39.3%, was by far the largest represented industry in the survey, followed by 19.6% in the automobile and 7.15% in the restaurant industries. As indicated by the data gathered, the gender composition of the study group was strongly biased towards males. A skew trend was also noticeable with participants above 36 years of age (69.6%).

MEASURING INSTRUMENTS

A variety of measuring instruments were applied in the course of this study. It includes Blake and Mouton's (1964) two-dimensional grid, Hall's (1969) Conflict Management Survey Model, the Thomas-Kilmann (1974) conflict model, Rahim Organizational Conflict Inventory – II (Rahim 1983), and the Dutch Test for conflict handling (Euwema and Van de Vliert 1990). Notably, Thomas and Kilmann (1978) aver that Hall's model proved to have some disappointing psychometric qualities. Similarly, Nauta and Kluver (2004) debunked the Dutch test for conflict handling, explaining that it was of dubious nature when measuring an all-circumferencing behavioural model. The Rahim's ROC II instrument has

also been questioned in the sense that it lacks optimal psychometric properties.

The Rahim instrument has a higher internal consistency coefficient than the Thomas-Kilmann instrument, according to Ben-Yoav and Bonai's (1992) studies. Meyer (2004), in recent studies, used four conflict-handling style, while Euwema, Van der Vliert and Bakker (2003) made use of seven conflict-handling styles.

It was decided, after consultation, that the high reliability coefficient of the ROC II instrument would be sufficient to reach the objectives of this study. Great success was achieved in the measuring of interpersonal conflict among supervisors, subordinates and peers within the working environment. A 28-item standardised questionnaire was used to measure the five styles of interpersonal conflict handling. Five-point Likert-type scales were used to do the measuring. Higher scores were noted with an increased use of conflict handling styles (Rahim 2002; Rahim and Magner 1995):

- *Integration*: Demonstrates a profound concern for self and others, reflecting a consent rate on problem-solving in a collaborative fashion.
- *Obliging*: Indicates a high concern for the other party and a low concern for self. Accommodation, non-conformation, lose-win style.
- *Domination*: Low concern for opposing party and a high concern for self. Zero-sum, control, competing and a lose-win style.
- *Avoiding*: Low concern for self and other party. Withdrawal or ignoring, inaction.
- *Compromising*: Moderate concern for self and other party. Sharing or give-and-take.

RELIABILITY AND VALIDITY

The SPSS program was used to analyse the information that was gathered. To determine the reliability of the instrument, the Cronbach alpha coefficient was used. Specialists in the field assisted with the face-value of the instrument to assure validity. Construct validity was calculated by applying factor analyses to the items in the questionnaire.

The Cronbach alpha coefficient for each of the ROC sub-scales reported ranged from 0.77 to 0.83 (integrating), 0.68 to 0.72 (obliging), 0.75 to 0.79 (dominating), 0.72 to 0.86 (avoiding); and 0.67 to 0.76 (compromising). The statistical analyses yielded a five-factor solution with all

items being between 0.65 and 0.83. From the analysis it was clearly indicated that the lowest reliability value was 0.65 (compromising) and the highest 0.84 (integrating) and could be considered as acceptable.

Results of Empirical Study and Comparative Analysis

RESULTS OF EMPIRICAL STUDY

A statistical analysis was done on the data gathered from the application of one or more conflict management styles as influenced by a prevalence of a specific gender type.

The analysis of the study related compilations whereby entrepreneurs in small and medium-sized businesses tend to be more integrating/collaborative ($M = 1.87$, $SD = 0.87$) and less dominating/competitive ($M = 2.93$, $SD = 0.94$). In an analogous study by Sorenson (1999), small and medium-sized business owners (59 Caucasians) inferred means and standard deviations of 4.08 and 0.84 for integrating and 2.3 and 0.94 for dominating. Reasonable trends of descriptive statistical comparison regarding the other three conflict-handling styles were indicated in the study. A comparison of descriptive statistics regarding the other three conflict-handling styles showed a reasonably similar trend. Avoiding's $M = 3.20$ and $SD = 0.99$ compared to Sorenson's results of $M = 3.030$ and $SD = 0.89$; and Obliging's $M = 2.71$, $SD = 0.71$ compared to $M = 3.85$ and $SD = 0.81$ of Sorenson. In the case of the compromising style, $M = 2.25$ and $SD = 0.67$; with Sorenson recording $M = 3.65$ and $SD = 0.80$, although not completely a baseline with which to compare the small business in general. No distinction was made between gender and age.

Tables 1 and 2 present the comparison of the various conflict handling styles within the small business context and against a backdrop of a 'gender' variable.

No significant statistical differences between the two genders were generated. The integrating dependant showed a minimal effect size of 0.118. None of the others were less than 0.1. Despite the fact that the integrating conflict-handling style had a statistically significant difference, it had a small effect size. The females make use of the integrating style on a more frequent basis than males do in order to manage conflict situations in the business. The mean for females was 1.724 and for males 1.900, considering that 1 has the highest and 5 the lowest meaning which is an indication that the integrating handling-style is used more frequently than their male counterparts in a conflict-situation.

TABLE 1 Descriptive group statistics among South African entrepreneurs

Factor	(1)	(2)	(3)	(4)	(5)
Integrating	M	40	1.900	0.731	0.115
	F	14	1.724	0.377	0.100
Avoiding	M	39	3.166	1.054	0.168
	F	13	3.256	0.851	0.236
Dominating	M	41	2.917	0.896	0.140
	F	14	3.014	1.091	0.291
Obliging	M	41	2.707	0.689	0.107
	F	14	2.654	0.769	0.205
Compromising	M	39	2.179	0.633	0.101
	F	14	2.285	0.535	0.143

NOTES Column headings are as follows: (1) gender, (2) *n*, (3) median, (4) standard deviation, (5) standard error mean.

TABLE 2 Descriptive statistics among South African entrepreneurs

Factor	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Integrating	5.098	0.028	0.855	52	0.396	0.175	0.205	0.118
Avoiding	1.368	0.248	-0.278	50	0.782	-0.089	0.323	0.039
Dominating	1.266	0.266	-0.331	53	0.742	-0.097	0.293	0.045
Obliging	0.454	0.504	0.239	53	0.812	0.052	0.219	0.033
Compromising	0.625	0.433	-0.559	51	0.579	-0.106	0.190	0.078

NOTES Column headings are as follows: Levine's test for *E* of *V*: (1) *F*, (2) significance; *T*-test for quality of means: (3) *t*, (4) *df*, (5) sig. (2-tailed), (6) median difference, (7) standard error difference, (8) directional measures value.

When measured in terms of significant differences, the five conflict-handling styles, as used by both female and male respondents, showed an equitable yield.

In tables 3 and 4, the parametric (Pearson) and non-parametric (Spearman) inter-correlations with normal data distribution were carried out for both gender groups. Consistency exists with regard to the inter-correlations, except for the obliging conflict-handling style where a significant negative correlation (-0.583) is registered with the Pearson correlation against the dominating factor at p (sig) < 0.05.

It was determined that females varied between the integrating and avoiding style by registering a significant negative correlation (-0.699). The compromising and obliging styles showed a significant positive relationship of 0.584, with the integrating style (a high concern for oneself

TABLE 3 Inter-correlations of conflict-handling styles of South African male entrepreneurs

Variable		(1)	(2)	(3)	(4)	(4)
(1) Integrating	<i>r</i>					
	<i>Srho</i>					
(2) Avoiding	<i>r</i>	-0.193				
	<i>Srho</i>	-0.171				
(3) Dominating	<i>r</i>	-0.630**	0.150			
	<i>Srho</i>	-0.652**	0.165			
(4) Obliging	<i>r</i>	0.480**	0.282	-0.167		
	<i>Srho</i>	0.473**	0.296	-0.196		
(5) Compromising	<i>r</i>	0.650**	-0.080	-0.345*	0.404*	-
	<i>Srho</i>	0.646**	-0.074	-0.330*	0.377*	-

NOTES *r* = Pearson Parametric correlation, *Srho* = Spearman non-parametric correlation, ** correlation is significant the 0.01 level (two-tailed), * correlation is significant at the 0.05 level (two-tailed).

TABLE 4 Inter-correlations of conflict-handling styles of South African female entrepreneurs

Variable		(1)	(2)	(3)	(4)	(4)
(1) Integrating	<i>r</i>					
	<i>Srho</i>					
(2) Avoiding	<i>r</i>	-0.699**				
	<i>Srho</i>	-0.641**				
(3) Dominating	<i>r</i>	-0.320	0.085			
	<i>Srho</i>	-0.288	0.226			
(4) Obliging	<i>r</i>	0.303	0.283	-0.583*		
	<i>Srho</i>	0.441	0.031	-0.508		
(5) Compromising	<i>r</i>	0.242	0.025	-0.376	0.584*	-
	<i>Srho</i>	0.174	0.079	-0.388	0.594	-

NOTES *r* = Pearson Parametric correlation, *Srho* = Spearman non-parametric correlation, ** correlation is significant the 0.01 level (two-tailed), * correlation is significant at the 0.05 level (two-tailed).

and for others) pronouncedly more dominant. This could explain why a negative correlation exists.

A person using the avoiding conflict-handling style has a low concern for the individual he/she is in conflict with as well as with himself/herself. The obliging and compromising styles, on the other hand, are closely related to the extent that both have a low to moderate concern for self and

the other party. Both of these styles are to a certain extent accommodating having an ‘I give some and I take some’ attitude.

The dominating conflict-handling style on the other hand has a ‘high concern for myself’ and a ‘low concern for the other individual’ mind-set. In the study it is shown that a strong negative correlation of -0.630 have been recorded among the male respondents.

The handling-styles integrating and obliging (0.480), compromising (0.650) at the p (sig) < 0.01 , and compromising and obliging (0.404) at the p (sig) < 0.05 level yielded a significant positive correlation. The obliging style shows a form of behaviour that is similar to that of ‘ingratiation.’ According to Friedman, Curral, and Tsai (2000) ingratiation tactics sets out to try and convince the other party that you think favourably of them and their ideas which sets out to produce a positive effect in others and decreases conflict between parties.

RESULTS OF COMPARATIVE ANALYSIS

Data from the study on Nigerian executives was compared to the data of South African entrepreneurs regarding gender differences in interpersonal conflict-handling styles in the work-environment. Please note that the Likert scale was also used in this study. However, while a higher score indicated greater use of a conflict management style in the study done in South Africa, a lower score indicates greater use of a conflict management style in the study done in Nigeria.

Findings of the study revealed that Nigerian executives used the integrating/collaborating conflict-handling style to a greater extent ($M = 4.40$, $SD = 0.78$) and to a lesser extent the competing/dominating ($M = 2.96$, $SD = 1.12$). This is slightly different from the trends displayed by the South African entrepreneurs, where the least preferred conflict management style is avoiding/neglecting.

Another inference made from this comparative analysis is that the preferences of conflict management styles of both genders in South Africa are similar and the same is also true for the Nigerian executives. Therefore, despite gender differences, both males and females within a specific country indicate the same conflict management style. This demonstrates that even though there are slight variations in conflict management styles between genders, when compared externally, the gender differences are not that drastic.

A comparison of descriptive statistics of the other three conflict-handling styles between South African entrepreneurs and Nigerian ex-

TABLE 5 Comparison of descriptive group statistics between South African entrepreneurs and Nigerian executives

Conflict-handling style		South African entrepren.			Nigerian executives		
		<i>n</i>	M	SD	<i>n</i>	M	SD
Integrating	M	40	1.900	0.731	277	4.40	0.781
	F	14	1.724	0.377	145	4.39	0.721
Avoiding	M	39	3.166	1.054	277	2.96	1.122
	F	13	3.256	0.851	142	3.13	1.040
Dominating	M	41	2.917	0.896	277	3.12	1.004
	F	14	3.014	1.091	143	2.99	0.911
Obliging	M	41	2.707	0.689	277	3.75	0.885
	F	14	2.654	0.769	142	3.61	0.761
Compromising	M	39	2.179	0.633	277	3.53	0.980
	F	14	2.285	0.535	142	3.45	1.022

ecutives showed a reasonably similar trend. A related inclination arose with the remaining three handling-styles. After integrating, Nigeria’s executives prefer obliging, compromising and avoiding ($M = 3.75, 3.53, 3.12$ and 2.96 , respectively), in that order of conflict management styles. This is slightly different from the South African order of preference, which is compromising, obliging, dominating and avoiding ($M = 2.179, 2.707, 2.917$ and 3.166 , respectively).

Discussion

One of the objectives of this comparative study was to measure gender differences in conflict-handling styles in the work-environment. It became clear that entrepreneurs of small businesses, whether male or female, except for the ‘integrating style,’ use the remaining four different conflict-handling styles to the same extent. The results of this study confirm Rahim’s (1983) findings, which affirm that females have a more cooperative (integrating/collaborating) orientation to conflict-handling than males do. In contrast, Bedell and Sistrunk (1973) maintain that females are more competitive (dominating). However, Brewer, Mitchell, and Weber’s (2002) study found that obliging (accommodating) and avoiding styles are more consistent with females.

In this study as supported by other studies mentioned above it showed that the dominating (competing) conflict-handling style was applicable to the male respondents. Masculine individuals adopting a dominating style highlighted the content of Portello and Long’s gender studies

(1994). In the present study, the dominating behaviour appears consistent with a masculine gender role; while within the female gender role, the prevalence of obliging and avoiding conflict-handling styles is derived. It should be noted again that it was found that a significant positive correlation exists between compromising and obliging ($r = 0.584, p < 0.05$) for females. In the case of males, a strong negative correlation exists between the dominating and integrating styles ($r = -0.630, p < 0.01$) and compromising ($r = -0.345, p < 0.05$).

Another objective of this paper was to compare the handling styles of male and female South African entrepreneurs against those of male and female Nigerian executives. Overlooking the gender and observing the two groups in general, although both groups mostly prefer the integrating conflict management style, the South African entrepreneurs prefer the conflict management styles in the following order: integrating, compromising, obliging, avoiding and dominating. Therefore, South African entrepreneurs exhibit a more cooperative approach with less assertion. Nigerian executives, on the other hand, prefer integrating, obliging, dominating, compromising and avoiding styles, in that order. This indicates that Nigerian executives demonstrate slightly higher levels of assertion.

When comparing female South African entrepreneurs and Nigerian executives, we found that both prefer using the integrating conflict management style. Both groups depict high levels of cooperation, although female Nigerian executives tend to be more dominating than female South African entrepreneurs. Male South African entrepreneurs used the compromising conflict management style more as compared to male Nigerian executives who prefer using the integrating conflict management style. Both groups show high levels of cooperation and moderate levels of assertion.

Conclusion

In summary, this study paid attention to conflict handling styles as exercised by the various genders and by the owners/managers of small businesses. This study also compares the conflict management patterns of entrepreneurs in South Africa and executives in Nigerian organisations. When looking at the results of this study, it is evident that it is consistent with similar studies and in other cases differences were found.

It appears as if the use of styles according to which conflict is handled based on gender does not differ much. It did, however, appear as though women more often than men made use of the integrating style. In both

South Africa and Nigeria, the use of other conflict handling styles with regard to gender did not differ significantly. The integrating and dominating styles appear to be the conflict handling styles that are used most often. Since the integrating style indicates medium levels of assertion and cooperation and the dominating style indicates high levels of assertion and low levels of cooperation, it can be stated that the general trend is towards higher levels of assertion and lower levels of cooperation. An emphasis is placed on the fact that the dominating style appears to be the least appropriate style to handle conflict; furthermore, individuals who make use of the conflict handling style are also less 'open for new experiences.' Rahim (1992) also indicates that the dominating style leads to an increase in frustration, thereby leading to more conflict.

Often, conflict management experts suggest 'avoidance' to be non-constructive, because this style benefits neither avoidance nor the other party involved in interpersonal conflict. They suggest coaching the person who uses the 'avoiding style' to become collaborative and in that way the individual will strive to be assertive with his/her own interests and cooperative in assisting the other party to achieve his/hers (Barsky and Wood 2005). It should be noted that the larger effects of avoidance include isolation, barriers to sharing important information and passive resistance (De Long and Seeman 2000).

When comparing the conflict management styles of South African entrepreneurs and Nigerian executives, both female South African entrepreneurs and female Nigerian executives prefer using the integrating conflict management style, depicting high levels of cooperation, although female Nigerian executives tend to be more dominating than female South African entrepreneurs. Male South African entrepreneurs tend to use the compromising conflict management style more compared to male Nigerian executives, who prefer using the integrating conflict management style. Both groups show high levels of cooperation and moderate levels of assertion. Therefore, in general, disregarding gender, South African entrepreneurs exhibit a more cooperative approach with less assertion, whereas Nigerian executives demonstrate higher levels of assertion. This could be due to cultural differences or the level of competitiveness in the market.

