Corporate rebranding report example

Business, Company

Corporate Re-Branding: Is Cultural Alignment the Weakest Link?

Gotsi, Andriopoulos, and Wilson (2008) conducted a study to examine the relationship between cultural alignment and the new corporate values that were introduced after a corporate rebranding was implemented.

The study was conducted by using the case study method. The authors focused on the results or effects of a corporate rebranding initiative implemented by a telecommunication company where they aimed to determine the employees’ perception of how well the current attitudes and behaviors in the company were reflected in the new corporate brand values; whether this perception varied among subgroups within the company; and whether the employees believed that the behaviors and attitudes practiced throughout the company were aligned with only some of the newly established corporate brand values.

The authors then conducted online surveys to get the employees’ input on the rebranded corporate values. This information would enable them to make comparisons among the perceptions of employees from the different groups in the company, as well as between those who had been working in the company prior to the rebranding initiative and those who had joined the company afterwards.

The data gathered was quantitatively analyzed and it was found that the employees’ current attitudes and behaviors were not completely aligned with the newly rebranded corporate values, that is, there wasn’t a company-wide consensus on the newly rebranded corporate values. Rather, the results of the study suggested that different organizational subgroups experienced the new corporate values in different ways and that some subgroups were more compliant or on-brand than others. Furthermore, the study showed that there was consistency in how employees perceived the values that were already in place prior to the rebranding whereas variations in perceptions were evident for the newly espoused values. It was further found that this variance was caused not by the difference in priorities but by the differences in sub-cultures. Similarly, employees who joined the company after the rebranding were more receptive to the new corporate values than the employees who had been with the company even before the rebranding took place.

In conclusion, the authors established that corporate rebranding was a complex process that would require buy-in from the entire company and that would involve many challenges in terms of aligning the different subgroups' subcultures with the new corporate brand's requirements.
They asserted that gauging the company-wide cultural alignment based on an integration perspective alone was not adequate, that is, instead of gauging whether the corporate culture is aligned with the entire company with regards to the new values, it should be considered that there would be varying levels of cultural alignment with regards to the new values across the different company divisions. Moreover, they suggested that the assessment of corporate cultures be a combination of the different cultural perspectives, namely fragmentation, differentiation, and integration. They also advised against PR-based and externally driven approaches to managing the corporate brand.

This oversight on the different subcultures that existed within the company became the root cause of the problem encountered by Templeton Hardware in the case study It Seemed Like a Good Idea at the Time. They failed to consider the existing cultures within the companies they acquired, which affected not only the employees' perception of the company, but that of the customers as well. As asserted by Muzellec and Lambkin (2006, p. 813), " soft issues such as stakeholder communication, employee morale and retention, corporate culture, as well as brand vision and values play a significant role in determining" the success of acquisitions.

However, in the case of different types of companies being integrated under one brand, it might not be enough to simply consider the subcultures of the different subgroups. Another strategy that might be considered is the creation of a new name – hence a new brand – that would represent the hardware, landscape, and caravan business better. This may be a better solution than having all companies under a hardware store brand that customers would find confusing and appealing. This was the strategy used for a brand called Diageo (Kanter, 2010), which was the product of a merger. By having a new name, this also allowed the company's senior management to come up with a new core set of processes, principles, and values.

Gotsi, Andriopoulos, and Wilson asserted that without proper and careful implementation, a cultural alignment with the new corporate values will not be achieved as employees won't view their corporate culture as being aligned with the new corporate priorities. The same results are obtained when the newly rebranded values are not linked to the embedded values in the various subcultures and when the employees lack an understanding of the need for changing their behavior. As such, they resist change by continuing to identify with the previously established corporate values. This could probably be why many of the employees from the companies acquired by Templeton Hardware chose to no longer work for the new company. From another point of view, Vince (2004) stated that organizational learning would involve the ability to understand the organizational dynamics that are created from the interaction between emotion and politics; hence, even emotion and politics should be considered in the corporate rebranding effort.

Aside from the acquired employees being resistant to the change, even the employees from the original Templeton Hardware company also failed to adapt to the changes brought on by the acquisitions. Despite the addition of new products and services to the company, the employees continued to practice attitudes and behaviors that did not apply to the new products and services and which were not appreciated by the customers of such. This could have been a result of the lack of employee involvement and orientation, which was also reflected in a study conducted by Hankinson and Lomax (Burke, Cooper, & Martin, 2011). This study showed that the most negative impact of rebranding staff behaviors was the lack of training received.

Similarly, there was insufficient planning with regards to the implementation of the corporate rebranding efforts. This was evident in that no market or feasibility research was conducted prior to the acquisitions. There was also no employee involvement as there was no effort made to make the employees from the acquired companies feel more welcome at the new company. There was no effort made to learn about their corporate cultures and values and how they used them to get the job done. Moreover, the marketing employees of Templeton Hardware were involved only when the sales were already plundering when they should have been involved right from the beginning.

Templeton Hardware’s CEO Jacquie Tudori failed to see the complexity of the rebranding effort, which prevented her from making the necessary plans and preparations.

Gotsi, Andriopoulos, and Wilson state that the process of aligning corporate culture to the newly rebranded corporate values is challenging. The entire management team must be involved in its implementation, and employee involvement; time; planning, commitment, and persistence are needed, as well as an appreciation of the multiple facets of an organization.

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