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Organizational culture and brand : A grounded theory assessment of employees' enablement to live the brand at a best place to work

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A Grounded Theory Assessment of Employees' Enablement

To Live the Brand at a Best Place to Work

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Abstract

Employees are an organization's touch points with its customers, the living promise of what it says and does. Management's decision to create and sustain an organizational culture, enabling employees to live the organization's brand, is a strategic and a long-term strategy. An organization's culture — supporting its brand promise — can serve as a sustainable differentiation strategy to attract and retain both customers and employees, positively affecting the bottom line and its brand equity.

The purpose of this research was to identify internal branding practices that serve as key determinants to develop employees' trust, brand commitment, and ultimately create behaviors employees should exhibit to deliver on the company's brand promise. This study examined Umpqua Bank (NASDQ: UMPQ) to understand why its employees have identified it a "Best Place" to work (2007-2011), as identified by *Fortune* magazine's annual survey recognizing America's top 100 employers. Their research methodology, identified as valid and reliable, recognizes organizations that make this list as having created and maintained a high level of trust with their employees.

This study's goals were to: (a) understand why Umpqua's employees trust the bank; (b) identify what internal branding practices create and nurture this high organizational commitment; (c) how its employees define what it means to 'live the brand'; and (d) what living the brand looks like when employees deliver on Umpqua's brand promise with customers and each other.

Field research, specifically grounded theory ethnography, was used to understand Umpqua's organizational culture as researchers have used it to gain an in-depth understanding of management philosophy and processes. This iterative, qualitative research process — fielded January 2010 to January 2011 — included both secondary and primary data collection. Seventy employees participated through expert interviews and focus groups, drawn from a representative geographic and demographic sampling. Additionally, Umpqua made certain proprietary data available which not only initiated this study's initial construct development, but also contextualized primary data.

Data collection and analysis culminated with data saturation, producing a proposed five-part conceptual model. The study's results also answered its four research questions, proposed two new conceptual constructs, extended existing and aligned with prior empirical studies, and identified new research opportunities.

Keywords: Living the brand, organizational citizenship behavior, organizational culture, employee empowerment, organizational trust, values

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CHAPTER 1

Introduction

Employees are an organization's lifeblood and primary touch point with its customers. These internal human resources embody the external living promise of what an organization says it delivers to its customers through its brand and marketing messages (Kotler & Keller, 2006). If an organization's culture engenders employees' strong trust in its leadership and a firm belief that the right processes are in place to ensure employees are treated fairly and empowered to do their jobs (Spreitzer, 1995) employees are much more likely to have a high organizational commitment (Meyer & Allen, 1984) and project behaviors that exceed customers' expectations (Chan, Taylor & Markham, 2008). In many organizations, however, employees remain skeptical of management and can reflect their lack of trust to customers, since they may be reluctant to believe customers will be treated any better than they are treated.

Recognizing how fundamental employees are to building and maintaining an organization's reputation is gaining attention in the 21st century (Howe & Strauss, 2007) as management struggles with increased competition for not only the products and services sold, but also the human resources needed to deliver and differentiate in a global economy (Barrett, 1999; Barron, 2003; Jackson & Nelson, 2004; Mitchell, 2002; Oakley, 2006). Ignoring employees' vital role in building an organization's reputation can financially damage the organization and de-motivate its employees. Further, it is a non-sequitur for a company to invest marketing resources to build an organization's external brand promise to customers if the organization's internal actions simultaneously erode employee trust and damage its brand image.

Balmer and Grey (2003) observed growing attention to this new marketing dynamic at the executive level. Early studies have shown a nexus between organizational culture, the environment created and sustained within an organization's employees (Matilla, 2001; Amato & Amato, 2002; Auh, 2005), and employees' reflections and interactions with each other and customers as an extension of the organization's brand image (Beery, Wall & Carbone, 2006). An organization's culture can either positively enhance or irreparably damage not only customers' perceptions, but also potential employees as the 'war for talent' escalates in highly competitive labor markets (Knox & Freeman, 2006).

It follows that developing a link between the internal and external view of an organization would be important. An organization's culture and values are strategic and considered a long-term strategy (Williams, 2002) and a way to differentiate in the marketplace (Peters & Waterman, 1982) as it is impossible to duplicate an organization's culture (Barney, 1986). However, in most organizations the human resources department (internal view) and marketing department (external view) seldom work together to address this vital business issue (Hartline & Bejou, 2004), often exhibit poor communication, and have different views on key customer contact employees and their importance (Chimhanzi & Morgan, 2002; Mulhern & Whalen, 2006). Effective internal branding through employees is only accomplished when human resources, marketing, and management are strategically aligned (Rao & Dewar, 2005; Burmann, Zeplin & Riley, 2009).

Statement of the Purpose

The purpose of this research was to identify internal branding practices that are key determinants in creating employees' level of trust, brand commitment, and specific brand citizenship behaviors employees believe they should exhibit to effectively deliver on their employer's brand promise. Framed through application of marketing, management, and organizational behavior, specifically organizational culture theories, this study examined one company: Umpqua Bank. Employees over a five year period (2007-2011) have consistently identified Umpqua Bank a 'Best Place' to work, based upon the company's participation in *Fortune* magazine's annual study identifying America's top 100 employers. Inclusion within this annual study identifies all participant organizations that make the 'Top 100' as having created and maintained a high level of trust with their employees through their organizational cultures, based upon a proprietary methodology developed and used by Great Place to Work® Institute for the *Fortune* annual study.

Identification of these effective internal branding/organizational culture practices will advance the growing body of research which links brand commitment and brand citizenship behavior. Research thus far has not yet examined how employees who have proclaimed their employer a 'Best Place', and therefore 'trust' the organization, conceptualize how they believe they should live the brand and what behaviors employees believe they should deliver to support the organization's brand promise.

Research Questions

1. What fundamental elements embedded within the organizational culture create employees' high level of trust?
2. What specific internal branding practices are key determinants to create an organizational culture whose employees exhibit high brand commitment?
3. How do employees define what it means to live the brand?
4. What behaviors do employees believe are fundamental to deliver on their organization's brand promise?

Conceptual Definitions

Recruiting, hiring, assessing, developing, and retaining employees are traditional human resources roles. This organizational function can be charged, either purposefully or by default, as the caretaker of *organizational culture*, a set of shared assumptions and beliefs about an organization and its function in the marketplace (Barney, 1986) and "...the ways of thinking, behaving, and believing that members of a social unit have in common" (Cooke & Rousseau, 1988, p. 246). Shared *organizational values* provide a platform to develop a company's corporate culture (Schein, 1992) as values are a fundamental organizational element (Whitley & England, 1977; Schein, 1992; Hatch, 1993; O'Reilly & Chatman, 1996) and are collective beliefs shared by employees about what an organization stands for, identifies as valuable, and takes pride in (Rokeach, 1979; Schein, 1992). Organizational values also serve as rules for setting and prioritizing organizational decisions (Christensen, 2001) as they describe an organization's characteristics (Chatman, 1991) and serve as employee behavioral (Meglino & Ravlin, 1998) and ethical guides (Sharma, Borna & Stearns, 2009).

A fundamental element of organizational culture and the values identified as being core to its development and maintenance is a company's *ethical climate* which is "…the prevailing perceptions of typical organizational practices and procedures that have ethical content…[or]…those aspects of the work climate that determine what constitutes ethical behavior at work" (Victor & Cullen, 1988, p. 101). A related construct, *ethical culture*, "…characterizes the organization in terms of formal and informal control systems (e.g. rules, reward systems, and norms) that are aimed more specifically in influencing behavior" (Trevino, Butterfield & McCabe, 1998, p. 453). Both constructs, ethical climate and ethical culture, create an organization's *ethical context,* which influences employee attitudes and behaviors (Trevino, et al., 1998). A company's organizational culture "…will be the major influence on ethical decision making in a business context…[as] ethical decisions are made in the context of social networks that influence ethical decision making" (Ferrell & Ferrell, 2008, p. 233).

Many researchers identify *trust* as an organizational value which contributes to organizational culture (Whitener, Brodt, Korsgaard & Werner, 1988; Lyman, 2003; Korsgaard, Brodt & Whitner, 2002; Caldwell, Hayes, Karri & Bernal, 2008). Trust is defined as "…one's non-calculative belief in another's honesty in negotiations, good-faith efforts to keep commitments, and forbearance from opportunism" (Bromiley &

Harris, 2006, p. 125) and has been identified as a critical psychological state to empower employees (Mayer, Davis & Schoorman, 1995).

A strong organizational culture can enable *organizational commitment,* an employee's emotional response or strong desire to retain his or her membership in an organization (Mathieu & Zajac, 1990; Meyer & Allen, 1991). An employee's organizational commitment can give rise to *organizational citizenship behavior*, voluntary, extra-role behaviors outside of an employee's job expectations that are not directly or explicitly acknowledged by the formal reward system but which, in aggregate, enhance the performance of the organization overall (Organ, 1988; Organ, Podsakoff & MacKenzie, 2006).

While an organization's culture is internally focused, its *brand* is externally focused as it is identified as "a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers" (American Marketing Association, 2009). *Brand image* is defined as "...perceptions and beliefs held by consumers, as reflected in the associations held in consumer memory" (Kotler & Keller, 2006, p. 286). *Brand identity* originates from the organization and represents a unique set of brand associations chosen by marketers (Aaker, 1996) who are members of an organization's *brand management* team, as they identify, plan, measure, grow and manage the organization's brand equity (Keller, 2008). *Brand promise* is a synonym of brand identity "...the marketer's vision of what the brand must be and do for consumers" (Kotler & Keller, 2006, p. 278). *Brand equity* is an intangible organizational asset with psychological and financial value (Keller, 2008). Both brand identity and brand promise are driven through an organization's marketing department by developing, building, and maintaining a company's brand through strategic execution of the marketing mix — product, price, place, and promotion — which is marketing's traditionally, externally-focused role (Kotler & Keller, 2006).

An organization's culture, combined with its brand promise, can serve as a fundamental and strategic element in its competitive market-oriented arsenal (Castro, Armario & Sanchez del Rio, 2004) through its structure (Hartline & Bejou, 2004; Urich, Younger & Brockbank, 2008), market differentiation (Peters & Waterman, 1982), and superior customer service (Bienstock & DeMorenville, 2006). Another business strategy relies on the practice of *strategic human resources management*, "…human resources practices that are intended first to influence and then help execute the firm's strategic business plan" (Huselid, 1993, p. 36). One way to accomplish this is through *employer branding*, or becoming an 'employer of choice' (Pfeffer, 1998; Martin, Beaumont, Doig & Pate, 2005) which requires the human resources function play a central role in developing a market-focused organizational culture in partnership with the marketing function (Rao & Dewar, 2005).

Internal marketing applies the same marketing mix practices used to develop and maintain a company's external brand image internally with its employees (Green, Walls & Schrest, 1994; Mulhern & Whalen, 2006) primarily using communication tools through a planned effort to create highly motivated, customer-oriented employees (Rafiq & Ahmed, 1993). *Internal branding* links the company's internal processes and corporate culture so they are in total alignment with the company's brand (Punjaisri & Wilson, 2007; Punjaisri, Evanchitzky & Wildon, 2009). Taking this external/internal alignment further, Burmann and Zeplin (2005) modified Organ's (1988) organizational behavioral concept of organizational citizenship behavior and created two new internal branding constructs: (a) *brand commitment*, the psychological process whereby an employee develops company or brand loyalty; and (b) *brand citizenship behavior*, defined as actions being outside of role/job expectations which are "...the aggregate of employee behaviors that enhance brand identity" (p. 283). Brand citizenship behavior is identified as an employee behavior which can result from brand commitment. A synonym for brand citizenship behavior is *living the brand* (Burmann, et al., 2009) as it encapsulates what it means for an employee to exhibit brand citizenship behavior through extra-role behaviors with customers. To *live the brand* "...requires commitment and sincerity and that means [living the brand] has to permeate the whole organization" (Ind, 2004, p. 125), as individuals within an organization must take an active role to voluntarily live the brand by consciously reflecting its brand promise through their individual actions at work with customers (Bendapudi & Bendapudi, 2005).