From the above, it can be construed that relatively few studies have themed an evaluation of the different aspects of conflict dynamics in small businesses. Although this study is explorative in nature, it displays a practical view of interpersonal conflict, specifically regarding gender and the application of conflict management styles.

The necessity of broadening this type of study on a more concentrated quantitative scale is a future prospect that requires development. The adaptable flexibility of such a study can be expediently linked to variables of cultural diversity and race, and may also divulge valuable information on conflict-handling styles used by employees of small businesses in interpersonal workplace conflict situations. The integration of such knowledge into training programmes would not only enhance the quality of working relationships, but would also help to decrease conflict and enhance work performance and productivity.

Limitations and Recommendations

Findings on the Havenga study were based on a purely Caucasian (White) group of participants. Among the group of 56 respondents, no Asians, black Africans or coloureds were to be found. There is no mention about the race of the participants in the study done by Osisioma (2009) either. Therefore, in the comparative study, no cultural influences could be accounted for. Booysen and Nkomo (2010) stress that gender and culture are an ‘inter-related axis of social structure’ or ‘interlocking categories’ that cannot be separated from embedded stereotyped perceptions attached to a role within the organisation. This might limit the consistency of this study. Furthermore, Davis, Capobianco, and Kraus (2010) submit that gender-related research has yet to pioneer the application of gender stereotypes attached to a specific target by fractionally deflecting from the actual behaviour of the target. As the purpose of the article was to identify whether there are similarities and differences in conflict-handling styles within and between the different population groups, the researchers did not investigate the reasons behind the similarities nor investigated explanations as to why each gender predominantly uses specific conflict-handling styles.

Further studies could include executives from ‘western-’ and ‘eastern’ countries as well as developed- and developing countries to do a comparative analysis of conflict dynamics between these two different cultures. It is the wish of the researcher that this specific study be taken further and more comparisons be done with other African countries.

References

- Amason, A. C. 1996. ‘Distinguishing the Effects of Functional and Dysfunctional Conflict on Strategic Decision Making.’ *Academy of Management Journal* 39 (1): 123–48.

- Applebaum, H., C. S. Abadallah, and B. Shapiro. 1999. 'The Self-Directed Team: A Conflict Management Analysis.' *Team Performance Management* 5 (2): 60–77.
- Barsky, A. E., and L. Wood. 2005. 'Conflict Avoidance in a University Context.' *Higher Education Research and Development* 24 (3): 249–64.
- Bedell, J., and F. Sistrunk. 1973. 'Power, Opportunity Costs and Sex in a Mixed-Motive Game.' *Journal of Personality and Social Psychology* 25 (3): 219–26.
- Ben-Yoav, D., and M. Banai. 1992. 'Measuring Conflict Management Styles: A Comparison between the MODE and ROC – Instruments Using Self and Peer Ratings.' *International Journal of Conflict Management* 3 (3): 237–47.
- Blake, R. R., and J. S. Mouton. 1964. *The Managerial Grid*. Houston, TX: Gulf.
- Booyesen, L., and S. M. Nkomo. 2010. 'Gender Role Stereotypes and Requisite Management Characteristics: The Case of South Africa.' *Gender in Management: An International Journal* 25 (4): 285–300.
- Braidford, P., I. Stone, and B. Tesfaye. 2013. 'Gender, Disadvantage and Enterprise Support: Lessons From Women's Business Centres in North America and Europe.' *Journal of Small Business and Enterprise Development* 20 (1): 143–64.
- Brenner, D. C., J. Tomkiewicz, and V. N. Schein. 1989. 'The Relationship between Sex Role Stereotypes and Requisite Management Characteristics Revisited.' *Academy of Management Journal* 32 (3): 662–69.
- Brewer, N., P. Mitchell, and N. Weber. 2002. 'Gender Role Organizational Status, and Conflict Management Styles.' *The International Journal of Conflict Management* 13 (1): 78–94.
- Carrieri, A., P., A. P. R. Diniz, E. M. De Souza, and R. S. S. Menezes. 2013. 'Gender and Work: Representations of Femininities and Masculinities in the View of Women Brazilian Experiences.' *Brazilian Administration Review* 10 (3): 281–303.
- Davis, M. H., S. Capobianco, and L. A. Kraus. 2010. 'Gender Differences in Responding to Conflict in the Workplace: Evidence from a Large Sample of Working Adults.' *Journal of Sex Roles* 63:500–14.
- De Long, D., and P. Seeman. 2000. 'Confronting Conceptual Confusion and Conflict in Knowledge Management.' *Organizational Dynamics* 29 (1): 33–44.
- Ehigie, B. O., and U. E. Umoren. 2003. 'Psychological Factors Influencing Perceived Entrepreneurial Success among Nigerian Women in Small-Scale Businesses.' *Journal of International Women's Studies* 5 (1): 77–94.
- Euwema, M. C., and E. Van de Vliert. 1990. 'Gedrag en escalatie bij hiërarchisch conflicte.' *Toegepaste Sociale Psychologie* 4:28–41.

- Euwema, M. C., E. Van de Vliert, and A. B. Bakker. 2003. 'Substantive and Relational Effectiveness of Organizational Conflict Behaviour.' *The International Journal of Conflict Management* 14 (2): 119–39.
- Francis, D. 2004. 'Culture, Power Asymmetries and Gender in Conflict Transformation.' In *Transforming Ethnopolitical Conflict: The Berghof Handbook*, ed. A. Austin, M. Fischer and N. Ropers, 91–107. Wiesbaden: vs Verlag für Sozialwiss.
- Friedman, R. A., S. T. Tidd, S. C. Currall, and J. C. Tsai. 2000. What Goes Around Comes Around: The Impact of Personal Conflict Style on Work Conflict and Stress. *International Journal of Conflict Management* 11 (1): 32–55.
- Hall, J. 1969. *Conflict Management Survey*. Conroe, TX: Telometrics International.
- Havenga, W. 2005. 'A Comparative Analysis of Conflict Dynamics Within Public and Private Sector Organizations.' PhD dissertation, North-West University.
- Jehn, K. A. 1995. 'A Multimethod Examination of the Benefits and Detriments of Intragroup Conflict.' *Administrative Science Quarterly* 40 (2): 256–82.
- . 1997. 'A Qualitative Analysis of Conflict Types and Dimensions in Organization Groups.' *Administrative Science Quarterly* 42 (3): 530–57.
- Jehn, K. A., G. Northcraft, and M. Neale. 1999. 'Why Differences Make a Difference: A Field Study of Diversity, Conflict, and Performance in Work Groups.' *Administrative Science Quarterly* 44 (4): 741–63.
- Kark, R., R. Waismel-Manor, and B. Shamir. 2012. 'Does Valuing Androgyny and Femininity Lead to a Female Advantage? The Relationship between Gender-Role, Transformational Leadership and Identification.' *The Leadership Quarterly* 23:620–40.
- Klapper, L. F., and S. C. Parker. 2011. Gender and the Business Environment for New Firm Creation. *The World Bank Research Observer* 26 (2): 237–57.
- Manyak, T. G., and I. W. Katono. 2010. 'Conflict Management Style in Uganda: A Gender Perspective.' *Gender in Management: An International Journal* 25 (6): 509–21.
- Meyer, S. 2004. 'Organizational Response to Conflict: Future Conflict and Work Outcomes.' *Social Work Research* 28 (3): 183–90.
- Nauta, A., and E. Kluwer. 2004. 'The Use of Questionnaires in Conflict Research.' *International Negotiation* 9 (3): 457–70.
- Ndubisi, N. O. 2013. 'Role of Gender in Conflict Handling in the Context of Outsourcing Service Marketing.' *Journal of Psychology and Marketing* 30 (1): 26–35.
- Nwoye, M. 2007. 'Gender Responsive Entrepreneurial Economy of Nigeria:

- Enabling Women in a Disabling Environment.' *Journal of International Women's Studies* 9 (1): 167–75.
- Ohbuchi, K.-I., M. Suzuki, and Y. Hayashi. 2001. 'Conflict Management and Organizational Attitudes Among Japanese: Individual and Group Goals and Justice.' *Asian Journal of Social Psychology* 4 (2): 93–101.
- Osioma, H. E. 2009. 'Effect of Gender, Age, and Religion on Conflict Management Style in Nigerian Organizations.' *African Journal of Business and Economic Research* 4 (1): 90–105.
- Pearson, A. W., M. D. Ensley, and A. C. Amason. 2002. 'An Assessment and Refinement of John's Intergroup Conflict Scale.' *Journal of Conflict Management* 13 (2): 110–26.
- Pelled, L. H., K. M. Eisenhardt, and K. R. Xin. 1999. 'Exploring the Black Box: An Analysis of Work Group Diversity, Conflict and Performance.' *Administrative Science Quarterly* 44 (1): 1–28.
- Portello, J. Y., and B. C. Long. 1994. 'Gender Orientation, Ethical and Interpersonal Conflicts and Conflict Handling Styles of Female Managers.' *Sex Roles* 31 (11–2): 683–701.
- Rahim, M. A. 1983. 'A Measure of Styles of Handling Interpersonal Conflict.' *Academy of Management Journal* 26 (2): 368–76.
- . 1986. *Managing Conflict in Organizations*. New York: Praeger.
- . 2002. 'Toward a Theory of Managing Organizational Conflict.' *The International Journal of Conflict Management* 13 (3): 206–35.
- Rahim, M. A., and N. R. Magner. 1995. 'Confirmatory Factor Analysis of the Styles of Handling Interpersonal Conflict: First-Order Factor Model and Its Intervariance across Groups.' *Journal of Applied Psychology* 80 (1): 122–32.
- Ramadoss, K., and U. Rajadhyaksha. 2012. Gender Differences in Commitment to Roles, Work-Family Conflict and Social Support. *Journal of Social Science* 33 (2): 227–33.
- Ross, R. S., and J. R. Ross. 1989. *Small Groups in Organizational Settings*. Englewood Cliffs, NJ: Prentice Hall.
- Sherifat, Y. O. 2013. 'Gender Differentials in Factors Affecting Performance of Small-Scale Enterprises in Lagos State, Nigeria.' *Innovative Issues and Approaches in Social Sciences* 6 (2): 21–39.
- Sorenson, R. L. 1999. 'Conflict Management Strategies Used in Successful Family Business.' *Family Business Review* 12 (2): 133–46.
- Thomas, K. W. 1992. 'Conflict and Conflict Management: Reflections and Update.' *Journal of Organizational Behaviour* 13 (3): 265–74.
- Thomas, K. W, and H. R. Kilmann. 1974. *Thomas-Kilman Conflict MODE Instrument*. New York: Xicom.
- . Kilmann. 1978. 'Comparison of Four Instruments Measuring Conflict Behavior.' *Psychological Reports* 42 (3): 139–45.

Van de Vliert, E., and M. C. Euwema. 1994. 'Agreeableness and Activeness as Components of Conflict Behaviors.' *Journal of Personality and Social Psychology* 66 (4): 674–87.

Vilaseca, A. 2002. 'Stakeholder Role in Family Business: Conflict of Interests and Objectives between Non-Employed Shareholders and Top Management Team.' *Family Business Review* 15 (4): 299–320.

Brand Identity Development and the Role of Marketing Communications: Brand Experts' View

Nusa Petek
Maja Konecnik Ruzzier

Recently academics outlined the importance of brand relationships and brand experiences as building blocks of brand identities. New marketing communication tools, which enable interactions and consumer engagement, are among the most important tools mentioned for strengthening brand relationships and enhancing brand experiences by academics. Therefore the paper analyses the understanding of brand identity building blocks by brand experts and their usage of new marketing communication tools. Twelve in-depth interviews have been conducted among brand experts in Slovenia. Our findings imply that brand experts' knowledge about brand identity is not consistent with the newest brand identity conceptualizations, by not considering brand relationships and brand experiences as building blocks of brand identity. Even if new marketing communications have been adapted to the great extent, traditional marketing communication tools still prevail and therefore new marketing communication tools, especially mobile advertising is in majority still in its infancy.

Key Words: brand; brand identity; brand experts; marketing communications; Slovenia

JEL Classification: M310; M370

Introduction

In recent decades, branding has developed into the most dominant topic in marketing studies. According to the modern approach in branding academics study brands from the internal and external stakeholder perspective (de Chernatony and Harris 2000; Konecnik Ruzzier and Ruzzier 2009). On this basis a two-dimensional approach to branding became evident in the literature (Konecnik and Gartner 2007; Konecnik, Ruzzier,

Nusa Petek is Assistant at the Faculty of Economics, University of Ljubljana, Slovenia.

Dr Maja Konecnik Ruzzier is Associated Professor at the Faculty of Economics, University of Ljubljana, Slovenia.

Managing Global Transitions 11 (1): 61–78

and Ruzzier 2009; de Chernatony 2010) where on the one side the emphasis is centred on internal stakeholders and brand identity development (Kapferer 1997; de Chernatony 1999; Konecnik Ruzzier and Ruzzier 2009) and on the other side on external stakeholders and brand equity development (Keller 1993; Aaker 1996). From the internal stakeholder point of view researchers' aim is to define the process of brand identity building (Kapferer 1997; Aaker and Joachimsthaler 2000). Brand identity represents what the company wants the brand to stand for and is the driver for all brand-building efforts (Aaker and Joachimsthaler 2000). Therefore academics emphasise that brand identity should present a starting point for any brand building (Kapferer 1997; Aaker and Joachimsthaler 2000). Consequently the focus in the paper will be predominately based on brand identity view.

Also the connections among the constructs of brand identity and brand equity should be taken into consideration. Due to the belief of academics all marketing mix elements have an impact on brand equity (Yoo, Donthu, and Lee 2000; Heinonen and Strandvik 2005). Nevertheless, numerous academics outlined the crucial role of marketing communications in the brand building process (Madhavaram, Badrinarayanan, and McDonald 2005; Luo and Donthu 2006; Keller 2009). Marketing communications will present a second focal part in the paper since in the last decade they changed dramatically due to the emergence of information and communications technology (hereinafter: ICT) and the rise in the use of internet as a new medium (Winer 2009). There are immense differences in the combination of diverse marketing communication tools that are nowadays available to marketers. Moreover marketing communications nowadays travel in many directions and marketers cannot control them as easily as in the past (Winer 2009; Keller 2009).

Changes in the marketplace opened up numerous new research topics in marketing, where branding and marketing communications have one of the leading roles. The outlined topic is of a huge importance to scientific marketing research worldwide, which is evident also in Marketing Science Institute (2010) research priorities for the period from 2010 to 2012, where two among eight research priority topics outlined the importance of changes in marketing communications and the challenge of managing brands in the new, transformed marketplace. Therefore the aim of the paper is to examine and compare how the concept of brand identity is understood both in scientific papers and in practice. Furthermore we want also to reveal brand experts' opinions of new marketing communi-

cation tools and their views of future trends in marketing communications.

Brand Identity

Alike to initial brand definitions, which equated brands with visual elements (de Chernatony and McDonald 1992), also the earliest brand identity classifications equated brand identity with visual identity (van Riel and Balmer 1997). Even though visual identity has a huge importance in brand building, it represents only one component among all other elements that form brand identity (van Riel and Balmer 1997; de Chernatony 2010). The brand iceberg represents the recent view in brand identity theory, separating brand identity to its visible and invisible part, where the invisible part is gaining in importance (Davidson 1997).

Due to the vast importance of the topic there have been proposed several building blocks of brand identity, where the most focused on building blocks of corporate brand identity (Melewar 1993; van Riel and Balmer 1997). Furthermore academics focused mainly on product (Kapferer 1997; Aaker and Joachimsthaler 2000; de Chernatony 2010) or service (Kapferer 1997; Aaker and Joachimsthaler 2000; Jones 2000) brands and only a few on other brand types, like destination brands (Balakrishnan 2009; Konecnik Ruzzier and de Chernatony 2013). The comprehensive review of brand identity building blocks is presented in table 1. Brand identity building blocks differ greatly among authors, since they all together propose 42 building blocks of brand identity.

Mostly cited brand identity models are those of Ind (1997), Kapferer (1997), Aaker and Joachimsthaler (2000) and de Chernatony (1999), which emerged already a decade ago but are still highly used nowadays by both academics and practitioners. Nevertheless, due to our belief Konecnik Ruzzier and de Chernatony (2013) present the most comprehensive conceptualization of brand identity, since they stress the vast importance of all key stakeholders who define, live and implement the brand. Furthermore, they are the only authors who expose experiences as an integral part of brand identity. Their brand identity understanding could be therefore with some minor adjustments used for developing brand identity of all brand types, not only country brands, as proposed in their paper.

