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Impact of Organizational Culture on Brand Value: An analytical Case Study of Companies Functioning in Dubai.

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ABSTRACT

The way organizations functioning has been undergoing drastic changes during the last few decades, especially after 1990's as an outcome of organization's migration to various corners impacted by the concept of Globalization, Liberalization, and Privatization. When these changes are taking place, many organizations shed their old way of functioning towards a new approach so as to respond more aptly to the environmental changes. Culture being the most important element of environmental change carries some basic pattern of assumptions – invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration- that has worked well enough to be considered valuable and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to these problems (Edgar Schein). While analyzing the work culture in this part of the world and the consequent development of organizational culture, we can visualize a totally different picture as compared to the development of organizational culture in other parts of the world. Organizations across the world share certain common norms, assumptions, beliefs and values which help them to develop brand value for their establishments. But the way it develops is totally different in the current work culture and work scenario in UAE and hence it has influenced the brand perception in a different way. Organizations intend to promote their brand name by changing their culture by resorting to various practices such as Total Quality Management (TQM), Business Process Re-engineering (BPR), and Enterprise Resource Planning (ERP) etc. Currently this has generated a new outlook towards organization culture and brand value of the organization. It's a qualitative research

Keywords:- Total Quality Management; Business Process Re-engineering; Enterprise Resource Planning; Organizational Culture; Brand Perception; Brand Value.

INTRODUCTION

When people join organizations, they bring with them values, beliefs, perception etc which might be based purely on individual values and concepts. After joining the organization, they undergo certain conflict which we call as conflict stage in management. This conflict arises because of the cultural conflict that takes place in between the individual and the organization. The individual enters an organization with his own culture whereas the organizations must have acquired a culture of its own due to its existence for long time. Even if the organization is totally new, then also the organization must have acquired own cultural momentum even during the short period of its existence. Since there is considerable difference between the way the individual think and the institution expect, there are possibilities of clash of

interest between the two. A major factor that determines the level of conflict in interest between the individual and the organization is because of cultural differences.

Edgar Schen has defined this culture as “a pattern of basic assumptions – invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration – that has worked well enough to be considered valuable and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to these problems. There are various other definitions given for organizational culture which make us think that it is a complex concept that implies a system of shared meanings held by members which distinguishes the organization from other organizations.

The concept got importance after mid 1980s as business units used to think on the basis of institutionalization, which implies a condition that occurs when an organization takes on a life of its own, apart from any of its members, and acquired immortality. Institutionalization operates to produce a common understanding among members about what is appropriate, meaningful behavior.

Ambler (1992) defines brand as: the promise of the bundles of attributes that someone buys and provide satisfaction. The attributes that make up a brand may be real or illusory, rational or emotional, tangible or invisible. The attributes of a brand are created using their marketing mix and are subject to interpretation by the consumer.

A brand's value is determined by the degree of brand loyalty, as this implies a guarantee of future cash flows.

Brand description → Brand Strength → Brand Value

The brand description is tailored to the needs and wants of a target market using the marketing mix of product, price, place and promotion. The success or otherwise of this process determines brand strength or the degree of brand loyalty.

Brands are basically a promise. They tell consumers what quality to expect from a product and show off its personality. Firms invest a lot on the image of their brands to foster sales and loyalty. But measuring their value is hard. Millward Brown, 2013, a market-research company, is one of several that take a stab at it. It has just published its annual ranking of the world's "most powerful" brands based on consumers' perceptions and the performance of the companies that own them.

Methodology

As the research is qualitative in nature, the data collection techniques employed is observations, interviews and examination of documents and records. In observation, the participant observation method is used as the study focus on organizations and its culture in United Arab Emirates (UAE) and its impact on branding. The validity of a participant observation is more authenticated and relevant as the study pertains to local organizational culture and its impact on branding in the UAE.

While interviewing, semi-structured and unstructured interview methods to individuals and focused group were used. The focused group got selected from employees of nearly seven key accounts holders, which are true local companies owned and managed by local residents, i.e. Emiratis (nationals of the UAE). The triangulation method is adopted in this study to combine together the data and opinion gathered from different sources.

Other crucial information's are collected from records, documents and other printed materials available in libraries, chamber of commerce, ministries and so on.

For getting the sample data, chain referral sampling technique was used in reaching access to those

groups of people (i.e. UAE nationals) who are not generally accessible.

3. Organizational Culture and Brand Value

Brand is the outward expression of an organization's DNA while its corporate culture is the internal demonstration of those qualities. Simple enough to define, but while the corporate world has been talking about organizational culture for years, the emergence of brand as a discussion point in the executive suite is relatively new for many companies. Let us examine how the culture and brand value is closely correlated in the modern business.