This study begins with a Literature Review of relevant constructs from psychology, organizational behavior, and marketing. After establishing the theoretical underpinnings it moves to discuss the qualitative research methods utilized to answer the four fundamental research questions identified in this chapter.

CHAPTER 2

Literature Review

Since human behavior can reflect an organization’s promise to its customers, the disciplines of psychology, management, organizational behavior, and marketing all contribute to this literature review’s broad foundation. Starting with organizational behavior theory, specifically organizational culture, this review provides a definition and explores how organizational culture can be assessed. Elements used to create and sustain an organization’s cultural context, enabling management to provide a mutually beneficial environment for customer, employee and employer follow. These elements are discussed separately under this organizational culture umbrella: organizational values, organizational ethics, organizational trust, employee empowerment, organizational commitment, and organizational citizenship behavior.

The focus of this review moves to organizational branding as it traces branding’s ancient history and brings it forward to modern practices. Core concepts utilized today are defined: brand, brand management, brand identity, brand promise, brand image, brand equity, and brand personality. Next, this chapter examines an organization’s market strategy by recognizing the strategic value of considering human resources, employer branding, and how both marketing and human resources functions can work together to create a sustainable and competitive differentiation strategy. Lastly, the way branding internally links the prior three areas — organizational culture, organizational brand, and market strategy — is discussed by defining: internal branding, brand commitment, brand citizenship behavior, and living the brand. This section illustrates the connections between the prior organizational behavior, marketing, and management concepts and studies that invite additional exploratory research to confirm this study's identified goals and answer its four research questions.

Organizational Culture

Culture, and its relationship between social organizations, has been a recurring social sciences theme in sociology, anthropology, and social psychology since the 1930s (Denison & Mishra, 1995). Research into organizational culture began in the 1950's when sociologists sought to understand how members of different occupations make sense of their work (Barley, 1983). Early studies identified two types of organizational cultures: (a) *Organic*, relationship-oriented, open, empowering and trusting (McGregor, 1960); and (b) *Mechanistic*, task-oriented, hierarchical, cautious, and structured (Bennis, 1977). Wallach (1983) subsequently identified three organizational culture types. He essentially extended McGregor's (1960) and Bennis' (1977) prior two concepts by defining them as: (a) *Bureaucratic cultures*, mature, stable, companies with clear lines of responsibility, hierarchy and based on control and power; and (b) *Innovative cultures*, taking risk and accepting challenge, creative, stimulating and results oriented. What Wallach (1983) added was identification of *supportive cultures* he characterized as open, harmonious, 'family values' that are supportive, safe, trusting, social, and encouraging.

It wasn't until the mid-1980's when organizational theorists spawned what Rowlinson and Proctor (1999) termed a "corporate culture research boom" in response to Japan's economic boom to understand the cultural characteristics behind the success of that country's companies. A plethora of academic and business related research followed surrounding organizational culture which was either ahistorical, conducted by academic organizational researchers and devoid of company historical context, or totally atheoretical, developed by business practitioners lacking theoretical underpinnings (Rowlinson & Procter, 1999).

Among the academic perspectives de Chernatony (2006) observed two orientations theorists used to conceptualize organizational culture. A *differentiation perspective* is what he identified a group of employees "are." This considers culture existing through shared symbols and meanings and recognizes all individuals in organizations will share these similar values and assumptions. But "…[to] the extent to which they (employees) conform to the culture of senior management will vary….[as] culture is not a mechanism for management to change staff's values, assumptions and behavior, but rather a factor management needs to be attentive to" (p. 144). The second orientation, *integration perspective*, is defined as something an organization "has". This places senior management directing both acceptance of and adherence to the organization's culture to ensure a united consensus. Schein was one of the best known organizational culture academic researchers and as de Chernatony (2006) noted, Schein's work was reflective of the integration perspective.

To understand an organization's culture, Schein (1984) argues one must "…understand the dynamic evolutionary forces that govern how culture evolves and changes" (p. 3) and the importance of identifying the culture "owner" as "there cannot be a culture unless there is a group that 'owns' it" (p. 5). To analyze an organizational culture, Schein (1984) identified three levels: artifacts, values, and assumptions.

Visible artifacts examine how the organizational environment is constructed including its architecture, work layout, technology, way employees dress, visible or audible employee behaviors, or other visible elements. *Values which govern behavior* are explicitly espoused company cultural values which provide insight why employees say and behave in specific ways. *Underlying assumptions* are embedded within the culture, these are learned or unconscious employee responses which occur based upon company values and determine how employees think, perceive, and feel (Schein, 1984). Over time these behaviors become so automatic employees are no longer conscious of them. Based upon work developed by Kluckhohn and Strodtbeck for examining ethnic cultures, Schein (1983) offered five paradigms which serve to create an organization's cultural underlying assumptions: (a) organization's relationship to its environment; (b) nature of reality and truth; (c) nature of human nature; (d) nature of human activity; and (e) nature of human relationships. These five paradigms offer categories to sort and consider how an organization's culture is derived.

As identified above, there are many ways to view, analyze, and define an organizational culture when tracing the construct's genesis through organizational behavior literature (Koberg & Chusmier, 1987; Schein, 1992; O'Reilly, Chatman & Caldwell, 1991; Harris & Mossholder, 1996). For purposes of this study, *organizational culture* is defined as "…a complex set of values, beliefs, assumptions, and symbols that define the way in which a firm conducts its business" (Barney, 1986, p. 657), the meanings and reasons underlying (Schneider, 1987) the "…ways of thinking, behaving, and believing that members of a social unit have in common" (Cooke & Roussseau, 1988, p. 250) which "…can be taught to new members as the correct way to perceive, think and feel…" (Schein,1984, p. 3).

Analyzing how an organization's management creates, and whether or not its employees adopt, an organizational culture requires close examination of the many specific elements purposefully used to foster a company's culture through its employees. This understanding begins by defining values, both organizational and personal.

Organizational Values

Organizational values are a critical component embedded within and conceptualized as a fundamental element of organizational culture (Whitley & England, 1977; Posner, Kouzes & Schmidt, 1985; Schein, 1992; Hatch, 1993; O'Reilly & Chatman, 1996). An organization's values are defined as collective beliefs shared by employees throughout an organization about what it stands for, identifies as valuable, takes pride in (Rokeach, 1979; Schein,1992), and can serve as management rules for setting and prioritizing organizational decisions (Christensen, 2001). They are not just slogans, or the organization's mission statement (Williams, 2002). It is not an easy task to create organizational values as many organizations have invested tremendous time and money to do so with varying results (Zhang, Austin, Glass, & Mills, 2008).

Shared organizational values provide a platform to develop a company's corporate culture (Schein, 1992) since values serve as one of three vital elements to examine a company's culture (Schein, 1984). An organization's values can include both visible and invisible elements as they describe an organization's characteristics (Chatman, 1991; Schein, 1984), serve as employee behavioral (Meglino & Ravlin, 1998), and ethical guides (Sharma, et al., 2009). Based upon Peters and Waterman's (1982) research, organizational values are key in differentiating organizations from competitors.

A company's core values can also provide a way for it to maintain continuity, consistency, and credibility internally, to employees, and externally, to customers and the market (Urde, 2003). Organizational values, however, cannot be stronger externally than they are internally (Urde, 2009). As this suggests, employees' support, or lack thereof, in an organization's values, especially one that is service-based, has tremendous impact on how the organization is perceived by its customers and the marketplace (Chong & Kong, 2007). Applying social identity theory, which posits that people classify themselves into groups for various reasons (Ashford & Mael, 1969), individuals can seek out a specific employer because they perceive the organization shares their personal values (Schneider, 1987; Hyde & Williamson, 2000). This can include a company's explicit values-based commitment to Corporate Social Responsibility (Turker, 2009). Likewise, an organization can purposefully recruit employees based upon an organization's espoused values (Posner, et al., 1985). Research has shown commitment to an employer is higher when there is an overlap between organizational and personal values (Zhang, et al., 2008). Shared values between company and employees are significantly related to individual employees' high level of personal satisfaction and motivation; when they are aligned employees experience less work stress and anxiety (Posner, 2010).

Personal values. As noted, an employee's values are important within the context of organizational values and thus require a definition. For purposes of this research, an individual's *personal values* are defined as desires, beliefs, choices, and are identified as being "…an integral part of our way of being and acting to the point of shaping our character" (Argandona, 2003, p.16). Additionally, personal values serve to motivate, and guide one's behavior, influencing one's moral judgments and responses to others (Posner, et al., 1985) at both the individual and social level (Zhang, et al., 2008). Critical dimensions surrounding an employee's personal values and how they can serve to choose an employer based upon a work environment can surface in four ways: (a) *Self-actualization*, an employee's ability to reach one's full potential as a person and/or master new skills or knowledge (Pfeffer, 2003); (b) *Social meaning*, work that serves a purpose or is meaningful to the employee (Ashmos & Duchon, 2000); (c) *Interconnection*, an employee feeling part of a larger community, such as co-workers and a good organization (Ashmos & Duchon, 2000); and (d) *Integration*, appreciation by the employer for the talents each employee innately has and brings to work environment, i.e. the employee is not required to be one person at work and another at home (Pfeffer, 2003).

All four constructs are found in ethics research as they are elements which the nascent construct *workplace spirituality* defines as being an organizational culture which links both an organization's and individual's values so employees are able to "…experience transcendence....facilitate their sense of being connected to others in a way that provides feelings of completeness and joy…" (Giacalone & Jurkiewicz, 2003, p. 13).

As discussed, values, both organizational and personal, are enduring, fundamental, and important links which must be considered when analyzing a company's organizational culture. Values congruence between both employees and management is fundamental to not only establishing, but also maintaining a mutually beneficial work environment which can enable an employee's self-actualization. A terminal value which adds to this equation — for both organizations and individual employees — is ethics.

Organizational Ethics

A company's organizational culture "…will be the major influence on ethical decision making in a business context…[as] ethical decisions are made in the context of social networks that influence ethical decision making" (Ferrell & Ferrell, 2008, p. 233) and are values-based ethical guides (Sharma, et al., 2009). Thus, an organization's *ethical context* influences employee attitudes and behaviors (Trevino, et al., 1998). Two identified constructs nested within an organization's ethical context, ethical climate and ethical culture, are vital elements when assessing a company's ethical culture.

An ethical climate is a significant element of an organization's culture and the values identified as being core to its development and maintenance (Ferrell & Ferrell, 2008). A company's ethical climate "…reflects the extent to which the ethical dimensions of organizational culture (in all forms) have been institutionalized and embedded through the organization's socialization process" (O'Donohue & Nelson, 2009, p. 256). By definition, a company's *ethical climate* is "…the prevailing perceptions of typical organizational practices and procedures that have ethical content…[or]…those aspects of the work climate that determine what constitutes ethical behavior at work"…[and] answers an employee's question "What should I do?" (Victor & Cullen, 1988, p. 101) when facing a workplace ethical dilemma.