On the basis of the reviewed literature presented in table 1 we propose a new set of brand identity building blocks, which includes elements, proposed by the majority of authors. Proposed brand identity building blocks are vision, mission, values, personality and core competencies which are

TABLE 1 Brand identity building blocks

Author(s)	Brand identity building blocks	Model's name
Melewar 1993	Communications, design, culture (values, philosophy, mission, principles, country-of-origin, guidelines, history, founder, subculture), behaviour, structure, industry identity, strategy	Corporate identity
van Riel and Balmer 1997	Personality, behaviour, communication, symbolism	Corporate identity programme
Aaker 1996; Aaker and Joachimsthaller 2000	Brand as product, organization, person and symbol, value and benefits, credibility and relationships	Brand identity system
Kapferer 1997	Physique, personality, culture, customers' self-projection, customers' reflection, relationships	Brand identity prism
Ind 1997	Mission, philosophy, values, culture	Strategic corporate identity
de Chernatony 1999	Vision, culture, relationships, positioning, personality, presentation	Brand identity model
de Chernatony and Harris 2000	Vision, culture, positioning, personality, relationships, presentation	Brand identity
Jones 2000	Beliefs, capabilities, behaviours, environment	Brand identity triangle
Melewar and Jenkins 2002	Communication and visual identity, behaviour, corporate culture, market conditions	Corporate identity
Melewar and Karaosmanoglu 2006	Structure, design, strategy (positioning and differentiation), culture (mission, vision, values), behaviour, communications, industry identity	Corporate identity
Balakrishnan 2009	Vision, stakeholder management, customer targeting, positioning or differentiation, brand components, communication strategy	Branding strategy
de Chernatony 2010	Positioning, culture and vision, personality, presentation, relationships	Brand identity components
Konecnik Ruzzier and de Chernatony 2013	Benefits, mission, vision, values, distinguishing preferences, personality, experiential promise, emotional value, functional value, stakeholders	Destination brand identity model

evident in the most reviewed brand identity models. *Vision* represents the reason for the brand's existence and embodies its core values (Collins and Porras 1996). *Mission* is seen as the most essential element of brands' philosophy (Abratt 1989; Melewar and Karaosmanoglu 2006). Values should communicate functional, emotional or self-expressive benefits in order

to provide value and build brand-stakeholder relationships (Aaker 1996, 95–100). On the other side *personality* of a brand is a set of human traits associated with brands (Azoulay and Kapferer 2003, 151). Brand personality enables brands to build relationships with people that possess the same personality characteristics and therefore presents the basis for brand-consumer relationships (Aaker 1996, 84). *Core competencies* are strong, favourable and unique brand attributes or associations. They ought to be derived from the brand's vision and values (de Chernatony 1999).

Since both functional and emotional values enable stakeholders to recognize a promised brand experience (Christodoulides and de Chernatony 2004) we believe *brand experience* should be also incorporated into brand identity. Given that brands nowadays are no longer perceived as social objects but are socially constructed with consumer participation (Merrilees and Fry 2002), the main emphasis should be also devoted to building *brand relationships* (Fournier 1998; de Chernatony and Christodoulides 2004). The recent belief is that what defines brand identity are experiential promise and unique relationships among the brand and its stakeholders (de Chernatony and Christodoulides 2004; da Silva and Alwi 2008; Konecnik, Ruzzier, and de Chernatony 2013). Stakeholders are nowadays regarded not only as co-creators of brand experiences and relationships but should also contribute to brand identity creation. Consequently we believe experiential promise and relationships should be also considered as brand identity building blocks. Our proposed brand identity model therefore consists of brand vision, mission, values, personality, core competencies, experiences and relationships. Furthermore, as emphasised in the recent branding literature the brand should be communicated not only through visual elements, but also through brand story written for each key stakeholder group (Scott 1994; Barker and Gower 2010).

The Importance of Marketing Communication in Building Strong Brands

Communications are in general perceived as an activity that links people together and creates relationships (Duncan and Moriarty 1998). All brands' activities are believed to have a communication dimension (Duncan and Moriarty 1998; Heinonen and Strandvik 2005). Nevertheless, marketing communications are seen as a brands' 'voice' (Keller 2009) and are therefore perceived as a crucial strategic tool for building brands (Keller 1993; Naik and Raman 2003). Academics stress out that mar-



FIGURE 1 The role of marketing communication in two dimensional branding

keting communications contribute to brand building if they are based on unique brand identity (Aaker and Joachimsthaler 2000; de Chernatony 1999). The idea that marketing communications contribute to brand building was first presented in 1960s, when Joyce (1967) postulated the theory that advertising changes attitudes towards brands through the AIDA model (Argyriou, Kitchen, and Melewar 2005, 580). After that numerous theoretic models emerged in order to explain the impact of marketing communications on brands (Vakratsas and Ambler 1999). However, nowadays-marketing communications are believed to contribute to building high customer-based brand equity (Vakratsas and Ambler 1999; Yoo, Donthu, and Lee 2000). In figure 1 we present above presented process from brand identity development to brand equity building via marketing communications.

Traditionally brand experts could communicate with external stakeholders only by using mass communication approach, where communications travelled only from the company to the market (Keller 2010; Kumar 2010). Most of the attention was focused on TV advertising (Keller 1993; Aaker 1996). Nowadays-mass communications approach suddenly became a thing of the past. Communications are believed to be travelling in four diverse directions; among the brand and external stakeholders, among external stakeholders, among internal and external stakeholders and among brand and internal stakeholders. These communications are forming diverse interactions and diverse relationships (Keller 2009, 152). One of the biggest challenges in this new environment is how to manage diverse marketing communication options, since marketers cannot fully control them.

If we focus only on two marketing communication tools, advertising and word-of-mouth marketing, which are acknowledged to be the ones that have the biggest influence on brand equity, we can already see there have been many changes due to ICT (Ilfeld and Winer 2002). Advertising which was in the past communicated through four traditional mediums; television, radio, magazines, newspapers and outdoor, is nowadays referred as traditional advertising (Yoon and Kim 2001; Trusov, Buck-

lin, and Pauwels 2009). In the digital era new advertising mediums appeared; Internet and mobile phones and consequently online and mobile advertising emerged. Also traditional advertising mediums are changing, especially television advertising, which is with its additional functionalities becoming more and more adjusted to the digital era. Furthermore, word-of-mouth marketing, which was in the past only in the domain of consumers, in recent years occurred as a planned marketing communications activity and can be defined as the planned act of influencing consumer to consumer communications by engaging special word-of-mouth (hereinafter: WOM) marketing techniques, such as viral marketing, guerrilla marketing, buzz marketing or social media marketing (Kozinets et al. 2010). WOM in digital environments, named electronic word-of-mouth (hereinafter: eWOM) occurs in numerous online platforms like blogs, emails, consumer review websites, forums, virtual communities and social networking sites (Dwyer 2007; Chu and Kim 2011). eWOM represents a powerful tool, since it allows marketers to reach, listen and talk to consumers in order to gain better understanding about their needs, wants and purchase behaviour.

Research Methodology

In order to confirm proposed building blocks of brand identity and explore whether the opinion about the development in marketing communications is the same as proposed in the literature review, we took a qualitative approach, since it allows approaching complex phenomena in a systematic way (Gummesson 2005). In-depth interviews were used in order to capture understanding of brand experts about the topic. We considered brand experts' opinions to be the most appropriate for the interviews since they are the ones who deal with brands on a daily basis and also have the overall view about all brands' activities. All together there were twelve brand experts interviewed; among them five were entitled brand managers and seven marketing directors. In order that brand experts qualified into the sample, they should be frequently presented in marketing conferences as speakers or members of committee boards or should be at least mentioned in media several times regarding brand management of focal brands. Moreover we chose different brand profiles since we wanted to include diverse brand types and also brands with diverse market orientation. Respondent profiles are presented in table 2.

Interviews were semi-structured, tape-recorded and subsequently transcribed. Interviews lasted from 50 minutes to one hour and a half.

TABLE 2
Respondent profile

Category	Nr. of brand experts
<i>Title</i>	
Brand manager	5
Marketing director	7
<i>Organizations' market orientation</i>	
Global	5
Central and East European market	5
Only local	2
<i>Managed brand type</i>	
Low-involvement product brand	4
High-involvement product brand	3
Service brand	5
Destination brand	1

Content analysis was carried out. Content analysis seemed the most appropriate method for our analysis since it is usually based on specific research questions formed on the basis of the literature review (Carson et al. 2001; Harwood and Garry 2003).

Research Results

BRAND IDENTITY UNDERSTANDING

In the first part we wanted to find out how brand experts understand concept of brand identity, whether they use some other name for the same concept and what they regard as its building blocks. They were furthermore also asked to present identity of their own brand. We found out that the majority of brand experts use the concept of brand identity. Nevertheless, some of them use different names for the same concept, like brand essence, brand style, brand core and brand idea. Brand experts described what means brand identity with diverse descriptions but nevertheless they agree brand identity is the brand's core, its rules of behaviour, its distinguishing characteristics compared to other brands and the whole physical and emotional part attached to a product or other entity. In the words of one brand expert: 'I believe a concept of brand identity is similar to the concept of human identity. We like to talk or it is good when we talk about brands and all their identity characteristics in a manner of getting to know it and what identifies it.' Furthermore most of brand experts emphasised that brand identity is in their hands and they have

to 'write the rules' for the brand and its presence not only on the marketplace among external public but also among its internal stakeholders. They warned that all brands' activities should be connected in order to build a successful brand and also that in the end consumers are the ones who have a major role in deciding whether the brand will succeed on the marketplace or not.

All interviewed brand experts exposed brand identity consists of several building blocks. In the words of one brand expert: 'It is about the whole concept, about the author behind it, who transfers its identity to the brand.' Other brand expert stressed out that they consider whole marketing mix in order to define brand identity. From the review of all interviews there were all together 44 different building blocks of brand identity mentioned. Visual identity was outlined most of times, followed by brand characteristics and values, which were outlined by majority of interviewees as one of the main building blocks of brand's identity. After values interviewees considered also communications and feelings as an important part of brands' identity, which were followed by vision, value, name and logo. Symbols, sales, promise, positioning, personality, emotions and colour were stressed out only a few times. Other proposed building blocks were also strategy, senses, mission, meanings, functional and emotional characteristics, facts, associations, advertising, wish, understanding, tradition, style, story, smells, slogan, responsibility, reasons, products, presentation, philosophy, people, image, expressions, character, benefits, attributes and activities.

In view of brand experts views we propose:

- P1 *Alike to diverse brand identity conceptualizations in scientific papers there is also not a single brand identity conceptualization evident in practice.*
- P2 *Brand experts' knowledge about brand identity is consistent with the traditional brand identity literature; whether the newest brand identity conceptualizations are not yet well known among brand experts.*

THE ROLE OF MARKETING COMMUNICATIONS AND THEIR USAGE

In the second part we wanted to find out if brand experts believe marketing communications mix changed due to development of ICT. Moreover we asked them what they believe are the trends in marketing communications. Furthermore we focused on their brands and their usage of online and mobile advertising and ewoM.

The majority of brand experts confirmed marketing communications mix has changed dramatically, where only a few stressed out it did not change a lot. Especially the role of Internet was outlined and its ability of allowing communicating with external public 24 hours per day. They mentioned also interactivity, two-way communication and user-generated content as the most drastic changes. But nevertheless, one of the respondents emphasised that we cannot consider Internet or social networking sites as something new on the market and that maybe the newest thing are the Smartphones. Respondents also warned about the special characteristics of the Slovene advertising environment, where television advertising has still the most crucial role due to its mass coverage. Many of them also outlined that print advertising witnessed the most dramatic drop among all media, which is being replaced by Internet and new devices, such as tablet computers.

Regarding trends in marketing communications in Slovenia the majority outlined the future is in digital media. They believe that newspapers and magazines will not be in the same form in the future as they are now. As one brand manager explained: 'Also traditional mediums will adapt to changes, since we cannot talk anymore about traditional media, these are evolving, adapting to the consumers' needs.' Even though most of respondents emphasised that television advertising will still remain in the number one position, they believe it will have to change. Not only there will have to be less saturation of advertisements which are in today's form by their belief irritating not only for consumers but also for advertisers, since advertising blocks are becoming too long, but also television will have to adapt to other platforms. With the words of one brand manager: 'I believe that 5 to 10 years from now television and Internet will be the same appliance.' Brand experts also emphasised that virtual world can still not replace exact experience in the physical environment and that therefore marketers will have to find the right combination of traditional and new media. As one of the future trends several brand experts outlined also smaller target groups and consequently the highest needs for segmentation.

Furthermore majority of brand experts emphasised they do not believe mobile and online advertising will overtake television advertising, even though they acknowledged that the ratio among new and traditional advertising has changed in recent years, in benefit of new media. Several emphasised that also on more developed markets television remains the number one. Nevertheless, as one brand manager outlined: 'There is

the higher wish for digital communications in less developed markets, in Slovenia most of people are already cheesed with it.' Moreover another brand manager stressed out his concern about mobile advertising claiming that he is not sure whether mobile advertising will really succeed. One brand manager outlined the importance of brands in this new environment, stating: 'Brands are becoming more and more important in this new media world, not the platforms.'

Brand experts were furthermore asked how often they advertise their brands online. Most advertise online all the time and a few advertise just when they have some novelties. Only one brand expert said they do not advertise online. Most of included brands are advertised in social networking sites, followed by banners, own web pages, prize winning games, Google AD words and public relations articles. Minority outlined also advertising in forums, games, double recall ads and blogs. Several brand experts outlined that the age of traditional banners is over and that they are trying to use more innovative or creative banners, like for example backgrounds.

Furthermore we wanted to find out how brand experts define the term ewom. Majority of them outlined they understand the term like sharing information in an online environment. Quite a few considered Facebook as the most representative tool of ewom. When we asked them which ewom tools they use regularly majority mentioned Facebook, which was followed by other social networking sites, forums and blogs. We also asked them whether they measure the effectiveness and efficiency of their ewom campaigns and how. In majority brand experts outlined they do measure the effectiveness and efficiency of ewom campaigns. Most of them use Facebook analytic tools, not only for counting the number of fans and comments but they use also other indicators. Only few brand experts outlined they do not measure their ewom campaigns with any indicator. One brand expert outlined they are using Google analytic tools and the other they are using the netnographic method. About netnography brand expert outlined: 'We make a netnographic method once in a while in order to find out if the doctrines that we are advocating are also the doctrines that consumers adopt as their own. Whether we find out that consumers changed these doctrines a little bit and our products do not fulfil their needs it can happen that we have to adapt the whole assortment to consumers needs.'

Regarding their brands' presence on mobile phones majority of brand experts outlined they are present there with their web page, but this page

is not adapted to diverse mobile platforms. The minority outlined they have adapted their web pages to different platforms of Smartphones. Nevertheless, a few emphasised that they are developing their mobile web pages for diverse platforms at the moment. On the topic of mobile advertising several brand experts emphasised they use SMS clubs and mobile applications. These are followed by QR codes, sales promotions, games, advertising in other mobile applications and SMS voting. Only one brand manager outlined they do not use mobile advertising. All brand experts stressed out they acquire consumer permission before sending any mobile advertisement.

Based on the outlined findings we posit:

- P3 *Trends in marketing communication tools are in the need for adapting traditional marketing communications tools to diverse platforms.*
- P4 *The focal role in Slovene marketing communications is still centred on the traditional marketing communication tools, especially television advertising.*
- P4 *Even though mobile and online advertising and eWOM represent the future in marketing communications, they will not overtake television advertising.*

Discussion

In-depth interviews with brand experts revealed they are very familiar with the concept of brand identity, even though some of them use other name to define the concept. All of them emphasised there are two sides of identity, the one that is communicated through visual identity elements, and the other communicating brands' invisible characteristics. Even though numerous brand identity building blocks were mentioned we can divide them into sets of building blocks, which are embodied also in our proposed brand identity model consisting of vision, mission, values, personality, core competencies, experiences and relationships along with visual identity and brand story. Vision was mentioned several times, while also strategy can be considered as a part of the brands vision. Mission was outlined fewer times, but nevertheless also wish and philosophy can be considered as a part of brands' mission. Values were outlined by majority of brand experts as one of the most important brand identity building block confirming it as an integral part of our proposed model. Along personality, which was stressed out by a few brand experts, we can also count characteristics, which were mentioned by majority and also character, which was stressed by one brand expert. Core competencies

were outlined via positioning, associations, attributes, facts and reasons. Brand experience was not mentioned but nevertheless senses and smells, as one of the building blocks of describing brand experience have been outlined. Only relationships were not mentioned by any brand expert. Nevertheless the importance of people as part of brand identity was outlined once. While visual brand identity elements were stressed by majority of brand experts, brand story was outlined only once.