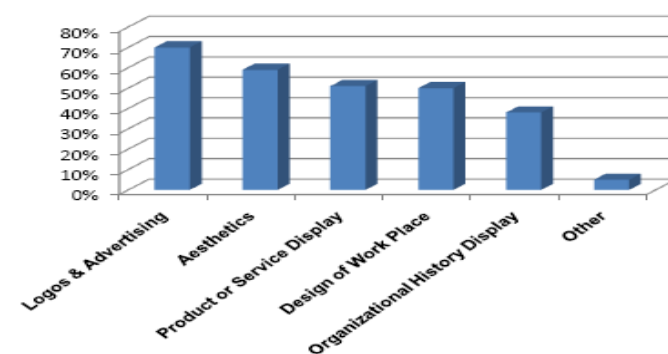
3.1. Which comes first – Culture or Brand?

In a fast paced world with hyper-linked communication system through IT by the application of tools such as Enterprise Resource Planning (ERP), Business Process Re-engineering (BPR) etc, it is a question worth posing whether an organization's brand and culture shape each other through an interconnected system or not. We need to analyze whether culture comes first or brand comes first. Since brand is developed from within the organization, to certain extent an organization's various internal elements affect the development of it. This leads to the integration of culture with the brand and the demarcation between the two is getting more and thinner.

So if an organization wants to change its brand, it should know that in what way the culture should change, to support the change in the brand concept. The cultural aspect is always overlooked by experts, researchers as well as corporate business leaders while considering the development of a brand. A recent study conducted by Corenet Global found that nearly 77% corporate real estate managers agree that brand plays a major role in business development but only 54% agree that workplace plays a critical role in supporting business and only 15% agree that their facilities reflect their brand value.

The old concept of branding has to change now. The following graph shows the fallacy in thinking about brand, brand value and brand concept among people in the workplace. As per Steelcase and Corenet Branding Study, the following graph illustrates the thinking of the people in the work place related to the brand.

Fig.1



Source: Steelcase & Corenet Branding Study

One of the leading brand thinkers Marty Neumeier (Books: Brand Gap, Zag& The Designful Company) is of the opinion that logos and advertisings are mere symbols or identifiers of brand but many people working in organization believe that branding means logos and advertising only.

A brand is who an organization is and what they stand for and how it meets the expectation of the people who consider it. It is the sum total of the experience which a person has with a company. Since brand is the total experience of the people or brand loyals with a company, this experience can be converted as an pleasant one by the integrated effort of all the people who work in the company with a common thread of meaning that is shared in between them, even from the level of CEO to the level of the lowest cadre worker. For example, an organization like Amazon never project their logos anywhere through conventional advertising such as television, newspapers and magazines, but focus on resources such as technology, distribution capabilities etc to promote the brand name.

Another example is the case of Starbucks that has nurtured a unique culture and thereby converted a local company into an international company within a short span of time. They have built up their brand on their work culture. The best workplace integrates the following three components in an organization.



Fig.2

Workplace Experience

While considering this fact, we need to say that a strong brand can be built upon the edifice of a strong organizational culture supported by long vision and strategy. This is what we see now in the modern Dubai where the brand name of the country is built upon a culture nurtured and developed by the foresight and vision of its aggressive leader.

Profile of Organizational Culture in the UAE

According to Kim S. Cameron and Robert E. Quinn, the culture profile of organizations can be as follows:

- The Clan Culture
- The Hierarchy Culture
- The Adhocracy Culture
- The Market Culture

The culture mostly followed in UAE is the market culture which demonstrates features such as result

and goal orientation and the leaders are tough and demanding. The shared meaning between the people is winning and concentration on market share and penetration. The long term focus is always on competitive actions and achievement of measurable goals.

Primary Characteristics of OC and its Impact on Branding in UAE

Innovation and Risk Taking:

In modern business, survival of a company depends upon innovation and risk taking behavior on the part of the members of the organization. If you are innovative in something, you can gain unexplored opportunities easily. In modern strategic management, an organization purely depends upon four different pillars such as information technology, research and development, innovation and knowledge management. Innovative thinking will very well fit into the area of manufacturing, assembling, marketing and distribution. If you are innovative in developing a marketing strategy, you can win the race. Innovative organizations are developing strong brand name to compete in the market and thereby capture the market share.

According to Jeff Bezos (CEO of Amazon.com), Innovation = Experimentation + Willingness to Invent.