As noted by O'Donohue and Nelson (2009), Victor and Cullen's (1988) ethical climate work extended Kohlberg's (1984) moral development theory from individuals — pre-conventional, conventional, and post-conventional — to organizations. Victor and Cullen (1988) identified five types of ethical climates, and associated decision-making criteria, which can exist within an organization and include: (a) *Instrumental*, self-interest decision-making; (b) *Caring*, concern for others' well-being decision-making; (c) *Independence*, personal moral code decision-making; (d) *Rules*, reflecting to what degree ethical elements are embedded within the company's organizational culture and direct decision-making; and (e) *Law and code*, legal and/or professional code decision-making (Victor & Cullen, 1988; Martin & Cullen, 2006).

Using a study conducted at a large financial services organization, Weaver and Trevino (1999) investigated the relationship between compliance and values within an organization's ethical climate and applied these definitions: (a) *Compliance-oriented*, reliant on punishment to achieve behavioral control and compliance in alignment with an organization's values and goals (Trevino & Weaver, 2003), as it suggests employees are unethical or cannot be trusted; and (b) *Values-oriented*, focus on development of shared values and support for employees' development and ethical aspirations (Trevino & Weaver, 2003), as it suggests employees are committed to ethical behavior and can be trusted (Weaver & Trevino, 1999). Their research showed a company with an ethical climate that was values-based, created an environment of trust between management and employees, had the largest negative effect on unethical behavior, i.e. prevented unethical behavior, when compared to an ethics climate with a compliance orientation.

While an organization's ethical climate tells its employees what their employer values and what kind of organization it is, an organization's *ethical culture* "…characterizes the organization in terms of formal and informal control systems (e.g. rules, reward systems, and norms) that are aimed more specifically in influencing behavior" (Trevino, et al., 1998, p. 453).

Using data collected from a sample (20%) of Fortune 1000 companies and other studies, Trevino and Weaver (2003) identified "…typical elements of formal ethics programs" (p. 75) from organizations surveyed which provide a programmatic framework for assessing an organization's ethical culture. Their findings include: (a) Code of ethics and policy documents; (b) Identified company ethics officer who manages the program; (c) Policy training and communication; (d) Ethics question and hotline reporting system; (e) Ethics policy enforcement; and (f) Company ethics self-assessment (Trevino & Weaver, 2003). These programmatic elements and their *scope*, the number of formal elements (Trevino & Weaver, 2003), provide a framework to assess if a company's ethical culture is integrated or decoupled.

For a company's ethics program to be identified as being *integrated* it must be: (a) Used to make and affect daily decisions; (b) Supported by and/or linked to other organizational policies and procedures, thus employees are held accountable; and (c) Reflect values-based programs with management's commitment to ethics. A *decoupled* ethics program is identified as being: (a) The ethics message communicated is 'window dressing' rather than substantive; and (b) reflects management's reaction to governmental and societal pressures rather than being proactively created.

Both an organization's external and internal environments are considered when assessing if a company's social performance is integrated or decoupled (Trevino & Weaver, 2003). By definition the distinction between the two are: (a) To *external environments*, including government, media, and to the greater community through social responsibility, etc.; and (b) To the *internal environment*, evidenced by managerial commitments to ethics and employee fair treatment, and employees and how well they treat each other. Based upon Trevino and Weaver's (2003) empirical research of these two orientations, they found, "…external factors are more likely to influence the development of easily decoupled ethics program practices…" (p. 141) while "….senior management's personal commitment to ethics is an essential part of what drives organizations to proactive socially responsible performance" (p. 144).

As identified above, an organization's ethical context plays a fundamental role within its organizational culture, whether the company has formally or by default, communicated what is and is not considered ethical. Foundational to this is the degree of trust a company's leadership has established with its employees as it is a tremendous influence on enabling employees to respond appropriately to workplace ethical dilemmas.

Organizational Trust

Many researchers identify trust as an organizational value which contributes to organizational culture (Whitener, et al., 1988; Lyman, 2003; Korsgaard, et al., 2002; Caldwell, et al., 2008) and is viewed by some as "glue" which holds business relationships together (Caldwell & Dixon, 2010). Trust is often described as an attitude (McAlliser, 1995), a belief (Kramer, 1999), and as the action of a belief through one's behaviors (Schein, 2004) which can be understood within an organizational context (Caldwell & Clapham, 2003; Larsen & Sasser, 2000). A high degree of trust within an organization has been shown to be a critical element of employee empowerment (Chan, et al., 2008) which can result in employees exhibiting behaviors beyond one's expected job responsibilities (Organ, 1988) as employees who trust an organization's leaders are more willing to take risks (Mayer, et al., 1995)

For purposes of this research, *trust* is defined as "…one's non-calculative belief in another's honesty in negotiations, good-faith efforts to keep commitments, and forbearance from opportunism" (Bromiley & Harris, 2006, p. 125), is a virtue that is hard won and easily lost (Kramer, 2006), and is vital in developing a close relationship as it involves faith in a relationship's future to provide emotional security and predictability (Holmes & Zanna, 1985). As this definition suggests there are two types of trust, competence and warmth, which are empirically supported through social psychology research (Fiske, Cuddy & Glick, 2007). Organizational behavior researchers identify these two correlative types: (a) *Head-based* or *cognition-based trust*, a judgment made through assessment of another's reliability or competence; and (b) *Heart-based* or *affect-based trust*, an emotional bond based on an intrinsic belief in the relationship (Chua, Ingram & Morris, 2008).

Currall and Inkpen (2006) advocate examining trust through an "organizational context" as trust crosses interpersonal, intra-group, inter-group and inter- and intra-organization levels. In reviewing organizational behavior academic literature Kramer (2006) observed trust emerges on three very important levels within these "organizational contexts": (a) facilitating compliance and commitment to organizational leaders (b) enabling social and cooperative roles among organizational members; and (c) reducing transaction costs within organizations. Key studies linked with each of these three levels identified by Kramer (2006) follow.

Facilitating compliance with leaders. Zhang, Tsui, Song, Li, and Jia (2008) in their quantitative study (n=545) of mainland China middle managers found both the employee-organizational relationship and interpersonal support are important to initiate trust with middle managers, but supervisory support provided the greater influence. De Chernatony and Segal-Horn (2003), through in-depth expert interviews with 28 top consultants, concluded when management behavior is based on genuine conviction, employees are more likely to have shared values, such as trust. They found there is "...greater likelihood of commitment, internal loyalty, clear brand understanding, and most importantly, consistent brand delivery across all stakeholders" (de Chernatony & Segal-Horn, 2003, p. 72).

Lyman (2008), co-founder of Great Places to Work® Institute which created, manages, fields and analyzes the employee attitude survey which becomes *Fortune* magazine's annual "100 Best Places to Work" study, analyzed specific questions relating to trust of all employee responses for every company that participated in these studies conducted between 2004 and 2008. Through data analysis three components to trust emerged which result in the behaviors of cooperation and commitment: (a) *Credible*, employees must believe what management says is true; (b) *Respect*, employees' ideas must be included in decision making; and (c) *Fairness*, regardless of position employees must feel they are treated equitably (Lyman, 2008). Through database analysis of only those organizations that became the "Top 100" employers during those four years, the trust levels across employee job class was on average 25% greater than for the companies that participated and were in the Lower 100 of the database. *Cooperation* levels, defined as willingness to help and ability to count on others when needed, averaged 20-35% higher across job class in the Top 100 vs. the Lower 100. Likewise *commitment*, employees' positive anticipation to working together and achieving a common company goal, across job class showed 20-30% higher ranking for Top 100 vs. the Lower 100 companies.

Enabling cooperation across the organization. Jones and George (1998) theorized how trust develops within an organization's members by moving from distrust to conditional trust and ultimately to unconditional trust, and also how trust may dissolve over time. When trust in a group or an organization is unconditional, Jones and George (1998) suggest, "...cooperative acts themselves often make people feel good and stimulate others to act in a similar fashion" (p. 534). Dirks (1999) found a similar outcome in the 42, three-person student groups he examined in his research on interpersonal trust. He observed, "In high-trust groups, motivation was transformed into joint efforts and hence higher group performance; in low-trust groups, motivation was transformed into individual efforts" (p.445).

Utilizing affect- and cognitive-based trust to assess interpersonal trust among managers (n=194) in various industries, McAllister (1995) found cognition-based trust levels were higher than affect-based trust, although it was not unusual for managers from different functional areas to develop a level of concern and care for one another. McAllister (1995) noted, "…peer affiliative citizenship behavior in particular, rather than (individual) citizenship behavior in general, is associated with managers' affect-based trust" (p. 53). This suggested a social element between peers enhances trust and cooperation between work groups.

Reducing organizational costs. Dyer and Chu (2006) examined an inter-organizational trust relationship between supplier-buyer companies through their cross-national survey research in the U.S. (n=135), Japan (n=101) and Korea (n=108). One of the first cross-national and inter-organizational trust studies, their research identified a firm's reputation for trustworthiness as having a strong link with low transaction costs and positively affecting a company's financial performance. A key element which enabled this trust was excellent information sharing between supplier-buyer companies.

Fulmer, Gerhart and Scott (2003) looked at cost reduction in a different way by employees recognizing their organization as a preferred employer where cost reduction is realized through low turnover and decreased recruitment costs. These researchers conducted a quantitative study in America to determine if the companies whose employees identified them as a "Great Place to Work" through *Fortune* magazine's annual "Top 100" American companies to work for survey have better financial performance compared to peer companies that never appeared on this list. Fulmer, et al. (2003) isolated publicly held, non financial institutions, that appeared on the 1998 "Top 100" companies list (n=50). Because company employees must complete a 58-item attitude survey called the "Great Place to Work® Trust Index®" and results are tabulated by the Great Place to Work® Institute, the researchers assumed those companies whose employees from over 250 participating organizations identified their employer as a great place to work enjoyed excellent employee relations.

Having identified these companies, Fulmer, et al. (2003) found similar industry and sized companies that had never appeared on the "Top 100" list. Using two financial performance ratios, Return on Assets and Market-to-book ratios, and a test-retest methodology, through statistical analysis Fulmer, et al. (2003) revealed "Top 100" companies on both financial measures performed better than like comparison groups. Through this Fulmer, et al. (2003) established a link between employee attitudes and financial performance. When looking at stock returns, however, the data was inconsistent. Using this same study of "100 Best" list independent analysts for Great Place to Work® Institute, which analyzes publicly traded companies for *Fortune* magazine's "100 Best Employers" list, determined that companies which consistently make this list "…outperform major stock indices over various periods of time preceding or following the publication of the 100 best lists" (GPW, 2010b).

As shown above, trust — whether head-based or heart-based — is a fundamental organizational value which can reach across an organization connecting and enabling an enjoyable and honesty-based relationship between a company's leaders, managers, and employees. Additionally, an organization which enjoys a high trust culture will give rise to empowered employees who can positively impact all of its stakeholders.

Employee Empowerment

Trust is identified as a necessary critical psychological state to empower employees (Mayer, et al., 1995; Chan, et al., 2008) and is a vital leadership factor for both organizational and interpersonal relationships (Caldwell & Dixon, 2010). A multifaceted relational construct, *empowerment* generally describes the amount of power an organization or manager has — or chooses to delegate — over another individual or department (Conger & Kanungo, 1988). Its study began in the 1980s as an outcome of leadership research (Conger & Kanungo, 1988) and since that time the study of empowerment has generally taken two orientations: relational and psychological.

The *relational approach,* viewed at the organizational level, examines the perceived power management wields over employees (Conger & Kanungo, 1988). This includes changes in “organizational power tools” — i.e. information, support and resources — used by management (Kanter, 1983), as it assumes empowerment interventions using these “tools” are linked to enhancing work outcomes (Chan, et al., 2008). *Psychological empowerment*, examined at the individually experienced level, is manifested in four cognitions: (a) *Meaning*, when an employee judges how good a fit there is between one’s work role and personal values, beliefs or standards; (b) *Competence,* or self-efficacy, is the employee’s personal belief in and mastery of one’s job skills; (c) *Self-determination*, reflects an employee’s autonomy and ability to make one’s own decisions in a work environment; and (d) *Impact*, the degree to which an employee can influence the company’s administrative, operational or strategic work outcomes (Spreitzer, 1995). This 4-part model developed by Spreitzer (1995) to assess psychological empowerment has been used in many research studies and its reliability and validity was confirmed (Sharma & Kaur, 2008).