There were furthermore several other brand identity building blocks stressed out where we could divide them into two categories. Communications, sales and advertising can be considered as a part of marketing mix and brands' value, image and its understanding as brand equity from the external stakeholders' view. From the outlined elements we can confirm proposed brand identity model. Only brand relationships were not outlined by any brand manager as building blocks of brand identity but as already noted the importance of people concerning brand identity was outlined.

All brand experts believe ICT is changing the way of communicating their brands. Nevertheless, they are sceptic that these new mediums, such as social networking sites and Smartphones will prevail, compared to television, which is still regarded as the most efficient and effective tool for brand building. Therefore they believe that even though marketing communications mix has changed dramatically, the traditional media will not become extinct, but it will have to adapt to diverse platforms. Nevertheless, online advertising, especially in social networking sites and with online banners is widespread and also followed by measurements of their effectiveness and efficiency. Furthermore, brand experts use in majority measuring techniques provided by online corporations like Google or Facebook, which are of a quantitative nature. Only one brand manager outlined they are using netnography, a technique of a qualitative research on the web, which is used broadly in more developed markets (Kozinets 2002). Moreover, mobile advertising is still not as developed as it is evident from the current literature. Even though brand experts use mobile advertising, they outlined their concern about its efficiency and effectiveness, especially due to low ownership of Smartphones in Slovenia. But nevertheless, they see the future development especially in this media.

Conclusions

In-depth interviews revealed that brand experts in Slovenia, regardless of their brands' market orientation and brand type follow the recent changes in the environment and they are in majority adapting to them.

They are aware even more than ever that branding is becoming crucially important. Considering brand identity concept, several authors (Aaker and Joachimsthaler 2000; Balakrishnan 2009; Konecnik, Ruzzier, and de Chernatony 2013) emphasized the role of people that form relationships with brands and brand experiences, but were not mentioned by any respondent. Therefore we believe brand experts' knowledge about brand identity is consistent with traditionally highly cited brand identity literature; whether the newest brand identity conceptualizations, like the inclusion of brand experiences, brand relationships and brand story are not yet well-known or used among them. The incorporation of brand relationships and brand experiences into brands identity are among the novelties emerging in the recent scientific articles, which is in majority connected with the most developed markets and therefore adapted by the most developed business practices. Our projections are that highlighted concepts will become one of the leading concepts in the future also in Slovene marketing sphere, especially among brands marketed internationally.

We believe brand experts should strive to develop their online and mobile advertising campaigns in a way of involving their consumers inside the messages as they are already trying to do with eWOM. Only by engaging consumers into the brands' messages brand experts can experience the true advantages of new marketing communication tools. To conclude new marketing communication tools can enhance consumer engagement with brands due to two-way interactions among the brand and consumers. The most successful brands in the future will use this advantage and conquer consumers' minds and hearts. In order to succeed they should rewrite their brand identities and include brand experiences and brand relationships as the brands' core. The ones that will not adapt to these challenges now, will lose their consumers in the near future.

To conclude, we would also like to emphasise some limitations of this research. In-depth interviews have been made with brand experts, coming from real organizations. Some authors (Freeling 1994; de Chernatony and Dall'Olmo Riley 1998) criticise the inclusion of brand managers and marketing directors in the studies, since they are believed to be lacking a long-term vision and propose brand consultants instead. Furthermore, there were 12 brand experts interviewed, which does not follow Gordon and Langmaid's (1998) proposition about the sample size of 20 brand experts for in-depth interviews. Nevertheless, we believe that our study

will help especially brand experts working in organizations to reconsider about their brands and marketing communication practice.

Finally, this paper identifies the gap between brand identity understanding in the emerging branding theory and practice. The gap is evident also in the use of new marketing communication tools as presented in the recent scientific papers and its use in practice. Therefore we believe further research should focus on reasons, why the new marketing communication tools are not as popular as one might think they are. Moreover, the comparison among brand experts understanding of building blocks of brand identity and the usage of new marketing communication tools in diverse markets would be a very important topic for further examinations.

References

- Aaker, D. A. 1996. *Building Strong Brands*. New York: The Free Press.
- Aaker, D. A., and E. Joachimsthaler. 2000. *Brand Leadership*. New York: The Free Press.
- Abratt, R. 1989. 'A New Approach to the Corporate Image Management Process.' *Journal of Marketing Management* 5 (1): 63–76.
- Argyriou, E., Kitchen, P. J., and T. C. Melewar. 2005. 'The Relationship Between Corporate Websites and Brand Equity: A Conceptual Framework and Research Agenda.' *International Journal of Market Research* 48 (5): 575–99.
- Azoulay, A., and J. N. Kapferer. 2003. 'Do Brand Personality Scales Really Measure Brand Personality?' *Journal of Brand Management* 11 (2): 143–55.
- Balakrishnan, M. S. 2009. 'Strategic Brand of Destinations: A Framework.' *European Journal of Marketing* 43 (5–6): 611–29.
- Barker, R. T., and K. Gower. 2010. 'Strategic Application of Storytelling in Organizations.' *Journal of Business Communication* 47 (3): 295–312.
- Carson, D., Gilmore, A., Perry, C., and K. Gronhaug. 2001. *Qualitative Marketing Research*. London: Sage.
- Christodoulides, G., and L. de Chernatony. 2004. 'Dimensionalising On- and Offline Brands' Composite Equity.' *Journal of Product & Brand Management* 13 (3): 168–79.
- Chu, S. C., and Y. Kim. 2011. 'Determinants of Consumer Engagement in Electronic Word-of-Mouth (ewOM) in Social Networking Sites.' *International Journal of Advertising* 30 (1): 47–75.
- Collins, J. C., and J. I. Porras. 1996. 'Building Your Company's Vision.' *Harvard Business Review* 74 (5): 65–77.

- da Silva, R. V., and S. Alwi 2008. 'Online Brand Attributes and Online Corporate Brand Images.' *European Journal of Marketing* 42 (9–10): 1039–58.
- Davidson, H. 1997. *Even More Offensive Marketing*. London: Penguin.
- de Chernatony, L. 1999. 'Brand Management through Narrowing the Gap between Brand Identity and Brand Reputation.' *Journal of Marketing Management* 15 (1–3): 157–79.
- . 2010. *From Brand Vision to Brand Evaluation*. 3rd ed. Oxford: Butterworth-Heinemann.
- de Chernatony, L., and G. Christodoulides. 2004. 'Taking the Brand Promise Online: Challenges and Opportunities.' *Interactive Marketing* 5 (3): 238–51.
- de Chernatony, L., and F. Dall'Olmo Riley. 1998. 'Modelling the Components of the Brand.' *European Journal of Marketing* 32 (11): 1074–90.
- de Chernatony, L., and F. Harris. 2000. 'Developing Corporate Brands through Considering Internal and External Stakeholders.' *Corporate Reputation Review* 3 (3): 268–74.
- de Chernatony, L., and M. H. B. McDonald. 2001. *Creating Powerful Brands in Consumer, Service and Industrial Markets*. Oxford: Butterworth-Heinemann.
- Duncan, T., and S. E. Moriarty. 1998. 'A Communication-Based Marketing Model for Managing Customer Relationships.' *Journal of Marketing* 62 (2): 1–14.
- Dwyer, P. 2007. 'Measuring the Value of Electronic Word of Mouth and Its Impact in Consumer Communities.' *Journal of Interactive Marketing* 21 (2): 63–79.
- Fournier, S. 1998. 'Consumers and Their Brands: Developing Relationship Theory in Consumer Research.' *Journal of Consumer Research* 24 (4): 343–73.
- Freeling, A. 1994. 'Marketing Is in Crisis – Can Market Research Help?' *Journal of the Market Research Society* 36 (2): 97–104.
- Gordon, W., and R. Langmaid. 1988. *Qualitative Market Research*. Gower: Aldershot.
- Gummesson, E. 2005. 'Qualitative Research in Marketing.' *European Journal of Marketing* 39 (3–4): 309–27.
- Harwood, T. G., and T. Garry. 2003. 'An Overview of Content Analysis.' *The Marketing Review* 3 (4): 479–98.
- Heinonen, K., and T. Strandvik. 2005. 'Communication as an Element of Service Value.' *International Journal of Service Industry Management* 16 (2): 186–98.
- Ilfeld, J. S., and R. S. Winner. 2002. 'Generating Website Traffic.' *Journal of Advertising Research* 42 (5): 49–61.

- Ind, N. 1997. *The Corporate Brand*. London: Macmillan Business.
- Jones, J. 2000. 'How do You Understand a Financial Services Brand?' Paper presented at Branding in the Financial Services Industry conference, London, 13 July.
- Kapferer, J. N. 1997. *Strategic Brand Management: Creating and Sustaining Brand Equity Long Term*. 2nd ed. London: Kogan Page.
- Keller, K. L. 1993. 'Conceptualizing, Measuring, and Managing Customer-Based Brand Equity.' *Journal of Marketing* 57 (1): 1–22.
- . 2009. 'Building Strong Brands in a Modern Marketing Communication Environment.' *Journal of Marketing Communications* 15 (2–3): 139–55.
- . 2010. 'Brand Equity Management in a Multichannel, Multimedia, Retail Environment.' *Journal of Interactive Marketing* 24 (2): 58–70.
- Konečnik, M., and W. C. Gartner. 2007. 'Customer-Based Brand Equity for a Destination.' *Annals of Tourism Research* 34 (2): 400–21.
- Konečnik Ruzzier, M., and L. de Chernatony. 2013. 'Developing and Applying a Place Brand Identity Model: The Case of Slovenia.' *Journal of Business Research* 66 (1): 45–52.
- Konečnik Ruzzier, M., and M. Ruzzier. 2009. 'A Two-Dimensional Approach to Branding: Integrating Identity and Equity.' In *Tourism Branding: Communities in Action*, edited by L. A. Cai, W. C. Gartner, and A. M. Munar, 65–73. Bingley: Emerald.
- Kozinets, R. 2002. 'The Field Behind the Screen: Using Netnography for Marketing Research in Online Communities.' *Journal of Marketing Research* 39 (1): 61–72.
- Kozinets, R., K. de Valck, A. C. Wojnicki, and S. J. S. Wilner. 2010. 'Networked Narratives: Understanding World-of-Mouth Marketing in Online Communities.' *Journal of Marketing* 74:71–89.
- Kumar, V. 2010. 'A Customer Lifetime Value-Based Approach to Marketing in the Multichannel, Multimedia Retailing Environment.' *Journal of Interactive Marketing* 24 (2): 71–85.
- Luo, X., and N. Donthu. 2006. 'Marketing's Credibility: A Longitudinal Study of Marketing Communication Productivity (MCP) and Shareholder Value.' *Journal of Marketing* 70 (4): 70–91.
- Madhavaram, S., V. Badrinarayanan, and R. E. McDonald. 2005. 'Integrated Marketing Communication (IMC) and Brand Identity as Critical Components of Brand Equity Strategy.' *Journal of Advertising* 34 (4): 69–80.
- Marketing Science Institute. 2010. *2010–2012 Research Priorities*. Cambridge, MA: Marketing Science Institute.
- Melewar, T. C. 1993. 'Determinants of the Corporate Identity Concept.' *Journal of Marketing Communications* 9 (4): 195–220.

- Melewar, T. C., and E. Jenkins. 2002. 'Defining the Corporate Identity Construct.' *Corporate Reputation Review* 5 (1): 76–90.
- Melewar, T. C., and E. Karaosmanoglu. 2006. 'Seven Dimensions of Corporate Identity: A Categorisation from the Practitioners' Perspectives.' *European Journal of Marketing* 40 (7–8): 846–69.
- Merrilees, B., and M. L. Fry. 2002. 'Corporate Branding: A Framework for E-retailers.' *Corporate Reputation Review* 5 (2–3): 213–25.
- Naik, A. P., and K. Raman. 2003. 'Understanding the Impact of Synergy in Multimedia Communications.' *Journal of Marketing Research* 40 (4):375–88.
- Scott, L. M. 1994. 'The Bridge from Text to Mind: Adapting Reader-Response Theory to Consumer Research.' *Journal of Consumer Research* 21 (3): 461–80.
- Trusov, M., Bucklin, R. E., and K. Pauwels. 2009. 'Effects of Word-of-Mouth Versus Traditional Marketing: Findings from an Internet Social Networking Site.' *Journal of Marketing* 73 (5): 90–102.
- Vakratsas, D., and T. Ambler. 1999. 'How Advertising Works: Do We Really Know?' *Journal of Marketing* 63:26–43.
- van Riel, C. B. M., and J. Balmer. 1997. 'Corporate Identity: The Concept, Its Measurement and Management.' *European Journal of Marketing* 31 (5–6): 340–55.
- Winer, S. R. 2009. 'New Communications Approaches in Marketing: Issues and Research Directions.' *Journal of Interactive Marketing* 23 (2): 108–17.
- Yoo, B., Donthu, N., and S. Lee. 2000. 'An Examination of Selected Marketing Mix Elements and Brand Equity.' *Journal of the Academy of Marketing Science* 28 (2): 195–211.
- Yoon, S. J., and J. H. Kim. 2001. 'Is the Internet More Effective Than Traditional Media? Factors Affecting the Choice of Media.' *Journal of Advertising Research* 41 (6): 53–60.

The Effectiveness of Dual Branding in the Agricultural Sector

Christo A. Bisschoff
Hendrik P. Van Staaden
Amareza Buys

The study deals with the concept of a dual-branding strategy by investigating the market awareness of two brands: the Roundup herbicide, DEKALB seed products and biotechnology traits and Montana SA. 281 respondents completed a tailor-made questionnaire. Descriptive statistics and a Varimax rotated factor analysis informed the data analysis. Reliability was verified by determining the Cronbach alpha coefficient. Currently, agreement exists between the two identities, but it could easily result in confusion; therefore, care should be taken. Regarding the brand DEKALB, only one factor contributes to the brand image, namely dynamism. For Monsanto SA, two factors contribute to the organisation image, namely dynamism and visual identity. The research concludes that although brand identities are similar, the market views Monsanto SA more defined. Most importantly, the conclusion drawn is that dual branding in the marketing strategy influences corporate identity and image, and *vice versa*.

Key Words: corporate identity; marketing strategy; dual branding; mono-branding; market awareness

JEL Classification: M30; M31; M39

Introduction

If you want your brand to succeed in the real (versus imagined) marketplace, forget about your promises and start being paranoid, and strategic, about discovering, shaping and fulfilling people's expectations. If you don't know your point, your essence, your brand, you will usually confuse your audience (Asacker 2011, 1).

Dr Christo A. Bisschoff is Professor at the Potchefstroom Business School, North-West University, South Africa.

Hendrik P. Van Staaden is Manager at the Potchefstroom Business School, North-West University, and Manager in Monsanto SA, South Africa.

Amareza Buys is Researcher at the Potchefstroom Business School, North-West University, and Manager in Pondera CC, South Africa.

The debate followed in this article centres around corporate identity, how it leads to the forming of corporate image and how corporate identity and market strategy are related. Consequently, when the product brand name and the company name are the same, one could argue that the company can establish a consistency of image. Corporate identity confusion may exist between a corporate identity and a brand identity in the South African maize industry. Two brands were consolidated and are sold as one summer crop brand. Therefore, the changing face, the visual identity, and corporate brand changes may have transformed a corporate identity. Consequently, the question that looms large is: Will consistency be harder to maintain when it comes to dual branding (i. e. a product brand name is different from the company name)? However, Bouchikhi and Kimberly (2008, 21) advise that before one could decide, ‘how much of an asset or liability your firm’s identity might be, you first need to know precisely what identity is.’

Since the early eighties, various authors (Skinner and Von Essen 1987; Abratt 1989; Stuart 1999; Abratt and Mofokeng 2001; Burrow 1991; Van Heerden, Schreuder, and Gouverneur 2000) have developed conceptual models of corporate image formation and corporate identity management. Stuart (1999, 201–4) identified four corporate identity models to assist in such identification, namely:

- Kennedy’s model,
- Dowling’s model,
- Abratt’s model, and
- Stuart’s model.

These models reflect the way in which corporate identity and corporate image have been conceptualised over the past three decades.

As a result, the Stuart model is a revision of the Abratt model and the main changes in the model entailed the inclusion of corporate culture and corporate symbols under corporate identity, the use of arrows to denote internal and external communication and the replacement of employees. The Stuart model retained the notion of the corporate identity and corporate image interface. ‘Corporate strategy’ is also included, resulting in the fact that corporate identity is the deliberate presentation of the corporate personality as strategically decided by the organisation (Stuart 1999, 204).