This trend is visible in the experience of world class organization such as Samsung, Apple, GE, Boeing etc. In UAE, many leading organizations are run by local families having strong financial footing and market exposure for the last few decades. Since UAE is a confederation of seven emirates, the governments also are in the forefront of developing strong brand name in the global market through various innovative ways. Among the emirates, Dubai has always been in the forefront to project a strong brand name among the countries of the world through various innovative ways. In Dubai almost all the government organizations such as DEWA (Dubai Electricity and Water Authority), DP World, Emaar Properties etc have been in the forefront to develop a strong organizational culture that support and sustain innovative activities. These organizations have developed very strong brand name based on an innovative culture built upon technology, e-governance and knowledge management.

Attention to Detail

The degree to which employees are expected to show precision, analysis and attention in detail has been another important characteristics feature of OC. Many successful organizations could differentiate itself from other organizations in brand value, brand equity and customer satisfaction has been due to its innate capability in developing a culture wherein the staff shows much capability in analyzing the environment, focusing precisely on facts and giving high level of importance in details of any sort of activities and process that is a part of the

organization's development. This particular feature is much pronounced in certain successful organizations such as Samsung, Toyota, 3M etc.

This concept gives a slightly varied picture in a country like UAE. Here the organizations differ from the rest of the world as the approach towards work is different in different organizations. Due to the rapid increase in localization and as more and more local people are getting participated in public as well as private sector, the work culture in many organizations has been gradually tuning towards this concept but not very effectively.

The country has to depend upon expats as a source of labor and the work culture depends upon the attitude, culture, life style and value concepts of various nationalities that constitute the work force here. Other than this, many of the people join organizations for a short period of time and it can be found that many people are on the metamorphosis stage wherein they confronts a situation of whether to continue with the organization or not. This hampers the development of organizations that give focus to these key areas. In work culture, Arab management style is different from other that gives focus to these key areas. In work culture, Arab management style is different from other nationalities as they believe in Islamic principles that give importance to human relationship, affection, sympathy and compassion.

Outcome Orientation

This shows the philosophy that advocates sharp focus on results or outcomes rather than techniques and processes used to achieve those outcomes. As far as Arab organizations are concerned, outcome orientation is getting more and more implanted in the system that changes the work culture of many of the organizations. Earlier Islam was blamed for all issues related to the failure of the application of management principles in this part of the world. In fact, it is not because of Islam but because of the economic environment that existed in this country for so many years, in fact affected the management system and style. It is a fact that religion permeates their lives; it could be alluring to attribute the problem of Arab societies to the nature of the religion 80% of Arabs embrace, which is Islam. Islam is blamed by some authors for developing an environment that is not conducive to growth and productivity. Max Weber, for example, contended that Islam and other faiths unlike Calvinism that led to the emergence of the Protestant work ethic did not succeed in providing a level of awareness significant enough to positively influence economic attitudes and behaviors (Weber, (1905). The charge linking Islam with fatalism is very common and actually this link is commonly used to explain economic decline in Muslim which is not true now.

But in fact, it was lack of education and focused belief in Arab culture that forced the people to adopt

certain management practices that are against result orientation.

Now the oil rich economies, including UAE has been promoting literacy and education among their citizens by providing all financial support to get most modern westernized management education from the leading universities in the world. Even education has been given much importance by the leaders who have promoted various world class universities here now. The outcome orientation can be stated as one of the major reasons for the recent developments that happened in this part of the world. For example, the latest bid on World Expo 20-20 is an effort on the part of the Dubai Government to bring in desired outcome through developmental effort. The Expo 20:20 has been awarded mainly because of the success achieved by Dubai as a strong brand name in the global market. The country got established a strong business culture now that is sharply focused on outcome orientation.

People Orientation

People are the strategic asset of organizations and they help in molding the type of culture that an organization wishes to introduce. The words of Bill Gates, former CEO of Microsoft is a critical example in this respect. He stated that Microsoft believes in recruiting the best brains from the market, so that they will recruit the best in future. Of late, HH. Sh. Mohammed, the ruler of Dubai reiterated that Dubai aims at developing the country through education, e-governance and emiratization. Much focus is given for improving the level of education among the locals. Even the recruitment trends among the private companies have undergone change as they focus more on educational qualifications than experience only. Since people from different cultures work here, cross cultural management will be more effective if we keep in mind that each person has a very distinct role within the organization, and maintaining that role helps to keep order.

In the UAE, as in other hierarchical societies, managers may take a somewhat paternalistic attitude to their employees. The UAE is a fluid time culture, and, as is the case with many fluid time cultures, it is also very relationship-oriented. People in the UAE will not want to upset others in order to push through a deadline. While timescales and deadlines need to be set well in advance and reiterated carefully, it should be understood that these will be viewed as flexible.