Building from Spreitzer’s (1995) work, two quantitative studies looked at psychological empowerment but examined different variables. Zhang and Bartol (2010) developed a model to test psychological empowerment, creativity, and empowering leadership, a nascent leadership construct which “…implements conditions that enable sharing power with an employee by delineating the significance of the employee’s job, providing greater decision-making autonomy, expressing confidence in the employee’s capabilities, and removing hindrances to performance” (Zhang & Bartol, 2010, p. 109). Fielded at a Chinese technology company, survey results (n=498) validated that psychological empowerment was positively related, not only increasing employees’ intrinsic motivation, but it also served as a mechanism to unlock employees’ creativity.

Chan, et al. (2008) looked at psychological empowerment, applying Spreitzer's (1996) social structural constructs, and included employees' trust as a mediator which would produce organizational citizenship behavior, extra-role behavior, as an outcome. Their dyad survey (n=374), including both managers and non-managers from five health care organizations, validated their research hypothesis by showing "…psychologically-empowered employees are motivated to reciprocate the organization with extra-role behaviors like organizational citizenship behavior…" (Chan, et al., 2008, p. 461).

As researchers examining employees' psychological empowerment have shown, organizational cultures which value employees and exhibit this by creating and sustaining a trust-based environment so employees feel empowered and fulfilled in their work will respond in kind to the organization by showing organizational commitment. By extension, psychological empowerment enables employees to exhibit extra-role behaviors identified as organizational citizenship behaviors. These two constructs, organizational commitment and organizational citizenship behavior, are instrumental in this research and close examination follows.

Organizational Commitment

A strong organizational culture can enable an employee's commitment to that organization (Barney, 1986; Harris & Mossholder, 1996). Studies surrounding commitment to one's job date back to 1956 (Morrow, 1983). Literature reviews from psychology and organizational studies produce not only volumes of research surrounding commitment to one's job and one's organization, but also offer over 25 varying definitions (Morrow, 1983; Reichers, 1985). By the late 1990s this body of research culminated with organizational commitment identified as an entire field of study (Mowday, 1998).

For purposes of this research, *organizational commitment* is defined as an employee's emotional response or strong desire to retain his/her membership in an organization (Mathieu & Zajac, 1990; Testa, 2001) as it reflects pride and loyalty to an organization's values or mission (Mellor, Mathieu, Barnes-Farrell, & Rogelberg, 2001). As Mellor, et al. (2001) observed from their organizational commitment research review, both academics and practitioners conclude that establishing and maintaining employees' organizational commitment is fundamental to an organization's effectiveness.

Examined as both a dependent and independent variable in over 30 studies during construct development (McGee & Ford, 1987), Meyer and Allen (1984) initially concluded the reason for this research variable approach confusion — dependent vs. independent variable — is there are two elements of organizational commitment: affective commitment and continuance commitment.

In response to issues surrounding a lack of construct definition, they reviewed their original model and re-conceptualized it as having three elements (Meyer & Allen, 1991): (a) *Affective commitment*, when an employee's emotional involvement and attachment are high and they *want* to remain with the organization (Meyer & Allen, 1991); (b) *Continuance commitment,* when an employee's perceived financial benefits to remain outweigh those associated with leaving the organization as they *need* to remain (Meyer & Allen, 1984; Mellor, et al., 2001; Mathieu & Zajac, 1990); and (c) *Normative commitment*, when an employee feels obligation they *ought* to remain with the organization (Meyer & Allen, 1991). All three elements can positively impact organizational commitment, but for this study affective commitment is the construct of primary focus.

By utilizing Meyer and Allen's (1991) affective commitment scale, the ethical climate scale developed by Trevino, et al., (1998), the ethical leadership model by Brown, Trevino and Harrison (2005) and two other scales, Neubert, Carlson, Kacmar, Roberts and Chonko (2009) fielded a survey of employees (n=207) at a service-based company. Their results positively linked both affective commitment and job satisfaction with ethical leadership. Other researchers have conducted quantitative studies examining affective commitment in various types of organizations and employee job classes.

In one study of salespeople (n=142), only affective commitment had a positive and direct relationship with sales effort while normative commitment and continuance commitments did not (Fu, Bolander & Jones, 2009). Researchers found both affective and continuance commitments linked to lower absenteeism and turnover (Allen & Meyer, 1996; Mathieu & Zajac, 1990). Other researchers found only affective commitment is positively linked to job performance (Chai-Amonphaisal & Ussahawanitchakit, 2008) and organizational citizenship behaviors (Organ & Ryan, 1995).

As shown above, employees who enjoy a strong, positive organizational culture are much more likely to develop job-related behaviors that enhance both the employer and employee's relationship. Additionally, affective commitment is shown to be a link enabling behaviors which exceed the requirements of an employee's job description.

Organizational Citizenship Behavior

Initially conceptualized by Bateman and Organ (1983) as *the good soldier syndrome* and later termed *organizational citizenship behavior (OCB)* (Organ, 1988), OCB is defined as individual, voluntary behaviors outside an employee's job expectations that are not directly or explicitly acknowledged by the formal reward system but which, in aggregate, enhance the performance of the organization overall (Organ, 1988; Organ, et al., 2006). Bell and Menguc (2002) note OCB by definition reflects an employee delivering on an "extra-role" element beyond one's job responsibilities.

Some researchers argue it can be difficult to determine extra-role behaviors because perceptions and definitions can vary (Morrison, 1994; Tepper, Lockhart & Hoobler, 2001) and management can consider extra-role as being part of an employee's job (Podsakoff, Whiting, Podsakoff & Blume, 2009). Others recognize two types of employee OCB performance which determine whether their behaviors are 'in–role', connected with work output such as sales volume or other like activities, or 'extra-role' behaviors, related to individuals' behaviors (Mackenzie, Podsakoff & Fetter, 1991). Organ (1988, 1990) suggests a causal relationship exists between in-role, reflecting job satisfaction, and extra-role as an outcome of this job satisfaction.

Since its identification, OCB has fueled over 650 articles and has become firmly embedded within the field of organizational behavior (Podsakoff, et al. 2009), although a variety of different behaviors representing OCB are reflected in this research. Organ (1988) originally suggested five OCB dimensions which researchers have used most frequently: (a) *Altruism*, going beyond and using discretionary behavior to help solve problems in the organization; (b) *Conscientiousness*, going beyond the organization's rules and regulations to do more; (c) *Sportsmanship*, willingness to tolerate less than ideal circumstances without complaint; (d) *Courtesy*, discretionary behavior to proactively prevent problems identified with other employees; and (e) *Civic virtue*, going beyond/showing concern and participating in activities to help the life of the organization.

Podsakoff, MacKenzie, Moorman and Fetter (1990) used Organ's (1988) initial five OCB dimensions to examine transformational leadership and in a subsequent study (Podsakoff & MacKenzie, 1994) of sales department effectiveness revised these OCB categories, dropping conscientiousness, an original element from Organ (1988) and added *cheerleading*, encouraging others when they are down, and *peacekeeping*, serving to stabilize a situation when dissention occurs. Many studies support Organ's (1988) five-part structure, but some researchers argue all these dimensions reflect the same underlying concept (Rego, Ribeiro & Cunha, 2010).

In their review of empirical and conceptual OCB research, Williams and Anderson (1991) noted two very broad categories: (a) behaviors that benefit the organization as a whole; and (b) behaviors that immediately help other employees. Reflecting this two-way view but expanding its depth, Podsakoff, et al, (2009) used a meta-analysis study of 168 independent samples (n=51,235) of individuals to gain more granularity as they examined the relationship between OCB and a variety of individual-level and organizational-level outcomes. They concluded five individual-level outcomes are related to OCB: (a) managerial ratings of employee performance;

(b) employee turnover intentions; (c) actual turnover; (d) absenteeism; and (e) reward allocation decisions. Organizational-level outcomes related to positive OCB included: (a) higher productivity; (b) greater efficiency; (c) reduced costs; (d) higher customer satisfaction; and (e) lower department-level turnover (Podsakoff, et al, (2009).

Attempting to better understand the individual-level outcomes, researchers have generally identified two primary motivational reasons for OCB: employees' personality disposition and employees' attitude toward their jobs (Bolino, 1999). Researchers focusing on OCB and an individual's personality often utilize the Big Five (Extraversion, Agreeableness, Conscientiousness, Neuroticism, Openness), identified within the field of psychology as a personality trait theory standard (Judge & Bono, 2000). Ilies, Fulmer, Spitzmuller and Johnson, (2009) used two Big Five elements, *agreeableness* and *conscientiousness*, in their meta-analysis of 151 published studies to determine if there were indirect or direct impacts on individual- and organization-based citizenship behavior on job satisfaction. They concluded *agreeableness* was more closely related with individual-based citizenship behavior while *conscientiousness* aligned with organizational-based citizenship behavior.

Additionally, Ilies, et al. (2009) observed organizations that actively manage their job design, staffing, and career development systems are more likely to, over the long term, benefit from employees who are more satisfied and in turn exhibit organizational citizenship behaviors. Organ and Ryan (1995) found through their meta-analysis of 55 published studies that personality measures were not as strong predictors of OCB while job satisfaction and other job related attitudes were.

Overall, researchers studying personality and OCB suggest that *conscientiousness* is the greatest personality link and that "…personal characteristics explain considerable variance in job satisfaction" (Organ, et al., 2006, p. 84).

When considering individuals and their level of job satisfaction and OCB, many researchers have validated a strong correlation between the two (Smith, Organ & Near, 1983; Puffer, 1987; Murphy, Athanasou & King, 2002; Jha, 2009).
Foote and Tang (2008) having not only validated the strong connection between job satisfaction and OCB, but also showing the connection between the two was greater when commitment to a team was greater. However, team commitment did not increase OCB if employees had a lower level of job satisfaction.

OCB and Market Strategy. Applying findings from their organizational behavior colleagues, marketing researchers began the 21st century investigating the importance employees play in a service-based economy by researching how employee behaviors — using OCB as a variable — can affect a company's market perception. Marketing academics found employees acting with OCB can enhance an organization's effectiveness within the market (Yoon & Suh, 2003), increase the level of customers' perception of service quality (Bienstock & DeMorenville, 2006), and that higher levels of OCB are associated with higher levels of customer satisfaction (Castro, et al., 2004). These market-oriented findings, and their relationship to OCB, are addressed later within this chapter.

As discussed, employees who act with OCB through extra-role behaviors enjoy high job satisfaction, which decreases organizational costs through low turnover and greater efficiency. Additionally, employees exhibiting OCB can positively impact customers through higher levels of customer satisfaction and service quality, while enhancing a company's perception within the marketplace.

Summary

As noted previously, organizational culture is multi-faceted and complex (Barney, 1986) and requires not only exploring its historical context, but also apprehending it from a theoretical perspective (Rowlinson & Procter, 1999). Many variables contribute to create an organization's culture; at its core are implicit and explicit organizational values (Whitley & England, 1977; Posner, et al., 1985; Schein, 1992; Hatch, 1993; O'Reilly & Chatman, 1996) and ethics (Ferrell & Ferrell, 2008) as they guide employee behaviors (Meglino & Ravlin, 1998; Sharma, et al., 2009) and enable employees to answer "What should I do?" (Victor & Cullen, 1988) while on the job.