Van Heerden (1993, 27) concludes that a corporation without a corporate identity strategy or those that want to change or revise their corporate

identities could use the mentioned models as a starting point. Most importantly, Van Heerden (1993, 8) stated that corporate image begins with the public's perception of an organisation, and the preconceived ideas and prejudices that have formed in the minds of customers. This perception may not always accurately reflect a corporation's true profile, but to the public it is reality.

In addition, Van (1993) and Van Heerden, Schreuder, and Gouverneur (2000, 126) suggest that in the Burrows model of corporate identity (see figure 1), 'the process of establishing a corporate identity starts when a corporate personality is synthesised into a corporate identity, which creates the corporate image. The perceived total corporate image influences the corporate policies because opportunities are created for feedback and control. Corporate behaviour is included as part of strategy formulation in this model.' What became evident through this research is that the Burrows model does not feature culture or a variable in the corporate image formation process.

The similarity in the different research (Skinner and Von Essen 1987; Abratt 1989; Stuart 1999; Abratt and Mofokeng 2001; Burrow 1991; Van Heerden 1993; Van Heerden, Schreuder, and Gouverneur 2000; Van Heerden and Badenhorst 2004) highlights the fact that every company has an identity, whether it recognises it or not. Consumer perceptions and attitudes are formed about a company before consumers actually purchase a product or service from that company. It is this positive positioning in the minds of consumers by the company that represents a powerful influence on building brand equity and consumer choice.

The real question that needs to be faced is whether the organisation seeks to control that identity, or whether it allows the identity to control it so that it has entirely different images with all of its different audiences.

With a view to assist, corporate identity, as an element of marketing strategy, was explored as well as the relationship between corporate identity and marketing strategy. More specifically, the objective was to analyse the individual brands for Monsanto SA's marketing team to shape the corporate and brand identity.

The research data was collected directly from customers of Monsanto SA or South African maize production growers. 400 (200 Monsanto SA and 200 DEKALB) questionnaires were distributed by Monsanto SA sales representatives (20 each) in different sales areas within the borders of South Africa. A satisfactory 281 (141 Monsanto SA and 140 DEKALB) completed questionnaires were received back.

The next section of this article will present the theoretical framework of the study under the headings: Monsanto SA historical overview; corporate personality; corporate identity; corporate image; and corporate branding. In an effort to address the underlying issue of confusing brands, the article utilised the Burrows model of corporate identity.

Theoretical Framework

MONSANTO SA HISTORICAL OVERVIEW

Monsanto is an agricultural company that offers farmers more choices than any other company in the industry does. Monsanto is a leading global provider of agriculture products and systems sold to farming concerns. Today, Monsanto's biotechnology traits are being planted commercially or in test plots in all major agricultural regions throughout the world (Monsanto 2006). Grant (2006, 1) argues that farmers around the world use Monsanto's innovative products to address on-farm challenges and to reduce agriculture's overall impact on the environment.

Monsanto South Africa (PTY) Ltd, a Monsanto company, is a leading local provider of agricultural products and integrated solutions that bring together chemicals, seeds, and biotechnology traits to improve farm productivity and food quality. Monsanto South Africa officially opened its offices in South Africa in 1992. Monsanto SA is uniquely positioned to help farmers produce more food to meet the demand by delivering crops with higher yield and greater value and lead healthier food options for consumers. They also provide local seed companies (the competition, such as Pannar and Pioneer Hybrid International) with genetic material and biotechnology traits for their seed brands.

For more than 70 years, the DEKALB flying corncob has represented outstanding yield potential that generates higher returns for farmers who grow DEKALB corn. Today, in Monsanto SA, DEKALB is the trademark in seed business. Appropriately, offerings include corn hybrid and sunflower hybrids.

Monsanto SA decided to consolidate the two brands, Sensako and Carnia, and to sell them under one summer crop brand, namely DEKALB. The changing face of Monsanto SA, the visual identity such as the corporate name and corporate brand changes, may have transformed the corporate identity of Monsanto SA. Therefore, the old brands, Sensako and Carnia, and now the new brand, DEKALB since 2005, have created the need to revisit the corporate image of Monsanto SA.

The term 'corporate' implies larger businesses or institutions with

many divisions and employees. However, within the context of this study, 'corporate' is utilised as a collective term for a structure of business (i. e. from very large to small one-person enterprises). Therefore, it is not intended as an indicator of business size. Furthermore, corporate does not govern corporate personality, corporate identity and/or corporate image, as only marketing challenges and the public's support in the form of sales vary from one business model to another.

CORPORATE PERSONALITY

Abratt (1989, 63–76) explains that every corporation has a personality, which is defined as the sum total of its characteristics. These characteristics are behavioural and intellectual and serve to distinguish one corporation from another. This personality is projected by means of conscious cues (e. g. corporate logo) that constitute an identity. Its vision, mission, direction, management style, corporate policy, ethos, history, employee mix, corporate objectives, and marketing communication style and approach create the personality of an organisation. This personality is the 'glue' that holds the organisation together (Dowling 1993, 103). The set of characteristics of an organisation can be defined as the personality of the corporation, where personality, in turn, forms the corporation's identity.

Similarly, Van Heerden (1993, 8) quoted Bernstein (1986, 40) by defining personality 'as the soul, the persona, the spirit, the culture of the organisation.' Van Heerden, Schreuder, and Gouverneur (2000) and Van Heerden and Badenhorst (2004) argue that a corporation could choose to manipulate its identity by managing a corporate identity programme. Image cannot be manipulated, because image is formed in the minds of target audiences. A case is made for corporate image later in this article.

Abratt and Mofokeng (2001, 370) state that when an organisation is formed, a corporate personality realises. This corporate identity is determined by the functions, beliefs and operations of the organisation. In this regard, Kotler and Armstrong (2006, 284) mention that the personality of a brand could be compared with that of a person. An image of a person is formed based on the way that person communicates and behaves. For instance, if a Mercedes car was a person, that person's personality would fit a wealthy, middle-aged businessman.

CORPORATE IDENTITY

Corporate identity, according to Olins (1989, 148), is concerned with expressing three separate yet interrelated themes. Firstly, the organisation wants to present itself clearly and comprehensibly and it wants its dif-

ferent departments or sections to relate to one another so that a unified identity is portrayed to the market. Secondly, the corporation wants to symbolise its ethos, so that employees and customers can share in these values. Thirdly, the enterprise wants to differentiate itself and its products from those of its competitors. The three themes constitute coherence, symbolism and positioning.

Consequently, corporate identity is the graphic and verbal representation of a company. It visually conveys the 'who' and the 'what' of the corporation. Olins (1989, 29) argues that corporate identity is concerned with four areas of activity, namely product and/or service, environments, information and behaviour. Van Heerden (1993, 8) explained that the overall impression of a corporation is formed by audiences through cues, such as a logo, product and customer service, and therefore constitutes an image.

CORPORATE IMAGE

According to Marconi (1996, 3, 12), people's perceptions are based on what they know or think they know about a product or service, 'image is the reflection of people's perceptions.' Gregory and Hickmann (1998, 104) state that the company's image is most important. Consumer perceptions and attitudes are formed about a company before consumers actually purchase a product or service from that company. It is this positive positioning in the minds of consumers by the company that represents a powerful influence on building brand equity and consumer choice. An investigation by Van Heerden and Badenhorst (2004, 16) into factors that determine the corporate image of South African banking institutions, led to the conclusion that 'corporate behaviour and corporate visual identity contribute to corporate image.' Van Heerden and Badenhorst (2004, 31) suggest that the following factors contribute to the process of corporate image formation:

- customer service through positive social relations,
- attractive visual signs, and
- the perception that a corporation is dynamic.

Some models of corporate image and corporate identity management have been recorded by different authors (Stuart (1999; Balmer 2001; Van Heerden and Badenhorst 2004) in an attempt to develop conceptual thinking in the area of corporate identity management. These models are a useful tool to describe corporate identity and corporate image. Ac-

According to Stuart (1999, 201), the focus of the Kennedy model entails how the company image is formed based on the perception of the personnel of the company. Balmer (2001) argued that the principal focus of the Dowling model is the 'outside in' that accords particular emphasis to corporate image. The heart of Dowling's corporate image formation process is a corporate vision statement that affects the organisation's strategy and organisational culture. Balmer (2001) supported the Abratt model, and explained that this model is useful when attempting to integrate the problematic concepts of corporate personality, identity and image. This model has the objective of explaining the corporate image management process and adopts an 'outside in' focus (an image, reputation), rather than an 'inside out' (an identity, personality) focus. The Abratt model also introduced the concept of 'corporate personality' (Stuart 1999, 204).

According to Van Heerden (2004, 18), corporate personality, identity and image are elements of an interrelated process. Corporate personality leads to both corporate identity and corporate image, while corporate image influences the corporate reputation.

A good example currently exists in the South African electricity supply market with the service provider Eskom. The name Eskom turned out to be 'Ek'sdom,' translated as being 'I am stupid, due to the shortage of electricity supply that results in unsatisfied customers. A familiar and once reliable brand name like Eskom became synonymous with failure. Similarly, based on such skewed perceptions, people buy, sell, vote, travel, invest and make major or minor decisions that govern their lives.

CORPORATE BRANDING (LOGO)

Varey (2002, 153) identifies that a brand can perform a number of functions. There is general agreement in the marketing literature that a brand is more than the name given to a product. Chevalier and Mazzalovo (2004, 15) argue that a consumer chooses a brand for the specific qualities it offers and that the differentiation of the brand is part of the contract between two parties. The name and the logo present the mediation between the essential values of the company, its identity and the perceptions of customers. Branding can be described as marketing of the corporate identity and the creation of a specific product image.

According to Van Heerden (2004, 18), the logo of the corporation 'serves as a mental switch that recalls an image in the eyes of the beholder' referring to both corporate identity and corporate image.

In addition, Chevalier and Mazzalovo (2004, 93–9) state that brand

identity is that what the brand means to the consumers. It constitutes the basis and the federating element of all the activities selected as being manifestations of the brand. A brand consists of and derives its essence from the variable perceptions it engenders among consumers to manage it well. A more precise initial definition of brand identity will be the capacity of a brand to be recognised as unique, over time, without confusion, thanks to the elements that individualise it.

Moreover, Kotler and Armstrong (2006, 225) explain that ‘a brand is a name, word, picture, term, symbol, sign, device design or a combination, to create a unique identity for particular products. A brand identifies a product to a seller and differentiates the product and/or from competitors.’

Bouchikhi and Kimberly (2008, 21) explained that the identity of a firm that makes and stands behind a product or service is becoming more important as the intrinsic attributes of that product or service, and that corporate branding enables leaders to use the firm’s identity as a competitive weapon. Brand preference can be described as the brand those consumers or buyers prefer to other competing brands – a straightforward relationship between buyer and seller.

Monsanto SA produces highly competitive products and the competing companies in the SA agriculture industry have become increasingly similar. Without a doubt, this means that the whole of the company’s personality, its identity, will become the most significant factor in making a choice between one company and its products and another. Market research has shown that the DEKALB logo is the second-most recognised agricultural logo around the world, surpassed only by John Deere (Monsanto 2006, 7). The logo debuted in 1936, and while many farmers were initially reluctant to pay the higher price associated with hybrid seed, DEKALB’s message to growers used the image of an ear of corn with two wings that could help lift a grower’s mortgage by providing higher yields and increased profits. Over the years, the DEKALB logo has been modernised, but the ‘winged-ear’ has remained a constant design element. According to a marketing communication session by Breytenbach (2008), the logo identity is a vital asset to Monsanto SA; it is the foundation for compelling their brand identity, which increased recognition and awareness to build their sales business.

A brand is a wholly concocted creation that is devised solely to help sell and has no life of its own and the brand identity is aimed at one audience, the final consumer. On the other hand, company identity is aimed at

many audiences, such as the final consumer, the trade, competitors, suppliers, local government, national government, trade associations, trade unions, the financial community, consumer associations, journalists, and its own employees of various kinds of different places. The brand identity only looks outside to its audience of consumers; the identity of the company, the corporate identity, looks both inside and outside at a wide spectrum of audiences with different views of attitudes and interest in the company (Olins 1978, 121). Similarly, Duncan (2002, 52) warns:

Corporate image is broader than brand image because branding only relates to the management of the identities of individual brands. When the product brand name and the company name are the same, the company can establish a consistency of image. When the brand name is different from the company name, consistency may be harder to maintain.

THE BURROWS MODEL OF CORPORATE IDENTITY

This study closely follows a similar research design of an earlier study by Van Heerden (1993; 2000; 2004). The semantic differential scale, which is used to measure corporate image in this study, is widely used in marketing research, as was the case in Van Heerden's research, through the Burrows model. Therefore, the Burrows model of the corporate was utilised (see figure 1).

The Burrows model is an identity management process described through three distinct stages.

- In the first stage of the model (called corporate personality), once the corporate mission is clear, management sets the overall business objectives. The next key part involves those activities designed to effect the strategic management of the organisation. Once this strategic management is clear, internal and external assessments can be evaluated to re-design the marketing strategy. The next area of corporate personality will be objective setting – policies synthesised into an integrated, desired total corporate image. The last key part of this model will be the competitor image research and analysis about the organisation.
- The second stage of the model (called corporate identity) is the controllable determinants of corporate image, which are a subset of the strategy formulation for a sustainable competitive advantage related to corporate identity and behaviour. An interpersonal and corporate

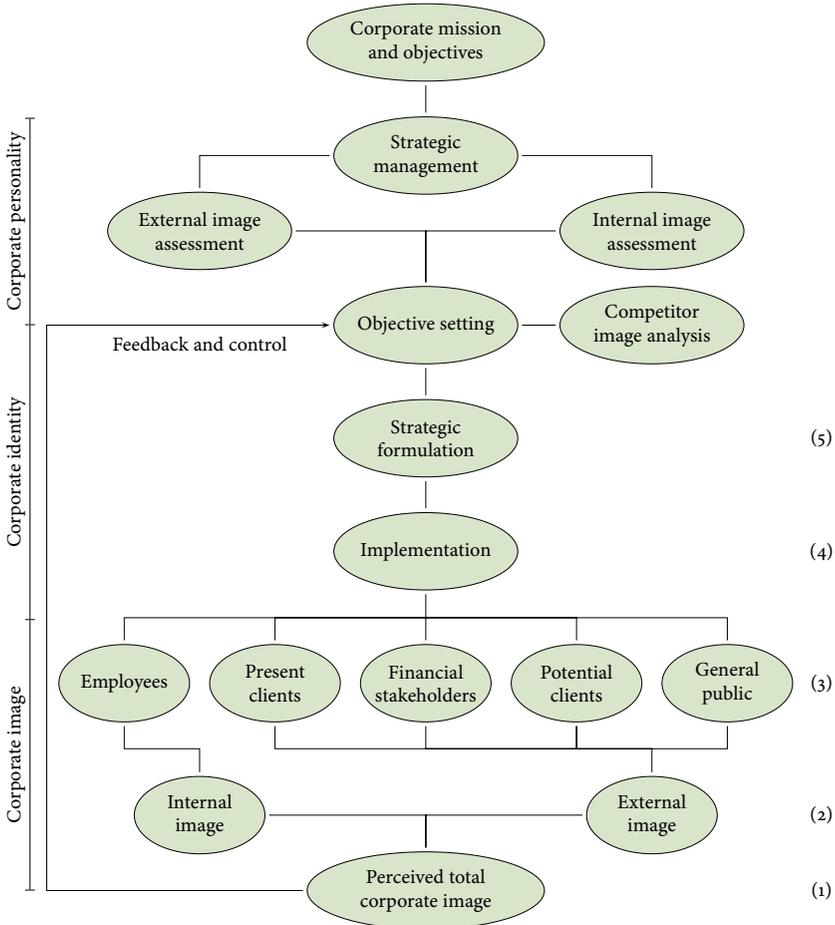


FIGURE 1 Burrow’s model of corporate identity (notes: (1) measured image dimensions, (2) perception not controllable by management, (3) main stakeholders group, (4) via interpersonal and corporate communication, (5) controllable determinants of corporate image; adapted from Van Heerden (1993, 29))

communications philosophy will emerge, namely promotion strategies, corporate advertising, public relations and positioning strategies.

- The final stage, stage three, is called corporate image. The image interface represents the point of contact between the various stakeholders and the company, and influences the stakeholders by means of the internal or external image experiences.