Managers do not publicly chastise employees because it would cause the subordinate to lose dignity and respect so intercultural sensitivity will be needed.

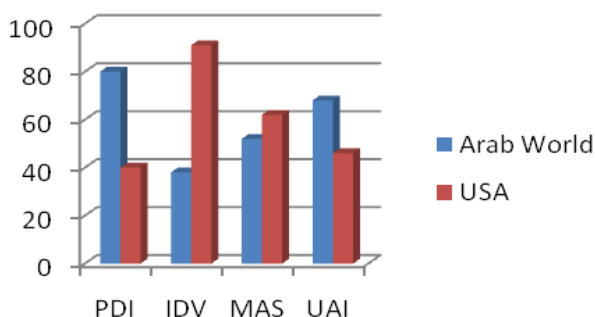
Good personal relationships are important since trust is required in order to conduct business. Emiratis are event rather than time-driven. If you try to rush things, you will give offense and risk your business relationship so patience is a necessary cross

cultural attribute. Emiratis are tough negotiators. Do not use high-pressure sales tactics. Repeating your main points indicates you are telling the truth. Emiratis may repeatedly ask the same question to see if your response is consistent. There is a tendency to avoid giving bad news and to give flowery acceptances, which may only mean "perhaps".

Team Orientation

While working in the United Arab Emirates, it is important to remember that honor and reputation play an important role and so some cross cultural sensitivity will be required. The risk becomes magnified in a team or collaborative setting. If we need to encourage participation it is important first to clearly establish a non-threatening work environment and communicate fully that team-member participation is desired. The individualism and collectivism as explained by Hofstede is worth mentioning in this case in UAE. In fact the Arab countries were not included in Hofstede’s 1985 analysis on Long and Short Term Orientation, thus only the original four dimensions are included.

Figure-3 and Table-1 compare the four cultural dimensions for the Arab World and the USA. Cultural dimensions range from zero to 120. Higher numbers represent the society being more like the cultural dimension’s definition. Table-1 includes a comparison of the Arab World and the USA to mean values, rating them approximately at the mean (M), lower (L), higher (H), significantly lower (**L***), and significantly higher (**H***) in respective areas. Significantly higher and lower are defined as more than one standard deviation (STDEV) away from the mean to show the greater magnitude of separation and extent of the differences.



Arab World and USA Hofstede Cultural Dimensions

	PDI	IDV	MAS	UAI
Arab World	80	38	52	68
USA	40	91	62	46
High	104	91	110	112
Mean	59	44	51	66
Low	11	6	5	8
STDEV	22	24	19	24
Arab World	H*	L	M	M
USA	L	H*	H	L*

Using just four cultural dimensions, here labeled:

Power Distance (PDI), Individualism/Collectivism (IDV), Assertiveness (MAS), and Uncertainty Avoidance (UAI); yields the following analysis. Americans rate as one of the highest of any country in the area of Individualism. Arabs tend to be more Collectivistic. As an individualistic culture, Americans value completion and reward personal performance. Arabs on the other hand, value teamwork and collaboration more. They are less likely to act independently or allow themselves to stand out from others. Everything has been group oriented; the meetings, the planning sessions, the decision making, and even the social festivities after work. Many organizations project themselves in the background of family and group as many of the leading brands of companies are owned and operated by family members. These organizations have developed a brand name which is matching with the family culture that is unique to every organization. Of late, there have been changes in business approach due to the exposure of locals to international management education from the west. A recent study by PwC has released the following vital information. The family businesses in the Middle East have performed well over the last year with 83% reporting growth in sales which is high in comparison to the 65% recorded globally. Working towards their ambitious growth targets, 23% of the family businesses in the region said that they are aiming to grow aggressively and quickly over the next five years, says the Family Business Survey conducted by PwC.

Aggressiveness

Certain organizations are aggressive and competitive rather than passive. As a general rule, companies that are not healthy, suffer from either too much control at the top or not enough. Either can cripple performance: in the former case, by failing to devolve authority, share information, and reward constructive decision making; in the latter, by allowing individuals and business units to work at cross-purposes or do little. The passive-aggressive corporation, due to the peculiarities of its evolution, can exhibit the drawbacks of both too much control and not enough. In such organizations, people with authority lack the information to exercise it wisely or the incentives to serve the company’s strategy and interests or the personnel that will carry out their directives. Conversely, people with the incentives and information necessary to make good decisions lack the authority to execute them or oversee their execution by others. As a result, many in senior positions operate under the false impression that they control things they actually do not. At the same time, many think they cannot control what they actually can.