Recruiting and hiring employees whose personal values align with a company's organizational values has been shown to create greater affective commitment to an employer (Zhang, et al., 2008; Meyer & Allen, 1991) and enhance an employee's organizational trust (de Chernatony & Segal-Horn, 2003; Lyman, 2008), as trust is a critical element of employee psychological empowerment (Chan, et al., 2008) and job satisfaction (Smith, et al., 1983; Puffer, 1987; Murphy, et al., 2002; Foote & Tang, 2008). These elements have been positively linked with employees who exhibit behaviors that are extra-role or beyond expected job responsibilities (Organ, 1988; Chan, et al., 2008) which enhances the organization's brand and customer perception (Yoon & Suh, 2003; Castro, et al. 2005).

The cornerstone of this research is to understand what fundamental elements are embedded within a company's organizational culture that produces a high level of trust and employee organizational commitment for its employees to identify their employer as one of America's "Top 100". Additionally, identifying what these cultural elements are and how employees determine what/if any extra role behaviors they are willing to perform beyond their job requirements are the areas missing from this body of research.

Organizational Brand

The American Marketing Association (AMA) defines a brand as…"a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is trademark" (AMA, 2009). The concept of a brand is as old as civilization itself as Mesopotamian craftspeople, in what is now modern-day India, in 2250 BC placed little square shields on their products to identify their creations. Greek potters in 220 BC carved crude marks on their work as brands to signify who crafted them (Moore & Reid, 2008). During medieval Europe brand usage grew in importance when potters and printers were legally compelled to brand their products as a way to validate authenticity and product quality (Keller, 2008). Fundamental to this legal requirement, and embedded within a brand's meaning, was the implicit trust and assurance that a specifically branded product communicated to its user.

The American Industrial Revolution fueled mass production growth and the need for companies to protect products against imitations. U.S. Trademark law grew making it easier to protect trademarks and copyrights as company management recognized the vital role brands played in creating marketplace recognition and asset protection. By 1915 large manufacturer brands were a staple in American consumers' lives and specialized professionals known as *brand managers* were overseeing their brands' production and sales functions (Low & Fullerton, 1994). A consumer economic boom followed the conclusion of World War II as American companies embraced the need to institute a formal branding standards method to better manage the ownership of their proliferating consumer packaged goods (Keller, 2008). An entire branding lexicon grew within the new discipline of *brand management*, defined as an organization's functional area that plans, measures, grows, and manages the organization's brand (Keller, 2008).

While the concept of a brand has ancient roots reflecting a customer's ability to recognize and know if a specific brand was trustworthy, conceptually a brand is no different today as brand managers seek to establish and maintain a recognizable brand in the marketplace through active brand management of both products and services.

Brand Identity

A company's *brand identity* originates from the company itself (Nandan, 2005) and is defined as a unique set of brand associations chosen by brand management which represent what the brand stands for and promises its customers (Aaker, 1996). A synonym for brand identity is *brand promise* as it is "...the marketer's vision of what the brand must be and do for consumers" (Kotler & Keller, 2006, p. 278). Another way to conceptualize this is as *corporate brand core values,* defined as essential perceptions rooted in an organization and held by its stakeholders as a way to define a brand's identity (Urde, 2009). Marketing teams work to differentiate their organizations' individuality within the marketplace to fully leverage a company's marketing mix by incorporating its brand promise through the "4-Ps" — product, price, place, and promotion (Borden, 1964) — as it can play a tremendous role in building, attaining, and maintaining a firm's brand identity. Tangible product differences, a unique ambiance within a company's stores, premium or low cost pricing, and promotional messages are all used to communicate how a company's brand identity is different from its competitors (Nandan, 2005).

By using the externally focused marketing mix embedded with the company's brand promise in the marketplace *brand awareness*, defined as knowledge and relevance of the brand in the customer's mind (Aaker, 1996), is established. This allows an organization to build and communicate from the company's perspective its brand promise or brand identity to its prospects and customers alike.

Brand Image

What a customer perceives, believes and commits to memory — positive or negative — about a company is defined as *brand image* (Keller, 1993, 2003) and provides a customer with a point of view of all the attributes associated with a brand's character (Burmann, Schaefer & Maloney, 2007). Long identified as an important marketing concept (Burleigh, & Levy, 1955), a customer's brand image of a company can be influenced by brand management's use of the marketing mix or "4-Ps" — product, price, place, and promotion. But associations are also formed through personal experience of its products and employees, news media, friends, and other means beyond a company's direct control. How strong, favorable or unique a customer's perception of a brand's image is can translate, if brand management is successful, into brand equity (Keller, 2008).

Brand Equity

One branding goal is to create, enhance, grow, and track a company's *brand equity*, defined as an intangible asset with both psychological and financial value to an organization (Keller, 2008) with "a set of assets (and liabilities) linked to a brand's name and symbol that adds (or detracts) from the value provided by a product or service to a firm" (Aaker, 1996, p. 8). Academic and professional marketers have examined ways to measure this seemingly elusive construct for over 20 years and, not surprisingly, have produced divergent points of view (Ailawadi, Lehmann & Neslin, 2003) which identify brand equity as being multidimensional (Faircloth, Capella, & Alford, 2001).

Researchers thus far have consistently yielded three brand equity measurement categories: (a) *Customer mind-sets*, focused on customer-based sources of brand equity including loyalty, attitudes, awareness and image (Keller, 1993, Keller & Lehmann, 2003); (b) *Product-market outcomes*, measuring a brand's ability for premium pricing against competing brands (Aaker, 1991; Ambler & Barwise, 1998); and (c) *Financial measures*, valuing a brand's financial assets and the net benefit a company receives (Mahajan, Vithala, & Rajendra, 1994). Each of these three identified brand equity measurements are discussed in greater detail.

Customer-based brand equity. Customer-based brand equity models rely on customer self-reported survey data which provide good insights into predicting a brand's potential from the individual customers' perspective (Keller, 1993). This approach lacks the ability to provide a link with dollars invested for a bottom-line analysis (Ailawadi, et al., 2003). Branding academic pioneer, Aaker (1996), reflects a conceptual view of this customer-based brand equity orientation with his popularized five brand asset/liability categories: (a) brand loyalty; (b) brand awareness; (c) perceived quality; (d) brand associations; and (e) other proprietary assets, which would include channel relationships, partnerships, trademarks, and others.

A commercial application of Aaker's (1996) model is the advertising firm Young & Rubicam's Brand Asset Valuator survey which applies four factors — differentiation, relevance, esteem, and knowledge — to its scoring model to assess from the customers' perspective a brand's value or brand equity. Its annual study of 20,000 different brands by respondents (n=230,000) is fielded in 44 countries and results are published annually (Young & Rubicam, 2009) to identify top brands.

Product-based brand equity. Measuring brand equity as an ability to produce premium pricing, a product-market focus, is generally measured by asking customers how much more they would pay for a certain brand. Abela (2003) embraces an "inclusive" approach by considering both the brand and the product in the brand equity assessment. Another element of a product-market view incorporates the analysis of market share relative to price (Aaker, 1996). This method has its shortcomings. Market-share may not accurately translate to a price premium when factoring in the effects of *value pricing* (Aaker, 1996), charging a low price for a high-quality product (Kotler & Keller, 2006).

Financial-based brand equity. Financial-based brand equity has the opposite issue of product-based brand equity as it is more future focused, i.e. what value could the brand produce, which integrates a level of subjectivity (Ailawadi, et al., 2003). An example of a hybrid model, including both product-market outcomes and the financial method, was devised by Interbrand, a global brand valuation company. Its Brand Valuation methodology examines brands through financial strength, brand importance to drive consumer choice, and future potential for the brand's continued revenue generating capabilities. Interbrand does this by incorporating four steps in its brand valuing process: (a) *Business economic earning analysis*, forecast of current and future revenue total brand revenue minus operating costs, taxes and capital costs; (b) *Role of brand* (brand strength), which measures how a brand influences consumer demand at the purchase point and is applied to economic earnings to create brand earnings; (c) *Brand strength score*, derived by applying seven elements which determine a brand's ability to secure demand and net present value of the brand; and (d) *Brand value*, the final assessment which examines both tangible and intangible assets owned by the business, adjusted based on projected future earnings (Interbrand, 2009).

For the past nine years Interbrand has used this method to identify the world's best brands and its findings are reported annually through *Business Week.* As an example, Coca-Cola has maintained its #1 ranking as the best global brand for nine consecutive years and has enjoyed an estimated brand equity, based upon the Interbrand (2009) model in 2009, of $68.7 billion (*Business Week,* 2009; Interbrand, 2009).

As discussed, brand equity is a multidimensional construct (Ailawadi, et al., 2003) which aims to quantify a company's intangible brand asset (Keller, 2008; Aaker, 1996). Both academic marketing researchers and marketing professionals have approached quantifying brand equity in three different ways: customer-based, product-based, and financial-based (Keller, 1993; Aaker, 1996; Ailawadi, et al., 2003; Interbrand, 2009). While a variety of methods are used, the consistent theme across all three is the need to quantify the intangible nature of a brand into a quantifiable one as a company's brand is considered an asset (Keller, 2008; Aaker, 1996).

Brand Personality

A *brand personality* is defined as human characteristics associated with given brands (Aaker, 1996; Moore & Reed, 2008) which allows consumers to conceptualize and express their self-image based upon a product's perceived brand personality (Burmann & Zeplin, 2005) and their use or intended use of the brand (Keller & Richey, 2006). Various researchers have applied existing human personality psychology models to understand and create brand personality frameworks (Johar, Sengupta & Aaker, 2005).

Aaker (1997) created a brand personality model by starting with several existing human personality model dimensions (n=114) which included two major psychology personality models used in organizations: The Big Five (Extraversion, Agreeableness, Conscientiousness, Neuroticism, Openness) and Myers-Briggs Type Indicator (MBTI), based on Jung's theory of four psychological types which can be used in combination to produce 16 total personality types (Salter, Forney & Evans, 2005).

Applying these personality dimensions with 37 well-known brands, Aaker (1997) first created a brand personality framework and then developed a survey and fielded a random, representative sample (n=631) of Americans. Through statistical analysis her research validated five top product brand personality dimensions: Sincerity, Excitement, Competence, Sophistication and Ruggedness. This study provided the platform for subsequent research, exploring if once a brand has established itself in the market with a specific brand personality how consumers react to modifications of an existing brand personality (Venkataramani, Sengupta & Aaker, 2005).

In their self-administered research survey (n=251) of fashion clothing brands with the Australian youth market, Mulyanegara, Tsarenko and Anderson (2009) used the Big Five model, mentioned earlier, to understand if these young college students prefer brands that align with their own personalities. Their findings revealed that conscientious personalities demonstrate a preference towards trusted brands while extrovert personalities are more motivated by sociable brands. Additionally, gender played a role as females with a conscientiousness dominant trait preferred trusted brands, while males with neuroticism trait dominance preferred trusted brands (Mulyanegara, et al., 2009).

Use of Jungian archetype psychology is another way researchers have applied existing human personality measurements to develop a brand personality (Mark & Pearson, 2001). As with the human personality trait model, Mark and Pearson (2001) developed a brand personality model which also uses 12 archetypes and includes, as an example: the sage, the explorer, the hero, and the outlaw. By applying this brand personality model one company, Umpqua Bank, was identified as having a corporate brand personality of caregiver and explorer while analysis of its competitor banks revealed differences, exhibiting rulers and sages brand personality traits (Freeze, 2004). Understanding these perceived differences gave the bank, and others choosing to employ this methodology, the ability to leverage this differentiation in the marketplace.