The Burrows model of corporate identity (as adapted from Van Heerden 1993; Van Heerden, Schreuder, and Gouverneur 2000; Van Heerden and Badenhorst 2004) is a useful tool to be discussed and to understand the process of how corporate image is formed from corporate identity. From the Burrows model, it is evident that personality is the 'glue' that holds the organisation together and that personality forms the corporation's identity. The model explains that corporate identity is the personality of the corporation that is designed to accord with and facilitate the attainment of the business objective. The perceived total image influences the corporate policies because opportunities are created for feedback and control. Everything the organisation makes and sells, everything it says, writes down or displays, contributes to the construction of its identity. This model is most useful as it attempts to integrate the problematic concept of corporate personality, identity and image. Therefore, the researchers argue that the Burrows model could be used as a starting point by corporations who want to change or revise their corporate identities.

This next section of the article will explain the research methodology.

Methodology

The primary objective of the empirical investigation report in this dissertation will be to determine the role that the corporate logo, as an element of the corporate identity mix, plays in the corporate image of maize farmers in the South African agriculture industry. Does the corporate logo serve as a 'mental switch' or stimulus to create a corporate image in the minds of respondents?

The first secondary objective is to compare comparable corporate image factors identified in the 1993 study of South African banking institutions by Van Heerden (1993, 117) against the agricultural industry. The second secondary objective is to evaluate the research findings from the viewpoint that corporate image is not only formed by visual identity, but also by behavioural identity.

RESEARCH HYPOTHESES

The research hypotheses for this study are:

- H_0 *Confusion in the market exists between the corporate name Monsanto SA and the brand name DEKALB.*
- H_a *Confusion does not exist in the market between the corporate name Monsanto SA and the brand name DEKALB.*

H₁ *Monsanto SA has a stronger corporate identity in the agriculture industry than DEKALB.*

H₂ *DEKALB has a stronger corporate identity in the agriculture industry than Monsanto SA.*

A semantic differential scale was used as research instrument. The development of suitable items was included in the semantic differential, employing a factor analysis to evaluate the data collected. The semantic differential scale that was used to measure corporate image in this study is widely used in marketing research.

Qualitative Research

Qualitative research was conducted by means of discussions with the Monsanto SA marketing team. The objective of this discussion was to identify factors of importance within the Monsanto SA maize seed agricultural sector. The focus group consisted of seven Monsanto SA sales managers, including the CEO responsible for sixty sales representatives in all maize production regions of South Africa. Following the focus group discussions, an open-ended interview questionnaire was discussed with each participant in order to capture their views regarding the success factors in the marketing of maize seed in the agricultural sector. This part of the research study was performed during June 2008, and played an important role in the identification of the criteria that were used to construct the measuring instrument.

Quantitative Research

Using the gathered information collected from the discussion group, a structured questionnaire with 32 factors was drafted. The questionnaire consisted of the identified factors and specific criteria to evaluate each factor. The same factors were used to compare the corporation, Monsanto SA, with its brand, DEKALB, to measure the effectiveness of dual branding in the agricultural sector. A five-point Likert scale was utilised to capture the views of the respondents.

Cronbach alpha coefficients were calculated to ensure validity and internal stability, where after the data were subjected to an exploratory factor analysis. A total of 400 structured questionnaires were distributed via e-mail to all the field employees of Monsanto SA with the instruction to complete these questionnaires with the farmers they service (200 with the Monsanto logo and 200 with the DEKALB logo). The field personnel completed a total of 141 with the Monsanto logo and 140 with the

DEKALB logo. This signifies a response rate of 70.3%. The population consisted of the potential customer base, including mostly current maize production farmers eligible to purchase seed. The same population completed both questionnaires for each logo with a minor period in-between, not looking at the previous answers. A convenience sample was used to identify the respondents for the study. Quantitative research was operationalised by processing and analysing literature studies and statistics. Statgraphics 8.0 was employed as a statistical tool to analyse data. A minimum factor loading of 0.5 was met and items scoring less than this loading were omitted from the factors.

Regarding construct validity, both the convergent and discriminant validities were considered (see [Http://www.socialresearchmethods.net/kb/convalid.php](http://www.socialresearchmethods.net/kb/convalid.php)). Construct validity refers to the ability of the questionnaire to actually measure what it is designed to do, and it is measured by determining whether the measuring items that should correlate with one another, actually do correlate with one another (in convergent validity). On the other hand, discriminant validity determines the inverse, namely to show that the measuring items that should not correlate with one another, actually do not correlate with one another. Pearson correlation coefficients were calculated to show that highly satisfactory correlations (exceeding 0.80) do exist between the two datasets ($r = 0.9916$), and that the questionnaire is suitable for use (Naidoo 2011, 138).

The Results of the Research

The results of this study consist of:

- a demographic profile,
- descriptive statistics (mean values, standard deviations and effect sizes), and an
- Exploratory Factor Analysis (Varimax rotation normalised).

The profile of each group of respondents includes:

- Does the respondent purchase maize from the company?
- Whom does the respondent purchase maize from the company from?
- Age group of the respondent.

The information is summarised in tables 1–3.

The question was asked whether the respondent purchases maize from the company or not. The respondents of Monsanto SA indicated

TABLE 1 'Yes' or 'no' purchasing profile

Monsanto SA		DEKALB	
Yes	No	Yes	No
99.30%	0.70%	98.60%	1.40%
N=141		N=140	

TABLE 2 Purchasing profile

Monsanto SA			DEKALB		
(1)	(2)	(3)	(1)	(2)	(3)
96.40%	0.70%	2.90%	96.40%	1.40%	2.10%
N=141			N=140		

NOTES (1) Monsanto sales representative, (2) distributors, (3) Monsanto agent.

TABLE 3 Age group

Monsanto SA				DEKALB			
20-30	31-40	41-50	51+	20-30	31-40	41-50	51+
12.10%	29.80%	34.00%	24.10%	12.20%	27.30%	35.30%	25.20%
N=141				N=140			

that 99.3% do purchase maize from the company. The respondents of DEKALB indicated that 98.6% do purchase maize from the company. The high percentages from both groups of respondents who purchase maize from the company show prior experience and as such they possess information or knowledge related to this study of company.

Table 2 indicates the business unit within the company from which the respondents purchase maize seed. The Monsanto SA sales representatives cover a very high percentage of 96.4% in both groups.

The higher percentage of respondents in both groups is within the age group of 41 to 50 years. Table 3 points to the fact that all age groups purchase maize from the company and the lowest percentage of respondents is from the age group 20 to 30 years.

Table 4 shows the measuring criteria employed to evaluate the two brand names, Monsanto and DEKALB, on the five-point Likert scale. The numbers of these 32 questions correspond with the numbers employed in tables 5 and 6. These tables should be read with table 4 in mind.

The researchers also calculated the mean value of each criterion as well as the standard deviation. Table 5 analyses the mean values of DEKALB

TABLE 4 Measuring criteria

No.	1	2	3	4	5
1	Not understanding farmer req.		Understanding farmer requirements		
2	Not a biotechnology organisation		A biotechnology organisation		
3	Strange brand		Familiar brand		
4	Organisation not too progressive		Organisation always improving		
5	Plain brand		Stylish brand		
6	Unstable brand		Stable brand		
7	Slow service		Fast service		
8	Unlikeable products		Likeable products		
9	Low technology		High technology		
10	Untrustworthy brand		Trustworthy brand		
11	Quiet advertising		Lively advertising		
12	Disreputable products		Reputable products		
13	Unknown products		Known products		
14	Unsuccessful organisation		Successful organisation		
15	Boring organisation		Interesting organisation		

Continued on the next page

and Monsanto SA. In all the results, Group 1 represents DEKALB and Group 2 represents Monsanto SA.

Table 5 indicates the average mean values for each group (questions v1 to v32). The average mean value for question 1 DEKALB (Group 1) is 4.4000, with a standard error mean of 0.07082. The average mean value for question 1 for Monsanto SA (Group 2) is 2.7000, with a standard error mean of 0.08217. Table 5, therefore, compares the mean values on each of the questions for both the groups.

Table 6 compares the differences in the mean values of the two groups with the same questionnaire (see the criteria in table 4). In the analysis, only question 1 shows significance in difference in both the statistical and practical analyses. Question 1 deals with whether or not the organisation understands the farmer’s requirements, and is shown below.

The mean value difference between the two logos for the same question asked is 1.70000. Ellis and Steyn (2003) explained that the statistical significance test (for example the *t*-test) is used to show that the result, such as the difference between two means, is significant and that this is an advantage of drawing a random sample enabling a person to study the

TABLE 4 *Continued from the previous page*

No.	1	2	3	4	5
16		Bad product performance	Good product performance		
17		Unattractive company	Attractive company		
18		Unpleasant doing business	Pleasant doing business		
19		Unimportant to my business	Important to my business		
20		Organisation providing bad service	Organisation providing good service		
21		Brand not growing fast	Brand growing fast		
22		Invisible logo	Visible logo		
23		Unbelievable advertising	Believable advertising		
24		Old-fashioned organisation	Modern organisation		
25		Uncertain doing business again	Definite doing business again		
26		Weak brand image	Strong brand image		
27		Hazy communication	Clear communication		
28		Weak biotechnology image	Strong biotechnology image		
29		Meek advertising	Aggressive advertising		
30		Rigid when doing business	Flexible when doing business		
31		Low quality products	High quality products		
32		Complex doing business with	Simple doing business with		

properties of a population. Ellis and Steyn (2003) also argued that the p -value is a criterion that provides the probability that the obtained value could be obtained under the assumption that the null hypothesis (e. g. no differences between the means) is true. A small p -value, smaller than 0.05, is considered as sufficient evidence that the result is statistically significant. The authors argued that statistical significance does not necessarily imply that the result is important in practice, as these tests have a tendency to yield small p -values (indicating significance) as the size of the dataset increases.

Ellis and Steyn (2003) explained that to comment on practical significance is to use the standardised difference between the means of two populations, i. e. the difference between the two means divided by the estimate for standard deviation. Effect sizes can also be determined, and practical significance can be understood as a large enough difference to have an effect in practice. Ellis and Steyn (2003) introduced a measure called the effect size, which makes the difference independent of units and sample size and relates it to the spread of data obtained. The authors

TABLE 5 Analysis of mean values (paired samples statistics)

Pair		(1)	(2)	(3)	(4)
Pair 1	v1 gr 1	4.4000	140	.83795	.07082
	v1 gr 2	2.7000	140	.97228	.08217
Pair 2	v2 gr 1	4.5971	139	.75871	.06435
	v2 gr 2	4.3813	139	.66371	.05630
Pair 3	v3 gr 1	4.4710	138	.84743	.07214
	v3 gr 2	4.6739	138	.55583	.04732
Pair 4	v4 gr 1	4.5214	140	.77244	.06528
	v4 gr 2	4.3214	140	.85888	.07259
Pair 5	v5 gr 1	4.4000	135	.83933	.07224
	v5 gr 2	4.4741	135	.65597	.05646
Pair 6	v6 gr 1	4.3929	140	.90320	.07633
	v6 gr 2	4.0857	140	.91734	.07753
Pair 7	v7 gr 1	4.4892	139	.77429	.06567
	v7 gr 2	4.2662	139	.80376	.06817
Pair 8	v8 gr 1	4.4929	140	.78196	.06609
	v8 gr 2	4.4500	140	.64957	.05490
Pair 9	v9 gr 1	4.6857	140	.73048	.06174
	v9 gr 2	4.4714	140	.61682	.05213
Pair 10	v10 gr 1	4.5429	140	.71340	.06029
	v10 gr 2	4.7143	140	.52678	.04452

Continued on the next page

also explained the guidelines to use for interpretation of the effect size: (a) small effect: $d = 0.2$, (b) medium effect: $d = 0.5$ and (c) large effect: $d = 0.8$.

This research considers data with $d \geq 0.8$ as practically significant, since it is the result of a difference having a large effect. The small effect of $d = 0.2$ indicated that the effect is not practically significant and will not be used in the interpretation of the results.

The results obtained from table 6 show that question 1 is the only research question that is practically significant in practice with an effect size > 0.8 , with a size value of 1.36. Therefore, this means that only one question from the 32 questions that were asked to compare the two logos with each other from the same population of respondents is practically significant for use in the research. The rest of the results have an effect

TABLE 5 *Continued from the previous page*

Pair		(1)	(2)	(3)	(4)
Pair 11	v11 gr 1	4.4493	138	.88022	.07493
	v11 gr 2	4.4638	138	.62967	.05360
Pair 12	v12 gr 1	4.5072	138	.80370	.06842
	v12 gr 2	4.4348	138	.68302	.05814
Pair 13	v13 gr 1	4.5547	137	.78515	.06708
	v13 gr 2	4.4380	137	.68451	.05848
Pair 14	v14 gr 1	4.5109	137	.74869	.06397
	v14 gr 2	4.5620	137	.65148	.05566
Pair 15	v15 gr 1	4.3723	137	.81356	.06951
	v15 gr 2	4.5620	137	.59237	.05061
Pair 16	v16 gr 1	4.5652	138	.72451	.06167
	v16 gr 2	4.3913	138	.60935	.05187
Pair 17	v17 gr 1	4.4388	139	.79959	.06782
	v17 gr 2	4.4964	139	.65247	.05534
Pair 18	v18 gr 1	4.5000	140	.76337	.06452
	v18 gr 2	4.3357	140	.73564	.06217
Pair 19	v19 gr 1	4.5899	139	.75960	.06443
	v19 gr 2	4.5468	139	.65079	.05520
Pair 20	v20 gr 1	4.5620	137	.75597	.06459
	v20 gr 2	4.5474	137	.67487	.05766

Continued on the next page

size value smaller than 0.8 (see table 6), and are not used in the analysis. Therefore, not used.

From the analyses from the respondents for question 1, the author can argue that respondents feel that the DEKALB brand understands the farmers' requirements and that the company Monsanto SA does not understand the farmers' requirements. The respondents rated the brand better than the company itself did.

FACTOR IDENTIFICATION

Factor analysis is an approach that examines the associations among a large set of original measures and aims to reduce them to a smaller subset of explanatory factors for easier interpretation and is often referred to as a data reduction-interpretive technique (Martins et al. 1999, 369).

TABLE 5 Continued from the previous page

Pair		(1)	(2)	(3)	(4)
Pair 21	v21 gr 1	4.4000	140	.80287	.06786
	v21 gr 2	4.5500	140	.62703	.05299
Pair 22	v22 gr 1	4.4820	139	.75520	.06406
	v22 gr 2	4.2446	139	.78797	.06683
Pair 23	v23 gr 1	4.3000	140	.80198	.06778
	v23 gr 2	3.9357	140	.94611	.07996
Pair 24	v24 gr 1	4.4593	135	.80819	.06956
	v24 gr 2	4.2593	135	.73264	.06306
Pair 25	v25 gr 1	4.5683	139	.73278	.06215
	v25 gr 2	4.4820	139	.68475	.05808
Pair 26	v26 gr 1	4.4161	137	.81927	.07000
	v26 gr 2	4.5547	137	.72680	.06209
Pair 27	v27 gr 1	4.4783	138	.79430	.06762
	v27 gr 2	4.2246	138	.74499	.06342
Pair 28	v28 gr 1	4.6277	137	.81356	.06951
	v28 gr 2	4.2555	137	.83163	.07105
Pair 29	v29 gr 1	4.4317	139	.86015	.07296
	v29 gr 2	4.6619	139	.58426	.04956
Pair 30	v30 gr 1	4.2734	139	.87481	.07420
	v30 gr 2	4.3957	139	.70832	.06008
Pair 31	v31 gr 1	4.5942	138	.74125	.06310
	v30 gr 2	4.2609	138	.78586	.06690
Pair 32	v32 gr 1	4.3929	140	.83706	.07074
	v32 gr 2	4.5714	140	.65857	.05566

NOTES Column headings are as follows: (1) mean, (2) N, (3) standard deviation, (4) standard error mean. 'Pair' refers to measuring item 1 of Monsanto and the corresponding measuring item of DEKALB.

The authors also explained that the observable measures are generally respondent perceptions, expectations or preferences, which describe certain personality and behaviour traits that are normally not directly observable. A correlation matrix between all pair-wise measures is required as input data to analyse and examine associations between variables.