The UAE work culture is to certain extent passive until few years back. This is specifically due to the unique work culture and organizational culture in this country. It is a fact that many organizations

could establish successful brand name and value in the market through certain approach towards business which were timely and monopolistic. One of the most cited example is Etisalat, (UAE Telecommunications Agency). It had a virtual monopoly power in the country due to its support from the government by blocking the entry of MNCs. But recently, they have been on a warpath of changes due to the establishment of a competitor in this market (i.e. DU Telecommunications).

In fact, People in the UAE prefer to do business in person. Relationships and mutual trust are paramount for any successful business interaction and can only be developed through face-to-face meetings. It is important to spend time with Emirati business counterparts and ensure future meetings take place to continue cultivating the relationship. It is also important to have connections with people in the UAE who can facilitate introductions before attempting to do business in the country. Emiratis prefer to do business with those they know, so appropriate introductions are important in order to establish a successful business relationship. In such a work culture, we may not be able to ascertain any level of strong aggressiveness. This is not because of the lack of business spirit based on aggressiveness but because of the practiced work culture that has been a part of Arab Culture.

Stability

When it comes to stability versus instability of culture, the literature reveals little consensus. Many theorists have argued that societal culture is a relatively stable phenomenon. Hofstede (2001) postulated that a period of 50 to 100 years is needed for a measurable change along his cultural dimensions to occur. Consistent with this claim, several authors found Hofstede's country scores to be robust even decades after initial data collection (e.g. Sondergaard, 1994; Merritt, 2000).

With regard to different levels of culture, values are considered more stable than more superficial manifestations of culture such as artifacts. Especially those values that are "high in centrality, pervasive, and supported by powerful sanctions and high consensus"(Williams, 1979, P. 34, italics in original) seem resistant to change. In contrast to this stability assumption, researchers have also discussed the possibility of culture change. For example, Ferraro (1994) stated that "all cultures experience continual change" (p. 26). The following external and internal factors have been discussed in the literature as potential triggers for culture change:

- a. Macro events, i.e. strong external forces like war (Barker, Halman & Vloet, 1992; Hofstede, 2001)
- b. Major economic changes (Rotondo Fernandez et al., 1997; Inglehart, 2008) having led for example to the transition of industrial to post-industrial societies within Europe (Inglehart, 2008; Deutsch, Welzel & Wucherpfennig, 2008)

- c. Regime effects such as the influence of the communist regime on Central and Eastern European societies (Barker, Halman & Vloet, 1992)
- d. Diffusion, i.e. "borrowing from other cultures" (Ferraro, 1994), and intercultural contact (Berry, 2008)
- e. Socio-demographic effects, in particular generational replacement (Barker, Halman & Vloet, 1992; Ester, Braun & Mohler, 2006).

While considering the culture of UAE and its cultural transformation through business, it has to be reiterated that certain changes have taken place in this aspect especially because of the major economic changes as postulated by researchers. Looking at the brief history of Arab countries, economic changes have taken place after the exploration oil and consequent expropriation of companies that were engaging in oil exploration.

These countries have been culturally stable except few such as UAE. The country got exposed to global changes through macroeconomic exposure during the last few years. For example, Dubai as an emirate got projected its strong brand name as a business hub in the global market by its effort to develop modern infrastructure through construction industry. When Dubai exposed itself aggressively in developing infrastructure during 1998 to 2005, the government's aim was to project it as a destination of global investment in real estate. These changes affected the stability of the emirate which in turn led to the ravage of recession that got its origin in the US as sub-prime crisis during that period. This exposed the country to debt and its consequent economic problems for a long time which in fact has affected the work culture of this emirate considerably during the last few years. Due to persistence and strategic approach, the government could come out of these problems now.

Future Scope of the Study

The scope of study covers work culture in UAE among different nationalities. The main emphasis is on inter-cultural and trans-cultural studies across various organizations in the Middle East where Islamic principles are applicable in business. The scope includes issues pertaining to problems and practice of managing, working and organizing people in organizations where work culture and organizational culture differs. Of particular relevance is the application of culture in developing a brand name for an organization in the market place.

The scope also covers areas of application of modern IT techniques in business management. The scope covers areas of organizational behavior, organizational theory, human resource management and technology management, management of communication, international business, corporate branding and marketing etc.

Conclusion

By acknowledging the fact that stability of culture got affected due to economic exposure, the UAE projects a varied picture in the global market place through its aggressiveness now. The oil rich economy has been open to a multi-national and multi-cultural environment that has already sown the seeds of most modern management concepts by applying latest technology and changes. It proves to be successful in accepting modern management culture while retaining its Arab philosophies.

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