As discussed, how a company's brand is perceived in the marketplace can be associated with human personality characteristics (Aaker, 1996; Moore & Reed, 2008) which leverage valid and reliable psychology human personality models (Mark & Pearson, 2001; Aaker, 1997; Mulyanegara, et al., 2009). Depending upon the approach used, marketers can purposefully create and manage a company's brand personality with the goal to develop, attract, and retain specific types of customers whose personalities align with the company's brand personality. One human trait, trust, has been shown to align with certain personality types based upon gender (Mulyanegara, et al., 2009).

Summary

Since ancient times using a brand to identify, differentiate, communicate, and validate trust in a specific product remains timeless (Moore & Reid, 2008; Keller 2008). If an organization's brand management is successful (Kotler & Keller, 2006) it will increase the organization's brand equity, an intangible asset created from both psychological and financial value (Keller, 2008). Key to building a brand's equity is creating and delivering on what the organization envisions its brand promise is to its customers (Kotler & Keller, 2006). Whether a customer relates with a brand because of its brand personality or not, the brand and its corporate brand core values (Urde, 2009) must be congruent with how the customer and marketplace conceives of its brand image (Keller, 1993).

These external marketing constructs are vital to this research project as they provide a needed brand management foundation that links an organization's culture with its market strategy. Through this linkage management can connect external elements to build its brand promise from the inside out through its employees, empowered to act with organizational citizenship behaviors by *living the brand* with its stakeholders. This study's research questions address this area as current literature does not fully examine how employees themselves conceptualize this linkage.

Market Strategy

Previously, organizational behavior constructs identified the internal creation process and value of an organization's culture; building and developing a company's brand addressed correlative external value creation activities. Neither fully addressed how an organization's culture, combined with its brand promise, can also serve as a fundamental element in its competitive, market-oriented arsenal (Castro, et al., 2005) as its effectiveness relies on alignment with the company's external brand strategy (Hieronimus, Schaefer & Schroder, 2005).

Building from this, academic researchers have shown a company's organizational culture can provide a platform to construct a long term strategic plan (Williams, 2002), create organizational structure to better address the market (Hartline & Bejou, 2004), differentiate an organization within its marketplace (Peters & Waterman, 1982), be recognized by customers as offering superior customer service (Bienstock & DeMorenville, 2006), and enable an organization to become an "Employer of Choice" (Pfeffer, 1998; Martin, et al., 2005).

Barney (1986) conceptualized the conditions where a strong organizational culture can provide a sustained competitive strategic advantage. He identified three qualities: (a) *Valuable*, enable a firm to be and behave in ways that add to its financial value; (b) *Rare*, offer uncommon characteristics not found in competing brands; and (c)

Imperfectly imitable, organizational cultures that are truly *valuable* and *rare* make them impossible to imitate as they are uniquely bound within the company's history and heritage. Firms either have these traits or they do not (Barney, 1986) which is the paradox of his three-part concept as it is impossible for one company to duplicate another company's successful organizational culture. Companies that are successful creating a valuable and rare organizational culture can be recognized as an excellent working environment, thereby creating and sustaining a market-oriented differentiation strategy with prospective employees and customers. This can be accomplished, in part, by recognizing the human resources function as being strategic to the organization.

Strategic Human Resources Management

By tradition, the human resources function has been responsible for employee recruitment, job design, benefits, retention, training, and often, implicitly caring for a company's culture. Moving from this traditional view of human resources to a more strategic one has been fueled in part with market changes such as globalization, knowledge-based economy growth, tightening of skilled labor markets, and technology (Wickham & O'Donohue, 2009). In response to these external factors, the 1990's saw empirical studies which linked human resources with company performance (Becker & Huselid, 2010) and competitive advantage (Becker & Huselid, 2006) as interest in and practice of what was termed *strategic human resources management* (HRM) grew.

Conceptually, strategic HRM is defined as "…human resources practices that are intended first to influence and then to help execute the firm's strategic business plan" (Huselid, 1993, p. 36). As former human resources Vice President of Southwest Airlines and Yahoo stated, "Competing for employees is as difficult as competing for customers, building employee loyalty is as important as building customer loyalty, and treating employees right is the key to treating shareholders right" (Sartain, 2005, p. 182). Recognizing the strategic importance human resources plays in today's marketplace spawned research to identify, examine, and codify high-performance human resources practices (Ashby & Pell, 2001; Wickham & O'Donohue, 2009; Martin, et al., 2005). One of these practices includes human resources' role in fostering organizational citizenship behavior with its current employees as a company's strategic imperative (Morrison, 1996; Sun, Aryee & Law, 2007; Mossholder, Richardson & Setton, 2011; D'Amato & Hertzfeldt, 2008). Adopting employment branding strategies to is one way to accomplish this (Morrison, 1996; Wickham & O'Donohue, 2009).

Employer Branding

To successfully brand an organization externally, management must begin by branding from the inside (Sartain & Schumann, 2006) through recognition that employees are its living brand (Bendapudi & Bendapudi, 2005) and use this as a strategic lever (Moroko & Uncles, 2008). This awareness spawned the concept *employer branding* which first appeared in marketing literature by Ambler and Barrow (1996) and was defined as "…the package of functional, economic, and psychological benefits provided by employment and identified by the employing company" (p. 187). This initial focus reflected the need for a company to develop an external reputation with prospective employees that it is a good place to work. Since its conceptual introduction employer branding entered the human resources academic (Martin, et al., 2005; Wickham &

O'Donohue, 2009; Bolger & Schultz, 2000) and professional literature (SHRM, 2009) and is an industry topic of keen interest today.

One strategic HRM market strategy aligned with the concept of employer branding is developing a company to known as an "Employer of choice" (Herman & Gioia, 2001; Ashby & Pell, 2001; Wickham & O'Donohue, 2009; Hieronymus, Schafer & Schroeder, 2005). Many organizations use *Fortune* magazine's annual "100 Best" employers list as a benchmark by which they measure their own companies as employees of these organizations have recognized them as a preferred employer (Martin, et al., 2005). As this suggests, how employees perceive their employer is crucial to strategic HRM effectively utilizing this strategy.

It comes as no surprise then that more recently the employment branding focus has shifted to a what Mosley (2007) refers to as being an *integrated* one "…[by] aligning external recruitment promises with internal employee experience…" (p. 130). Rao and Dewar (2005) identified six 'levers' necessary to create an employment brand through their 2004/05 case study research at Washington Mutual Bank, now part of JP Morgan Chase, as it reflected this integrated orientation. To align the external brand to not only recruit the right employees, but also develop the right employee behaviors, Dewar and Rao (2003) concluded six necessary human resource elements are needed: (a) *Recruitment and retention*, the company hires for brand vs. skills; (b) *Talent development*, seen as ongoing and integral to business planning; (c) *Job design*, based upon the customer's perspective; (d) *Top manager modeling,* supports consistent brand message; (e) *Information sharing and employee empowerment*, company-wide brand-oriented activities and true empowerment; and (f) *Measurement and reward system*, reflected in supporting brand and performance indicators (Rao & Dewar, 2005).

As reflected in their work, core to developing an employment brand and maintaining it throughout a firm's organizational culture requires nurturing employees to live the organization's brand. This requires the human resources function playing a central role in helping develop a market-focused culture in partnership with the marketing function (Rao & Dewar, 2005; Miles & Mangold, 2004).

Determining if and how these two functional groups work together, a Conference Board research project, *Engaging Employees Through Your Brand*, (Dell, Ainspan, Bodenberg, Troy & Hickey, 2001) examined the cross-departmental practices of human resources, marketing, and communications executives at 137 companies. While participants reported an increased focus on employee branding to recruit, attract, retain, and align employees around customer promises (employer branding), most companies treated the relationship between the corporate (marketing) and employer (human resources) brands differently (Dell, et al., 2001). As Ind and Bjerke (2007) asserted "…[corporate] culture drives behavior, behavior also drives culture" (p.136).

Summary

A rare and valuable organizational culture is impossible for competitors to imitate (Barney, 1986). Organizational leaders who recognize this as a market strategy (Becker & Huselid, 2006, 2010) will practice strategic human resources management (Huselid, 1993; Mosley, 2007). Embracing integrated employer branding (Mosley, 2007) to become an "Employer of choice" (Herman & Gioia, 2001; Ashby & Pell, 2001;

Wickham & O'Donohue, 2009) is one way to strategically attract the right employees aligned with the organization's culture and values.

Paramount to linking the company's external brand with its internal brand is the purposeful alignment of its human resources and marketing functions (Dell, et al., 2001; Rao & Dewar, 2005). Alignment can leverage a company's organizational culture through purposeful creation and delivery of a brand identity that is consistent with its customers' and future employees' brand image of the organization (Pfeffer, 1998). This congruence is only possible through human resources strategically fostering and enabling employees' organizational citizenship behaviors (Morrison, 1996; Sun, et al., 2007; Mossholder, et al., 2011) to consistently reflect the company's brand promise (Bolger & Schultz, 2000, Mosley, 2007; Castro, et al., 2005) internally and externally. Understanding how one of America's "Top 100" employers strategically addresses this challenge is an underlying element within this study's research questions.

Branding Internally

A company's marketing function by tradition is externally focused and concerned with "…the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives" (Gronholdt & Martensen, 2005, p. 102) as employees were not the focus of marketing activities. However, management's recognition that employees can be perceived as internal customers (Beery, Hensel & Burke, 1976) brought the need for internal marketing into this discipline. The concept *internal marketing* initially appeared in academic literature in 1976 and was defined as communicating with employees (Rafik & Ahmed, 2000) and focused on communication tools to enhance motivation and satisfaction (Mosley, 2007).

Over the next 20 years this first definition of internal marketing — communicating with employees — evolved as did development of internal marketing's scope and boundaries between traditional marketing (externally focused) and human resources (inwardly focused) functions (Rafik & Ahmed, 1993).

Internal marketing moved into a second phase during the 1980s with an added customer orientation that an employee in a service organization, such as a bank, is 'the product' to deliver service within the marketing mix (Beery, 1981). Use of traditional marketing techniques with employees to facilitate their interactivity with customers accompanied this second stage of internal marketing's evolution (Greene, et al., 1994; Mitchell, 2002). In keeping with this orientation, Faust and Bethge (2003) advised that internal marketing initiatives should be developed with clear objectives similar to external branding campaigns, and be targeted by audience, frequency, and contact method.

By the 1990s internal marketing broadened to a third stage which incorporated company strategy and change management, thus linking internal employee satisfaction with satisfying external customer needs (Rafiq & Ahmed, 2000; Greene, et al., 1994; Mitchell, 2002). While academicians retrospectively recognize this three-step evolution — communication only, use of marketing mix tools, and linking employee satisfaction with customer needs — in truth, all three orientations are currently in use. Additionally, practice overlaps often exist as internal marketing has experienced more of a cyclical relationship between all three

(Mahnert & Torres, 2007). Conceptually, however, internal marketing was and remains programmatic rather than strategic.

Internal Branding

By definition, *internal branding* aligns the whole organization, its processes and corporate culture, with its brand promise (Punjaisri & Wilson, 2007; de Chernatony & Segal-Horn, 2001), and seeks the ultimate goal of gaining competitive, sustainable advantage through the company's employees (Jacobs, 2003). In a sense, it's a way to 'operationalize' the brand (Bergstrom, Blumenthal & Crothers, 2002). Conceptually, internal branding is in its infancy as ways to measure internal branding and establishment of a full theoretical framework is nascent (Burmann & Zeplin, 2005; Burman, et al., 2009; Punjaisri, et al., 2008; Urde, 2009). Scholars agree thus far, however, that senior management's leadership and support of internal branding remains vital in driving this internally (Vallaster & de Chernatony, 2003, 2005). Of the handful of empirical studies conducted thus far, focus has been primarily in service-based organizations (Chong & Kong, 2007; Punjaisri & Wilson, 2007; Punjaisri, et al., 2008).