A factor analysis subsequently enabled the researcher to summarise 8992 responses (281 respondents; 32 items; Monsanto SA and DEKALB)

TABLE 6 Analysis of differences between the mean values (paired sample test)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Pair 1	1.70000	1.25061	.10570	1.49102	1.90898	16.084	139	.000	1.36
Pair 2	.21583	1.00551	.08529	.04719	.38446	2.531	138	.013	0.21
Pair 3	-.20290	1.01204	.08615	-.37326	-.03254	-2.355	137	.020	0.20
Pair 4	.20000	1.15179	.09734	.00753	.39247	2.055	139	.042	0.17
Pair 5	-.07407	1.01209	.08711	-.24636	.09821	-.850	134	.397	0.07
Pair 6	.30714	1.24598	.10530	.09894	.51535	2.917	139	.004	0.25
Pair 7	.22302	1.06351	.09021	.04466	.40139	2.472	138	.015	0.21
Pair 8	.04286	.97355	.08228	-.11982	.20554	.521	139	.603	0.04
Pair 9	.21429	.93521	.07904	.05801	.37056	2.711	139	.008	0.23
Pair 10	-.17143	.85615	.07236	-.31449	-.02836	-2.369	139	.019	0.20
Pair 11	-.01449	1.06699	.09083	-.19410	.16511	-.160	137	.873	0.01
Pair 12	.07246	1.00100	.08521	-.09604	.24096	.850	137	.397	0.07
Pair 13	.11679	1.07146	.09154	-.06424	.29782	1.276	136	.204	0.11
Pair 14	-.05109	.96498	.08244	-.21413	.11194	-.620	136	.536	0.05
Pair 15	-.18978	.88727	.07580	-.33969	-.03987	-2.504	136	.013	0.21
Pair 16	.17391	.87889	.07482	.02597	.32186	2.325	137	.022	0.20

Pair 17	v17	-.05755	.99105	.08406	-.22376	.10866	-.685	138	.495	0.06
Pair 18	v18	.16429	.98631	.08336	-.00053	.32910	1.971	139	.051	0.17
Pair 19	v19	.04317	1.00629	.08535	-.12560	.21193	.506	138	.614	0.04
Pair 20	v20	.01460	1.00722	.08605	-.15558	.18477	.170	136	.866	0.01
Pair 21	v21	-.15000	1.04520	.08834	-.32466	.02466	-1.698	139	.092	0.14
Pair 22	v22	.23741	1.14577	.09718	.04525	.42957	2.443	138	.016	0.21
Pair 23	v23	.36429	1.30968	.11069	.14544	.58314	3.291	139	.001	0.28
Pair 24	v24	.20000	1.13163	.09740	.00737	.39263	2.053	134	.042	0.18
Pair 25	v25	.08633	.97417	.08263	-.07705	.24971	1.045	138	.298	0.09
Pair 26	v26	-.13869	1.09935	.09392	-.32443	.04705	-1.477	136	.142	0.13
Pair 27	v27	.25362	1.05375	.08970	.07625	.43100	2.827	137	.005	0.24
Pair 28	v28	.37226	1.16321	.09938	.17573	.56879	3.746	136	.000	0.32
Pair 29	v29	-.23022	1.00950	.08562	-.39952	-.06091	-2.689	138	.008	0.23
Pair 30	v30	-.12230	1.08655	.09216	-.30453	.05993	-1.327	138	.187	0.11
Pair 31	v31	.33333	1.04869	.08927	.15681	.50986	3.734	137	.000	0.32
Pair 32	v32	-.17857	1.08135	.09139	-.35927	.00212	-1.954	139	.053	0.17

NOTES Column headings are as follows: (1) differences between questions, (2) mean, (3) standard deviation, (4) standard error mean, (5) lower 95% confidence interval of the difference, (6) upper 95% confidence interval of the difference, (7) *t*, (8) *df*, (9) statistical sig. (2-tailed) $p < 0.05$, (10) practical sig. (effect size > 0.8).

into a smaller number of factors. By summarising these responses, it was hoped that certain underlying constructs or dimensions of corporate image and the differences between Monsanto SA and DEKALB would be found. The initial dataset, consisting of 32 variables for each group, was subjected to Cronbach's coefficient alpha (α) reliability test and both datasets had α values $> 0,70$ (Boshoff and Hoole 1998, 77). In addition, each identified factor from the factor analysis was also subjected to the Cronbach alpha test, and the α -value for the single factor extracted from the data pertaining to DEKALB was 0.989. The factor analysis identified two factors pertaining to Monsanto SA, and they had alpha values of 0.968 and 0.797, respectively.

DEKALKB explains a favourable total variance of 75.7%. All this variance is explained by the first factor. It is also the only factor identified by the analysis. The identified factor has been labelled and interpreted appropriately.

Variables that are highly correlated with each other are grouped together under a single factor. The factor analysis for DEKALB (table 7) revealed that one factor could be identified from the data and illustrated the items significant for the one factor.

A suitable description for this factor seems to be *dynamism*. Some of the above items fit well together and are supportive of each other. A brand name that understands farmer requirements, *always improving, stylish, stable, likeable, fast, trustworthy, lively, reputable, interesting, attractive, aggressive, flexible, pleasant doing business, modern, clear communication*, is definitely very dynamic. These items are all very intangible; they may be seen to constitute corporate behaviour.

Two items, namely 'brand growing fast' and 'strong biotechnology image,' did not contribute to this factor.

The factor analysis for the Monsanto SA data explained a cumulative variance of 57.9%. Factor 1 explained the majority of this variance (50.3%).

Variables that are highly correlated with each other are grouped together under a single factor. Each distinct grouping of highly correlated original variables represents a separate factor. The factor analyses for Monsanto SA table 8 revealed that two factors could be identified from the data and illustrate the item significant for the two factors.

A suitable description for factor one also seems to be *dynamism*. According to the OED (2005, 363), the meaning of dynamism is the quality of being dynamic, philosophical, chiefly historical, the theory that phenomena can be explained by an imminent force. Most of these items fit

TABLE 7 Dekalb component factors

Factors	Component
v26 weak brand image/strong brand image	.911
v11 quit advertising/lively advertising	.902
v4 organisation not too progressive/organisation always improving	.900
v31 low quality products/high quality products	.898
v12 disreputable products/reputable products	.895
v24 old-fashioned organisation/modern organisation	.893
v20 organisation providing bad service/organisation providing good service	.891
v19 unimportant to my business/important to my business	.886
v14 unsuccessful organisation/successful organisation	.884
v15 boring organisation/interesting organisation	.883
v25 uncertain doing business again/definite doing business again	.882
v32 complex doing business with/simple doing business with	.882
v27 hazy communication/clear communication	.881
v30 rigid when doing business/flexible when doing business	.877
v7 slow service/fast service	.875
v17 unattractive company/attractive company	.871
v18 unpleasant doing business/pleasant doing business	.868
v13 unknown products/known products	.864
v23 unbelievable advertising/believable advertising	.862
v9 low technology/high technology	.861
v2 not a biotechnology organisation/a biotechnology organisation	.860
v1 not understanding farmer requirements/understand. farmer requirements	.860
v6 unstable brand/stable brand	.858
v10 untrustworthy brand/trustworthy brand	.856
v16 bad product performance/good product performance	.854
v8 unlikeable products/likeable products	.852
v5 plain brand/stylish brand	.846
v29 meek advertising/aggressive advertising	.832
v3 strange brand/familiar brand	.823
v22 invisible logo/visible logo	.790

well together with the factors of the DEKALB brand and are supportive of each other. An organisation's brand name, like Monsanto SA, which *understands farmer requirements, always improving, stylish, stable, likeable,*

TABLE 8 Monsanto SA component factors

Factors	Component	1	2
v18 unpleasant doing business/pleasant doing business		.823	
v27 hazy communication/clear communication		.821	
v7 slow service/fast service		.795	
v20 organisation providing bad service/org. providing good service		.786	
v14 unsuccessful organisation/successful organisation		.783	
v17 unattractive company/attractive company		.776	
v12 disreputable products/reputable products		.772	
v25 uncertain doing business again/definite doing business again		.771	
v31 low quality products/high quality products		.769	
v19 unimportant to my business/important to my business		.766	
v24 old-fashioned organisation/modern organisation		.762	
v10 untrustworthy brand/trustworthy brand		.758	
v30 rigid when doing business/flexible when doing business		.757	
v1 not understanding farmer requirements/underst. farmer req.		.756	
v16 bad product performance/good product performance		.751	
v11 quit advertising/lively advertising		.744	
v4 organisation not too progressive/organisation always improving		.737	
v15 boring organisation/interesting organisation		.730	
v29 meek advertising/aggressive advertising		.728	
v8 unlikeable products/likeable products		.721	
v32 complex doing business with/simple doing business with		.713	
v23 unbelievable advertising/believable advertising		.696	
v26 weak brand image/strong brand image		.678	
v13 unknown products/known products		.655	
v2 not a biotechnology organisation/a biotechnology organisation		.648	
v9 low technology/high technology		.623	
v5 plain brand/stylish brand			.813
v3 strange brand/familiar brand			.672
v6 unstable brand/stable brand			.637

fast, trustworthy, lively, reputable, interesting, attractive, aggressive, flexible, pleasant doing business, modern, clear communication, is definitely very dynamic. These items may also be seen to constitute corporate behaviour. Three items, namely 'brand growing fast', 'strong biotechnology

TABLE 9 Comparison of factors in different industries

Factor	Represent	(1)	(2)	(3)
Factor 1	Dynamism	X	X	X
Factor 2	Stability/credibility	X		
Factor 3	Client/customer service	X		
Factor 4	Visual identity	X	X	

NOTES Column headings are as follows: (1) banking institutions in SA (Van Heerden 1993), (2) Monsanto SA current study, (3) DEKALB current study.

image’ and ‘visible logo’ did not contribute to any factor. The only difference between the brand and organisation items in factor one, is the item *invisible logo*, which was excluded when evaluating the Monsanto SA logo.

A suitable description for factor two seems to be *visual identity*. These three items, namely *familiar brand*, *stylish brand* and *stable brand*, fit well together and are supportive of each other. Van Heerden (1993, 121) argued that visual identity is a major contributor towards corporate image, but that dynamism contributes more to corporate image.

In summary of the factors that were identified to determine the corporate image of Monsanto SA and DEKALB, it can be argued that the respondents, when viewing the DEKALB logo, picture this brand name as one identity and do not associate it with the organisation Monsanto SA. It has been portrayed as one identity standing on its own. In the case of Monsanto SA, it can be argued from the results that respondents picture and associate the organisation Monsanto SA with the brand name DEKALB.

Table 9 compares the factors identified by Van Heerden (1993) in the South African banking industry and the current study in the agricultural sector. Dynamism was identified as a common factor when matched up against the agricultural market (organisation or brand) and therefore it can be argued that this factor represents behavioural identity (dynamism) in both industries’ research findings. This confirms the viewpoint that corporate image is not only formed by visual identity, but also by behavioural identity.

Acceptance or Rejection of Hypotheses

The research formulated four research hypotheses that should either be accepted or rejected as a result of the research.

H_0 *Confusion in the market exists between the corporate name Monsanto SA and the brand name DEKALB.*

Partially accepted. The research clearly showed that two factors for Monsanto SA were identified, while only one factor was identified for the brand DEKALB. Two factors, dynamism and visibility, were identified for Monsanto SA, and for DEKALB, just one factor, namely dynamism was recognised.

H_a *Confusion does not exist in the market between the corporate name Monsanto SA and the brand name DEKALB.*

Partially accepted. See explanation H_0 above.

H_1 *Monsanto SA has a stronger corporate identity in the agriculture industry than DEKALB.*

Partially accepted. Due to the two factors (dynamism and visibility) as identified in this investigation for Monsanto SA, respondents do relate the corporate identity with the brand DEKALB. The factor dynamism for the DEKALB brand only relates to the brand and is not linked to the corporate identity of Monsanto SA.

H_2 *DEKALB has a stronger corporate identity in the agricultural industry than Monsanto SA.*

Partially accepted. See explanation H_0 and H_1 above.

From the research findings, there is a small difference in how the respondents observe Monsanto SA and DEKALB. The factor dynamism was identified as a common factor and visibility was not found in the brand DEKALB. With regard to the comparison between Monsanto SA and DEKALB, only one factor was meaningful.

Analysis and Interpretation

The data were collected via a measuring instrument at maize production farmers in the agricultural sector of the market, and the statistical analyses made use of descriptive as well as advanced techniques. The use of factor analysis is to determine the underlying constructs of a dataset provided to be beneficial in this application setting, since it has supplied the researcher with additional information to assist the marketing team in identifying factors of importance to increase and grow the market business entity. The dataset was validated by applying Cronbach's alpha and it proved to be reliable and stable.

In this investigation, for the brand DEKALB, one factor contributed to the brand image and was identified as dynamism. For Monsanto SA, two factors contributed to the organisation's image and were identified as dynamism and visual identity.

It can be argued that the respondents, when looking at the DEKALB logo, picture this brand name as one identity and do not associate it with the organisation Monsanto SA. It is portrayed as one identity standing on its own. In the case of Monsanto SA, respondents picture and associate the organisation Monsanto SA with the brand name DEKALB. These results indicate that the corporate logo, as one of the elements of the corporate identity mix, can be used to create images in the minds of respondents, because it serves as a mental switch or stimulus. The research results confirm the assumption that corporate behaviour and corporate visual identity contribute to visual identity. This argument is also supported by an earlier study done by Van Heerden (1993, 123). In addition, these results are arguably in line with the research by Dungan (2002, 52), explaining that when corporate image is different from brand name, consistency is harder to maintain. According to Van Heerden and Badenhorst (2004, 19), 'the dual nature of image and identity creates a special dilemma for decision-makers.'

Conclusions

From the research, it can be concluded that:

- In the analysis, only question 1 (table 5) showed a significant difference. This question dealt with whether or not the organisation understands the farmer requirements when viewing the two different logos at different times. The respondents indicate that DEKALB does understand farmer requirements (mean value of 4.40), and that Monsanto SA does not really understand farmer requirements (mean value of 2.70).
- The researcher concluded that DEKALB has a strong brand identity. The respondents identified with the brand and not with Monsanto SA. The brand DEKALB identifies a product to the respondents and differentiates it from the competitor's products. DEKALB has a brand reputation and has value in the minds of customers. This unified identity has been labeled dynamism. From table 7, it is evident from the historical survey (Objectivity 2003) that 76% of respondents did not know the new brand DEKALB. With this cur-

rent survey of 2008, this deficit of the past has been eliminated, and all respondents knew the brand DEKALB. They did, however, not necessarily make a strong connection to Monsanto SA as the company. Respondents today feel that the brand does understand farmer requirements. Evidently, the current marketing strategy of the DEKALB brand is very successful.

- The factor dynamism was identified and is tested to be reliable because it was subjected to the Cronbach coefficient alpha (α) reliability test with an α -value of 0.98.
- The cumulative variance for the factor loading to DEKALB is high (76%). In addition, the high Cronbach alpha value of the factor supports the fact that statistically a good and reliable fit to the data exists.
- With reference to the first conclusion, the respondents indicate that Monsanto SA and DEKALB differ significantly, except on the first question.
- Regarding the case of Monsanto SA, the respondents relate with the identity, the corporate name and the brand name of the organisation. The core factor identified is also dynamism. However, this factor explains less variance than was the case with DEKALB (50%). In addition, a second factor is present with Monsanto SA, namely that of *visibility* in the market. An explanation could be that a brand like DEKALB only deals in a straightforward relationship with one group of customers, while Monsanto SA operates in a complex tangled web of relationships over a much more extended business environment.
- The two factors that were identified resulted in favourable Cronbach Coefficient alphas (α -values of 0.96 and 0.79 respectively). It is, therefore, concluded that the factors are reliable.
- The cumulative factor variance for Monsanto SA is less than that of DEKALB (58%), while dynamism as a factor only explains 50% variance. This is significantly less than the variance explained by DEKALB. As such (bearing in mind the explanation offered in Conclusion 2: DEKALB), Monsanto SA is perceived by the market to be more complex, while DEKALB is regarded to be a single factorial concept.

Managerial Implications

The analysis showed that there is no significant practical difference between the brand perceptions pertaining to Montana SA and DEKALB.

From a managerial perspective, this is reassuring because building a dual brand in the market could be confusing to customers and creates opportunities for competitors in the seed market. The managerial implications of the study are summarised below.

1. The marketing strategies of the two brand identities should continue to dovetail in order to strengthen the perceptions in the market that a common factor in identity exists. Marketing managers should position DEKALB as the vehicle that transports Monsanto SA's brand value of dynamism.
2. The visibilities of both DEKALB and Monsanto SA in the market should be used to continue to act as a transporter of brand identity. Managers should realise that both names are synonymous with the company, and as such, positively build the brand identity in the market.
3. Regarding the management of the Department of Research and Development at Monsanto SA, it is important that managers continue to fund research in order to continue to identify other brand identities (factors) that may be lurking within the Monsanto SA brand. This is especially true because 43% of the variance is yet to be explained, identified, and addressed.
4. For the same reason, management should also support continued research regarding the brand name DEKALB, because it is important to determine whether the brand identity really relates to only one factor. The DEKALB brand could also have latent factors within that could be valuable in constructing a marketing strategy.
5. Management should take note of the strong brand identity of DEKALB. Since the DEKALB brand marketing strategy is so successful, the DEKALB brand should present itself as clear and understandable as possible. In addition, the relationship with or link to Monsanto SA should always be confirmed. This would ensure that customers perform brand transfer between the different departments, divisions, and other brands or products that Monsanto SA markets. This implies that the whole of the organisation's personality and its identity should become the most significant factor in making a choice between companies.
6. An interesting managerial implication is that an awareness campaign is required to sensitise all of the marketing managers in the Monsanto SA organisation to be a major role-player when it comes to corporate identity strategies. Managers should realise the im-

portance of the role of the corporate identity in the total business strategy. It is also the responsibility of management to share the plan and to implement the corporate identity programme with all of Monsanto SA employees. This will enable the realisation and understanding of the importance of corporate identity and the role they play.