Seeking to identify "best practices" of effective internal branding programs, Mulhern and Whalen (2006) interviewed senior company officers at 17 publicly traded companies — product- and service-based — to understand what tactics they identified as most effective in linking internal marketing with external strategies to deliver on the company's brand promise. Six consistent elements emerged in these corporations' internal branding practices: (a) senior management participation; (b) integrated organizational structure; (c) strategic marketing approach; (d) human resources partnership; (e) focus on employee engagement; and (f) internal brand communication.

These six tactics identified by Mulhern and Whalen (2006) are reflected in a review of academic articles Mahnert and Torres (2007) conducted. Their analysis offers a three-part framework for creating and sustaining internal branding success: (a) committed employees' reflection of the organization's brand values (one could also insert corporate brand personality) to consumers; (b) internal and external consistency of the company's brand image, which supports the realization of the brand promise and employee brand commitment; and (c) all company levels, management and staff, are aligned and reflect the values and brand promise.

Most researchers have explored internal branding through customers' and professional marketers' perspectives, not employees'. Punjaisri and Wilson (2007) remedied this through their grounded theory study of customer-facing employees at six Thai hotels. Their grounded theory approach of this service-based business used structured interviews of both managers and customer-facing employees to develop a quantitative survey (n=699). Results showed internal branding activities — employee communication and training — not only directly influenced the degree to which employees delivered on the hotel's brand promise through excellent customer service, but internal branding also influenced the enthusiasm employees expressed towards their employer, enhancing their overall performance. Punjaisri and Wilson (2007) concluded management was a key influencer to enable employees to live the company's brand promise, coupled with training and internal communication.

Chong and Kong (2007) conducted an employee-centered study of a service-based company, Singapore Airlines. They sought to understand the role internal communication and training played in infusing employees with the company's corporate values. Using a grounded theory approach, Chong and Kong interviewed managers, analyzed company-produced materials, reviewed the company's annual Organizational Climate survey, and observed employees during a crew training program. Through their analysis Chong and Kong (2007) identified a relationship between the company's internal communication and training programs and proposed both should be treated as a "first frontier" in attracting customers, as strong corporate values transformed Singapore Airlines' employee "touch points" which enabled employees' behaviors to fulfill the company's brand promise.

As noted above, internal branding, linking a company's processes, corporate culture and its brand promise (Punjaisri & Wilson, 2007; de Chernatony & Segal-Horn, 2001) is in its infancy within academic marketing research (Burmann & Zeplin, 2005; Burman, et al., 2009; Punjaisri, et al., 2008; Urde, 2009) yet its importance and practice is strategic for service-based organizations (Chong & Kong, 2007; Punjaisri & Wilson, 2007; Punjaisri, et al., 2008). Management's support (Vallaster & de Chernatony, 2003) and effective linkage between both the marketing and human relations functions (Mulhern & Whalen, 2004, 2006; Mahnert & Torres, 2007) is required to enable internal branding consistency (Mahnert & Torres, 2007).

Brand Commitment & Brand Citizenship Behavior

Burmann and Zeplin (2005) conducted exploratory research based on an identity-based brand management concept — brand is a person. First, they reviewed existing literature in: brand management, organizational behavior, culture, leadership and internal communication. Next, they conducted 11 semi-structured interviews with two brand consultants and nine senior-level corporate marketing managers in German companies which ranged in size from 3,500 to 400,000 employees to validate, reject or adapt the researchers' initial hypotheses from the literature review. Through this iterative process they developed two new constructs: brand commitment and brand citizenship behavior.

Brand commitment is a synonym of organizational commitment, identified earlier as an organizational culture concept, and is defined as being the psychological bond between an employee and organization (Burmann & Zeplin, 2005). *Brand citizenship behavior* is represented by employee behaviors that enhance their employer's brand identity through actions outside one's normal role expectations (Burmann & Zeplin, 2005) and is based upon the organizational behavior construct organizational citizenship behavior discussed earlier. Organizational commitment and brand commitment, as well as organizational citizenship behavior and brand citizenship behavior, can be considered synonyms; each construct reflects its origins of either organizational behavior or marketing.

Initially, Burmann & Zeplin (2005) hypothesized brand citizenship behavior contained seven components: (a) *Helping behavior*, friendliness, following up on customer complaints; (b) *Brand consideration*, following brand-related behavior guidelines; (c) *Brand enthusiasm,* extra initiative while showing brand-related actions; (d) *Sportsmanship,* no complaining even if taking brand-related actions causes inconvenience; (e) *Brand endorsement*, recommending the brand to family, friends and others; (f) *Self-development,* willing to continually improve brand-related skills; and (g) *Brand advancement,* helping improve the brand by passing along ideas and customer feedback.

Neither brand commitment nor brand citizenship behavior is possible to develop in a vacuum as it requires a platform, organizational culture and corporate structure, to enable employees' behaviors. Addressing this, Burman and Zeplin (2005) proposed both a company's organizational culture and its structure serve as the bedrock from which three "levers" can be used to enable brand commitment to grow within the organization: (a) *Brand-centered human resource management*, employee identity/brand fit; (b) *Brand communication* (marketing), brand relevance/awareness; and (c) *Brand leadership* (management), brand identification and credibility.

Moving this initial research forward, Burmann, et al., (2009) tested these conceptual models through empirical data collected, both qualitatively and quantitatively. Beginning with expert interviews of marketing leaders in 14 German service-based brands, their study progressed to creation and fielding of a quantitative survey of employees (n= 1,783) at the same companies. They used the survey instrument to identify what level of brand commitment and brand citizenship behavior existed. In their third stage, they surveyed customers and competitors (n= 1,372) of these brands to determine the strength of the brand-customer linkage.

Both constructs, brand commitment and brand citizenship behavior, were proven to have a causal link. While their study found internal communication influences brand commitment the most, all three were shown thru statistical analysis to indicate when all three are present the highest level of brand commitment effectiveness is possible (Burmann, et al. 2009). Additionally, the researchers validated the three "levers", identified earlier, which organizationally enable brand commitment to grow. Instead of the hypothesized seven brand citizenship behaviors, they statistically validated just three: (a) willingness to help; (b) brand enthusiasm; and (c) propensity for further development, both for the individual and the brand.

An employee's brand citizenship behavior, King and Grace (2009) theorized, is one of several constructs that contribute to a company benefiting from what they term *employee based brand equity (EBBE)*, defined as being the outcome of an employee's brand knowledge and response to the work environment. Their EBBE conceptual framework, based on phenomenological research using in-depth interviews of corporate middle managers (n=10), reflects the three Burmann, et al., (2009) brand citizenship behaviors. King and Grace (2009) postulated these behaviors net an organization three equity-based outcomes: (a) *Employee satisfaction*, commitment to the job and organization; (b) *Employee retention*, lower turnover costs and maintained employee knowledge/experience; and (c) *Positive word of mouth*, employees tell others this is a good place to work.

As identified above, two organizational behavior constructs, organizational commitment and organizational citizenship behavior, can be considered synonyms with newly established marketing correlatives, brand commitment and brand citizenship behavior (Burman & Zeplin, 2005; Burmann, et al. 2009) and by extension can create employee based brand equity (King & Grace, 2009). Creating a company environment that encourages both brand commitment and brand citizenship behavior is reliant on three "levers" which link management, human resources, and marketing (Burmann, et al. 2009) to enable three identified brand citizenship behaviors: willingness to help, brand enthusiasm, and propensity for further employee development at the organization.

Living the Brand

Brand citizenship behavior, an outcome of brand commitment, is identified as a synonym for *living the brand* (Burmann, et al., 2009) as it encapsulates what it means for an employee to exhibit brand citizenship behavior both internally, with other employees, and externally with customers. Employees who live the brand by exhibiting brand commitment through their brand citizenship behavior require a context, an organizational culture, which enables employees to flourish. Many company CEOs talk about being customer-centric, as articles in popular business publications reflect (*Business Week*, 2010), but few companies deliver because senior management has not reconfigured its businesses to put the customer at the center of the business. Further, most do not recognize delivering customer centricity requires enthusing employees by building a company culture that respects, empowers and then unleashes its employees to serve its customers (Ind, 2004, 2007; Harris, 2007).

The key to a customer-focused culture lies in what some have called marketing's missing "5th-P": People, or employees (McEwen, 2005; Ind, 2003, 2004; Bolger &

Schultz, 2000; Mosley, 2007). A similar construct King and Grace (2009) developed is the "H Factor" (human factor), defined as organizations treating employees as humans with respect and working towards common goals. Identifying employees as integral to the marketing mix begins by recognizing employees are actually the company's living brand (Bendapudi & Bendapudi, 2005; Burmann & Zeplin, 2005) and fundamental to successfully link business goals with employee attitudes (Ind, 2003, 2004, 2007).

To create a workforce that lives the brand, management must first recognize its employees are the brand. As Bendapudi and Bendapudi (2005) note, superior customer service is often associated with premium brands like Nordstrom and Ritz-Carlton, not minimum wage convenience stores. Yet, based upon their two-year in-depth case analysis, in conjunction with the National Association of Convenience Stores, of two convenience stores' financial performance, QuikTrip and Wawa, Bendapudi and Bendapudi (2005) found both companies outperform the market and are highly sought after employers of choice. As further support of QuikTrip's employees' brand support (brand commitment), their positive feedback as an employer has caused QuickTrip to appear on *Fortune* magazine's list of "Best 100" employers study seven years in a row (QuickTrip, 2009).

Bendapudi and Bendapudi (2005) found the reason high levels of brand commitment existed was based upon six lessons both organizations studied used to empower employees as their living brand: (a) know what you are looking for in recruiting employees, a focus on intrinsic traits rather than work experience; (b) make the most of talent, identify employees' strengths and leverage them; (c) create pride in the brand; (d) build community, internally and externally; (e) share the business context; and (f) satisfy the soul. “While many convenience store chains have focused on speed of transactions and volume of sales per store, Wawa and QuikTrip made a concentrated effort to build customer loyalty through a sense of community [thru its employees]” (Bendapudi & Bendapudi, 2005, p. 5).

Another study (Maxwell & Knox, 2009) assessed current employees (n=65) through a comparative case study in five United Kingdom organizations to understand what company attributes make it attractive and, therefore, what motivates them to ‘live the brand’ with external stakeholders. While not statistically valid and exact elements, as expected, were different across the organizations, the researchers did identify four consistent categories: (a) *Organizational success,* past, current and expected future success; (b) *Employment*, reflecting rewards, management style and work environment; (c) *Construed external image,* how the industry and stakeholder groups view the organization; and (d) *Products and services,* employees’ perceived views of what the company delivers. It is interesting to note specific examples of what living the brand looked like to either the employees or management. Additionally, none of these companies were identified as being recognized among *Fortune* magazine’s recognized “Best 100” American employers by their employees. This study does provide initial attributes to use in comparing employees’ responses between both types of organizations.

Summary

Internal branding links a company’s processes, corporate culture and brand promise (Punjaisri & Wilson, 2007; de Chernatony & Segal-Horn, 2001) and is a fundamental strategy for service-based organizations (Chong & Kong, 2007; Punjaisri & Wilson, 2007; Punjaisri, et al., 2008) as employees are vital to deliver on an organization's brand promise (Punjaisri & Wilson, 2007; de Chernatony & Segal-Horn, 2001). To execute an internal branding strategy a company must align three organizational 'levers': human resources, marketing, and management (Burmann, et al., 2009). Through alignment employees can more easily establish a positive emotional link, i.e. brand commitment, with their employer as brand commitment is an antecedent to employees exhibiting brand citizenship behavior (Bendapudi & Bendapudi, 2005; Burman, et al., 2009) or its synonym, living the brand (Burmann, et al., 2009; Ind 2003). Understanding how an organization's employees are positively impacted — increasing brand commitment and brand citizenship behavior — by internal branding tools/activities within the organization is fundamental to answering this study's research questions.