7. Although it can be argued that dual branding in the marketing strategy influences corporate identity and image negatively, this is only true in market confusion scenarios. Once the dual branding strategy becomes synonymous in its identity, significant benefits can be derived from it, especially if a number of brands exist within an organisation. The Monsanto SA marketing team must emphasise this factor to ensure that respondents are not confused by its dual branding strategy. It is therefore recommended that Monsanto SA continues its dual branding strategy by creating positive experiences of both brands in the minds of the consumers.

Valuable knowledge could be derived from future research conducted with those respondents who do not purchase maize seed from the organisation but from Monsanto's competitors. In addition, further research could identify the rest of the agricultural sector regarding those factors that contribute to corporate image. The other brands, among others, Round-Up, Lasso MT, DELTAPINE, Seminus, Guardian, Bullet, Carnia Seed, and more, could be enlisted in further research at Monsanto SA.

Limitations of the Study

The study and its results are limited by the following constraints:

- The results pertain to Monsanto SA only, and cannot be extrapolated to other countries where Monsanto International operates. Resultantly, managerial decision-making based on these results is limited to South Africa only.
- The views expressed in this research are a result of the perceptions and buying behaviour of the customers of Monsanto SA (and also buyers of DEKALB as the brand name of Monsanto SA). The study is, therefore, limited to the customers of Monsanto SA only.
- The views of non-customers (such as the buyers of Pioneer, Kudu, and other competitive agricultural seed products and brand names) are not discounted in this study. It could be possible that these customers with a lesser knowledge of Monsanto SA or their brand

name DEKALB do not know that the link between these identities exists, and may even regard Monsanto SA and DEKALB as competitors to in the market.

References

- Abratt, R. 1989. 'A New Approach to the Corporate Image Management Process.' *Journal of Marketing Management* 5 (1): 63–76.
- Abratt, R., and T. N. Mofokeng. 2001. 'Development and Management of Corporate Image in South Africa.' *European Journal of Marketing* 35 (3–4): 368–86.
- Asacker, T. 2011. 'Brands Feed Hungers.' http://www.acleareye.com/sandbox_wisdom/page/13/
- Balmer, M. T. 2001. 'Corporate Identity, Corporate Branding and Corporate Marketing.' *European Journal of Marketing* 35 (3–4): 248–91.
- Bouchikhi, H., and J. Kimberly. 2008. 'Leadership Challenges in the Age of Identity.' *Management Today* 24 (3): 16–21.
- Breytenbach, B. 2008. Personal Interview with a Product Manager, Monsanto SA.
- Chevalier, M., and G. Mazzalovo. 2004. *Pro Logo: Brands as a Factor of Progress*. New York: Palgrave Macmillan.
- Dowling, G. 1993. 'Developing Your Company Image into a Corporate Asset.' *Long Range Planning* 26 (2): 101–9.
- Ellis, S. M., and H. S. Steyn. 2003. 'Practical Significance (Effect Sizes) versus or in Combination with Statistical Significance (*p*-Values).' *Management Dynamics* 12 (4): 51–3.
- Kotler, P., and G. Armstrong. 2006. *Principles of Marketing*. 12th Edition. Upper Saddle River, NJ: Pearson Prentice Hall.
- Monsanto. 2006. *Our Essential Ingredients*. Johannesburg: Monsanto.
- Olins, W. 1978. *Corporate Personality*. New York: Mayflower.
- . 1989. *Corporate Identity: Making Business Strategy Visible Through Design*. Toledo: Artes Graficos.
- Skinner, J. C., and L. M. Von Essen. 1987. *Handbook of Public Relations*. 4th ed. Pretoria: Macmillan.
- Stuart, H. 1999. 'Towards a Definitive Model of the Corporate Identity Management Process.' *Corporate Communications: An International Journal* 4 (4): 200–7.
- Van Heerden, C. H. 1993. *Corporate Identity as an Element of Marketing Strategy*. Pretoria: University of Pretoria.
- Van Heerden, C. H., A. N. Schreuder, and M. Gouverneur. 2000. 'Factors that Determine the Corporate Image of South African Fast Food Restaurants.' *SAJEMS* 3 (1): 125–42.

Van Heerden, C. H., and J. Badenhorst. 2004. 'Revisiting the Corporate Image of South African Banking Institutions.' *Communicare* 23 (1): 15–32.

Varey, R. J. 2002. *Marketing Communication: Principles and Practice*. New York: Routledge.

Socialno podjetništvo v gospodarstvu v vzponu s poudarkom na institucionalnem okolju in socialnopodjetniški učinkovitosti

Boris Urban

V skladu s prepričanjem, da institucionalno okolje vpliva na podjetniško dejavnost, članek raziskuje, kako je pripravljenost določene osebe, da začne s socialnim podjetništvom, povezana z njenim prepričanjem o svoji učinkovitosti. Oblikovane so bile hipoteze o vplivu južnoafriških regulatorskih, normativnih in kognitivnih institucionalnih profilov na posameznikovo učinkovitost v socialnem podjetništvu. Izsledki kažejo na ugodno sprejemanje regulatornih in normativnih razsežnosti, ki so povezane z visokimi ravnmi učinkovitosti. Kljub temu, da so institucionalni podporni mehanizmi bistveni za povečanje obsega socialnega podjetništva, pa se to lahko širi le na podlagi spodbujanja samozavesti posameznikov.

Ključne besede: institucije; samoučinkovitost; socialno podjetništvo; Južna Afrika

Klasifikacija JEL: D8; J24

Managing Global Transitions 11 (1): 3–25

Vpliv vizije in strategije družbene odgovornosti na poslovno uspešnost

Anton Peršič in Mirko Markič

Namen raziskave je bil proučiti vpliv vizije in strategije družbene odgovornosti na poslovno uspešnost organizacij z upoštevanjem celovitosti in soodvisnosti družbeno odgovornega ravnanja ter vpliv spoštovanja načel in gradnikov družbene odgovornosti na trajnostni razvoj organizacije. Podatke in informacije smo zbrali s kvantitativno metodo raziskovanja, kot pripomoček za zbiranje pa smo uporabili vprašalnik, ki smo ga posredovali vsem 759 velikim in srednje-velikim organizacijam na področjih izvajanja tržnih storitev v Republiki Sloveniji. Ugotovili smo neposreden vpliv uresničevanja vizije, strategije in soodvisnosti dejavnikov družbene odgovornosti na poslovno uspešnost organizacije, posebej na prihodek ($p = 0,017$), dobiček ($p = 0,003$) in ekonomičnost poslovanja ($p = 0,019$). Izidi raziskave ponujajo tako teoretične kot tudi praktične koristi za vse tiste, ki se ukvarjajo s načrtovanjem, organiziranjem, vodenjem in kontroliranjem trajnostnega razvoja in družbeno odgovornega ravnanja v organizaciji.

Gljučne besede: družbena odgovornost; poslovna uspešnost; trajnostni razvoj; tržne storitve

Klasifikacija JEL: L80; Q01; M11; M14

Managing Global Transitions 11 (1): 27–40

Teoretična in empirična analiza razlik med spoloma v afriškem poslovnem okolju

Herman Linde, Renjini Alex, Felicity van Vrede, Werner Havenga in Jan C. Visagie

Namen raziskave je bil ugotoviti, ali obstajajo razlike v slogih razreševanja sporov med moškimi in ženskimi podjetniki v Južni Afriki, in primerjati te rezultate z načini razreševanja sporov, ki jih uporabljajo moški in ženski vodilni delavci v nigerijskih organizacijah. Empirična raziskava je bila opravljena z uporabo Rahimovega modela organizacijskega inventarja (ROC-11). Rezultati so pokazali, da med moškimi in ženskami obstajajo razlike v slogih razreševanja sporov, čeprav so zelo majhne. V Južni Afriki skušajo ženske za razreševanje sporov s podrejenimi pogosteje uporabljati integrativni slog kot moški. Pri moških pa je bila ugotovljena močna negativna korelacija med integrativnimi, dominantnimi in kompromisnimi slogi. Izsledki raziskave so bili tudi primerjani z izsledki podobne raziskave, ki je bila opravljena med vodilnimi delavci v Nigeriji. Pokazale so se podobnosti v slogih razreševanja konfliktov pri podjetnikih v Južni Afriki in vodilnih delavcih v Nigeriji. Rezultati nigerijskega in južnoafriškega vzorca so si podobni v tem, da tako moški kot ženske skušajo pogosteje uporabljati integrativni način. Izsledki tudi nakazujejo, da Nigerijci pri tem manj mislijo nase kot Južnoafričani.

Gljučne besede: organizacija; slogi razreševanja konfliktov; odnosi

Klasifikacija JEL: J16; D74

Managing Global Transitions 11 (1): 41–60

Oblikovanje identitete blagovne znamke in pomen trženjskega komuniciranja: pogledi skrbnikov blagovnih znamk

Nuša Petek in Maja Konečnik Ruzzier

V zadnjem času akademiki izpostavljajo velik pomen odnosa do blagovne znamke in izkušenj z znamko kot pomembnih gradnikov identitete blagovne znamke. Nova trženjsko-komunikacijska orodja, ki omogočajo interakcijo in vpletenost porabnikov, so izpostavljena kot ena izmed glavnih orodij, ki utrjujejo odnos do znamke in izboljšujejo vpletenost porabnika. V prispevku analiziramo razumevanje gradnikov identitete blagovne znamke s strani skrbnikov blagovnih znamk in uporabo

novih trženjsko-komunikacijskih orodij v praksi. S tem namenom smo izvedli dvanajst globinskih intervjujev med skrbniki blagovnih znamk v Sloveniji. Rezultati implicirajo, da mnenja skrbnikov blagovnih znamk niso konsistentna z novimi dognanji med akademiki, saj skrbniki blagovnih znamk ne omenjajo odnosa do blagovne znamke in izkušenj z znamko kot možnih gradnikov identitete znamke. Kljub temu, da se večinoma nova trženjsko-komunikacijska orodja močno uporabljajo, je uporaba mobilnega oglaševanja še v zametkih in tako dandanes v praksi še vedno prevladujejo tradicionalna trženjsko-komunikacijska orodja.

Ključne besede: blagovna znamka; identiteta blagovne znamke; skrbniki blagovnih znamk; trženjsko komuniciranje; Slovenija

Klasifikacija JEL: M310; M370

Managing Global Transitions 11 (1): 61–78

Učinkovitost dvojnega označevanja z blagovno znamko v poljedelstvu

Christo A. Bisschoff, Hendrik P. Van Staaden in Amareza Buys

Raziskava obravnava koncept strategije dvojnega označevanja z blagovno znamko s proučevanjem tržnega zavedanja dveh blagovnih znamk: DEKALB in Montana SA. 281 anketirancev je izpolnilo vprašalnik, pripravljen posebej v ta namen. Analiza podatkov je bila opravljena z deskriptivnimi statistikami in Varimax analizo rotiranih faktorjev. Zanesljivost je bila preverjena z določitvijo Cronbachovega koeficienta alfa. Za sedaj sta znamki skladni, vendar lahko zlahka pride do zamenjevanja, zaradi česar je potrebna previdnost. Kar zadeva DEKALB, prispeva k prepoznavnosti blagovne znamke samo en dejavnik, in sicer dinamičnost. Kar zadeva Monsanto SA, pa prispevata k prepoznavnosti blagovne znamke dva dejavnika, dinamičnost in vizualna identiteta. Raziskava ugotavlja, da je, kljub podobnosti obeh znamk, znamka Monsanto SA jasneje definirana. Najpomembnejša ugotovitev je, da dvojno označevanje z blagovno znamko vpliva na identiteto in podobo podjetja ter obratno.

Ključne besede: identiteta podjetja; tržna strategija; dvojno označevanje z blagovno znamko; enojno označevanje z blagovno znamko; tržno zavedanje

Klasifikacija JEL: M30; M31; M39

Managing Global Transitions 11 (1): 79–110

Managing Global Transitions

International Research Journal

AIMS AND SCOPE

The journal *Managing Global Transitions* is aimed at providing a forum for disseminating scholarship focused on transitions. The journal seeks to publish ground breaking work in management research that will provide integrated and diverse perspectives on the processes of change and evolution in a broad range of disparate fields, including systems theory, leadership development, economics, education, industrial relations, law, sociology, informatics, technology, decision-making theory, and action learning. To further the understanding of transition environments internationally the journal aspires to enhance the availability of case studies and analysis of data from different cultural environments in public, non-profit, and corporate contexts.

INFORMATION FOR AUTHORS

Manuscripts are accepted on the understanding that they are original and not under simultaneous consideration by any other publication. All manuscripts are double-blind peer reviewed.

Manuscripts should be prepared following *The Chicago Manual of Style*.

Manuscript Style

- Manuscripts should be submitted electronically via e-mail. We accept files created with all major word processing packages, but prefer MS Word and L^AT_EX.
- The editors reserve the right to return to authors, without peer review, improperly formatted manuscripts.
- Papers should be between 5000 and 6000 words in length, accompanied by a 100–150-word abstract, and no more than five key words and two areas of JEL classification (see http://www.aeaweb.org/journal/jel_class_system.html) on a separate sheet.
- The title page must list full title, author(s) address, and e-mail.
- Paper size should be A4. Margins should be set for a 25 mm (1 in.) top, bottom, left, and right. The point size should be

12 and the font should be Times New Roman. Italics should be used for emphasis and bold for headings. Put blank lines between paragraphs and differentiate major and minor headings.

- Footnotes are not permitted. Endnotes are permissible but should be kept to a minimum.

Reference Style

The author-date system of citation for references should be used in the text, followed by page number if a direct quotation is given, e.g., (Jackson 1979, 181). The alphabetized reference list should be titled 'References' with entries in the following format:

- Anderson Analytics. 2007. 'Brands and Countries.' <http://www.andersonanalytics.com/reports/BrandAndCountries.pdf>
- Beech, M. H. 1982. 'The Domestic Realm in the Lives of Hindu Women in Calcutta.' In *Separate Worlds: Studies of Purdah in South Asia*, edited by H. Papanek and G. Minault, 110–38. Delhi: Chanakya.
- Kim, J., S. J. Lee, and G. Marschke. 2005. 'The Influence of University Research on Industrial Innovation.' NBER Working Paper Series 11447, National Bureau of Economic Research, Cambridge, MA.
- Jackson, R. 1979. 'Running Down the Up-Escalator: Regional Inequality in Papua New Guinea.' *Australian Geographer* 14 (5): 175–84.
- Lynd, R., and H. Lynd. 1929. *Middletown: A study in American Culture*. New York: Harcourt, Brace and World.
- University of Chicago Press. 2010. *The Chicago Manual of Style*. 16th ed. Chicago: University of Chicago Press.

INDEXING AND ABSTRACTING

Managing Global Transitions is indexed/abstracted in the International Bibliography of the Social Sciences, EconLit, DOAJ, EconPapers, Cabell's, EBSCO, and ProQuest.

The journal is supported by the Slovenian Book Agency.

ISSN 1854-6935 (online)



Managing Global Transitions

International Research Journal

VOLUME 11 · NUMBER 1 · SPRING 2013 · ISSN 1854-6935

- 3 Social Entrepreneurship in an Emerging Economy:
A Focus on the Institutional Environment
and Social Entrepreneurial Self-Efficacy
Boris Urban
- 27 The Impact of Social Responsibility Vision and Strategy
on Successful Corporate Operations
Anton Peršič
Mirko Markič
- 41 A Theoretical and Empirical Analysis of Gender Differences
within the African Business Environment
Herman Linde
Renjini Alex
Felicity van Vrede
Werner Havenga
Jan C. Visagie
- 61 Brand Identity Development and the Role of Marketing
Communications: Brand Experts' View
Nusa Petek
Maja Konecnik Ruzzier
- 79 The Effectiveness of Dual Branding
in the Agricultural Sector
Christo A. Bisschoff
Hendrik P. Van Staaden
Amareza Buys