Conclusions from the Literature Review

Organizational culture, a multi-faceted construct (Barney, 1986), can serve as a service-based organization's (Chong & Kong, 2007) strategic differentiator for both customers and employees (Peters & Waterman, 1982; de Chernatony, 2006; Urde, 2003, 2009; Lyman, 2003; 2008; Becker & Huselid, 2006, 2010). An organization's culture is also recognized as a rare and valuable asset, impossible for competitors to imitate (Barney, 1986). Building a company's external brand equity relies on creation and delivery of what the organization envisions its brand promise is to its stakeholders (Kotler & Keller, 2006). An organization's brand and its corporate brand core values (Urde, 2009) must be congruent with how all stakeholders conceive of its brand image (Keller, 1993). Internal branding links a company's processes, corporate culture, and brand promise (Punjaisri & Wilson, 2007; de Chernatony & Segal-Horn, 2001) and is a fundamental strategy for service-based organizations (Chong & Kong, 2007; Punjaisri & Wilson, 2007; Punjaisri, et al., 2008) as employees are vital to deliver on an organization's brand promise (Punjaisri & Wilson, 2007; de Chernatony & Segal-Horn, 2001).

To understand an organization's culture requires examination from both its historical context and theoretical perspective (Rowlinson & Proctor, 1999) as many variables contribute to create an organization's culture, including its values (Whitley & England, 1977; Posner, et al., 1985; Schein, 1992; Hatch, 1993; O'Reilly & Chatman, 1996) which includes its espoused ethics (Ferrell & Ferrell, 2008). Recruiting and hiring employees whose personal values align with a company's organizational values has been shown to create greater affective commitment with an employer (Zhang, et al., 2008; Meyer & Allen, 1991) and thereby enhance an employee's organizational trust (de Chernatony & Segal-Horn, 2003; Lyman, 2008). Because trust is a critical element of employee psychological empowerment (Chan, et al., 2008) and job satisfaction (Smith, et al., 1983; Puffer, 1987; Murphy, et al., 2002; Foote & Tang, 2008; Organ, 1990) both have been positively linked with employees who exhibit behaviors that are extra-role or beyond expected job responsibilities (Organ, 1988; Chan, et al., 2008), which enhances the organization's brand and customer perception (Yoon & Suh, 2003; Castro, et al. 2005).

By utilizing strategic human resources management (Huselid, 1993; Mosley, 2007) and embracing an integrated employer branding orientation (Mosley, 2007), an organization can become an employer of choice (Herman & Gioia, 2001; Ashby & Pell, 2001; Wickham & O'Donohue, 2009) as one way to strategically attract the right employees aligned with the organization's culture and values. Paramount to linking the company's external brand with its internal brand is the purposeful alignment of its human resources and marketing functions (Dell, et al., 2001; Rao & Dewar, 2005). By aligning human resources and marketing, an organization can leverage its organizational culture through purposeful creation and delivery of a brand identity that is consistent with its customers' and future employees' brand image of the organization (Pfeffer, 1998). This congruence is only possible through human resources strategically fostering and enabling employees' organizational citizenship behaviors (Morrison, 1996; Sun, et al., 2007; Mossholder, et al., 2011) to consistently reflect the company's brand promise (Bolger & Schultz, 2000, Mosley, 2007; Castro, et al., 2005), both internally and externally.

To fully execute an internal branding strategy a company must align three organizational 'levers': human resources, marketing, and management (Burmann, et al., 2009). Through this alignment employees can more easily attain brand commitment as it is fundamental to employees exhibiting brand citizenship behavior (Bendapudi & Bendapudi, 2005; Burman, et al., 2009) or its synonym, living the brand (Burmann, et al., 2009; Ind 2003).

This literature review illustrated the primary research focus for both organizational culture (Zhang, et al., 2008; Dyer & Chu, 2006; Fulmer, et al., 2003; Lyman, 2008; McGee & Ford, 1987; Podsakoff, et al., 1990; Denison & Mishra, 1995) and internal branding (Burman & Zeplin, 2005, 2009; Chong & Kong, 2007; Punjaisri & Wilson, 2007) with large organizations, in America, Europe, Asia and Australia with 3,500 – 400,000 employees. Two academic studies examined companies identified as being among the

“Top 100” American employers — as identified by *Fortune* magazine’s annual ‘100 Best” survey — and based upon financial performance. One looked at companies in aggregate and compared them to like companies not identified as the “100 Best” companies (Fulmer, et al, 2003) while the other study examined two convenience store chains in particular (Bendapudi & Bendapudi, 2005). The Best Places to Work® Institute examined all companies within its database and concluded trust is the core element embedded within the “100 Best” companies’ organizational culture that influenced employees’ identification of their employer to be ‘the best’ (Lyman, 2008).

This research seeks to understand how employees who have declared their trust in and brand commitment to their employer by voting it the” Best Place” to work, as identified through the *Fortune* magazine annual “Best 100” American employers list, are empowered to make this claim. Further, what internal branding elements within their organizational culture — whether human resources and/or marketing created and managed — aid in employees’ understanding of and belief in enacting voluntary behaviors at work which cause them to live the brand of their organization.

Thus far no research has been conducted at one American service-based company with fewer than 3,000 employees to fully understand what elements embedded within the company’s organizational culture motivate employees to show high brand commitment by identifying their employer as the “Best Place” to work through *Fortune* magazine’s annual survey. Additionally, no research identified thus far has sought to understand how employees define for themselves what it means to live the brand of “The Best” employer and how employees see their behaviors as being fundamental to delivering on their company’s brand promise to its customers. The purpose of this research is to expand this nascent internal branding research area by discovering what one organization does to create such a high level of employee trust and brand commitment and identify how and what those employees define what it means behaviorally to live the brand collectively and individually.

CHAPTER 3

Methodology

Restatement of the Purpose

The purpose of this research was to identify internal branding practices that are key determinants in creating employees' level of trust, brand commitment, and specific brand citizenship behaviors employees believe they should exhibit to effectively deliver on the company's brand promise. Framed through application of marketing, management, and organizational behavior, specifically organizational culture, theories this study examined one company: Umpqua Bank. Its employees over a five-year period (2007-2011) have consistently identified Umpqua a "Best Place" to work, based upon the company's participation in *Fortune* magazine's annual study identifying America's top 100 employers (Fortune, 2011). Inclusion within this annual study identifies all participant organizations that make the "Top 100" as having created and maintained a high level of trust with its employees through its organizational culture, based upon a proprietary methodology developed and used by Great Place to Work® Institute for the *Fortune* annual study.

Identification of these effective internal branding/organizational culture practices will advance the growing body of research which links brand commitment and brand citizenship behavior, but has not yet examined how employees who have proclaimed their employer “the best”, and therefore “trust” the organization, conceptualize how they believe they should live the brand and what behaviors employees believe they should deliver to support the organization’s brand promise.

Restatement of Research Questions

1. What fundamental elements embedded within the organizational culture create employees’ high level of trust?
2. What specific internal branding practices are key determinants to create an organizational culture whose employees exhibit high brand commitment?
3. How do employees define what it means to live the brand?
4. What behaviors do employees believe are fundamental to deliver on their organization’s brand promise?

Setting

Umpqua Bank is headquartered in Roseburg, Oregon and is a subsidiary of its Portland, Oregon-based parent company Umpqua Holdings Corporation (NASDQ: UMPQ). The company has just over 2,000 employees who serve both retail and business customers in 184 locations in Oregon, Washington, Northern California, and Western Nevada (Umpqua, 2010a). Founded in 1953 with $70,000 as South Umpqua State Bank in Canyonville, Oregon, the bank moved its headquarters in 1972 to Roseburg, Oregon. In 1994 its current CEO, Ray Davis, joined the company, changed its name to Umpqua Bank and set the bank on a strategic path for strong, rapid growth with the vision of remaining a community bank regardless of size. Its assets in 1994 were $150 million; as of December 2010 assets totaled just under $11 billion. In fourth quarter of 2010 Umpqua Bank moved into fourth position in the Oregon market, overtaking JP Morgan Chase bank, as over 100 of its 184 locations serve Oregon (Davis, 2010). In 2010 the company and its CEO were named “the most admired” Oregon financial institution by other Oregon business leaders (Goldfield, 2010). For five consecutive years (2007-2011) its employees have identified it as a “Best Place” to work, based upon *Fortune* magazine’s annual study identifying America’s top 100 national employers (Fortune, 2011).

While fielding research an intervening variable became very important: the economic setting. This research study occurred during a world-wide economic recession which began in mid-2008 and continued to dramatically impact the banking industry throughout the fielding of this research. In 2009 140 American banking institutions failed and 169 in 2010. During this same time period Umpqua acquired though the FDIC four failed banks (FDIC, n.d.) This economic environment provided an unanticipated, yet unique and additional insight into Umpqua’s leadership and culture.

Participants

A total of 70 selected employees of Umpqua Bank and Umpqua Holding Corporation, from executive-level to front line, participated in this research study through: key informant interviews, focus groups, and unplanned, onsite dialogue. Informant interviews included three bank senior executives, three functional area managers, and six members of the President’s Club, identified through key informant interviews as being an employee-elected group of less than 5% of the employee population whose membership was vital to the bank’s culture. Three additional employees provided extemporaneous interviews while the author was onsite conducting research. Focus group (n=55) composition, detailed later in this section, was a representative sample. Additionally, the open-ended responses of employees (n=745) who responded to Umpqua's annual internal 2009 Cultural Enhancement Survey (Umpqua, 2009a) were also included.

Limitations

This research study was purposefully limited to Umpqua Bank, the only Oregon-based company identified as a "Best Place" to work by its employees for five years (2007-2011) by the annual *Fortune* magazine survey (Fortune, 2011). Survey methodology was developed and conducted by Great Place to Work® (GPW) Institute using its proprietary *Trust Index*® Employee Survey and *Trust Model*® instruments, both are both considered valid and reliable by the organization (Lyman, 2003, 2008), as have other academic researchers analyzing *Fortune's* annual "Top 100" American employers list (Fulmer, et al., 2003). Examination of Umpqua's trust score compared with all 2010 "Top 100" members in the Best Places To Work® Trust Index® ranking showed the following: (a) *Credibility*, Umpqua scored 3 points above the mean; (b) *Respect*, Umpqua scored 2 points above the mean; and (c) *Fairness*, Umpqua scored 3 points above the mean (GPW, 2010a). Given this evidence, the author fielded this study assuming Umpqua Bank employees in aggregate enjoy a high degree of trust in the organization.

Additionally, the author was the only researcher who performed content analysis on the Umpqua 2009 Cultural Enhancement Survey, discussed later in this chapter. A signed confidentiality agreement with Umpqua limited proprietary data access to only the author, thus inter-coder reliability was not possible with a single coder.

Researcher Background & Disclosure

The author served in various marketing positions during a 28-year corporate career, spending 17 of these in financial services marketing. Consequently, the author has experiential knowledge of the banking industry and its lexicon from prior employment at: First National Bank Alaska; Alaska Pacific Bancorp, purchased by Key Bank; Security Pacific Bank (Oregon), purchased by Bank of America; First Interstate Bank (Oregon), purchased by Wells Fargo; and U.S. Bank (Oregon), purchased by First Bank Systems which retained the name U.S. Bank. Despite these years in the financial service marketing sector, the author had no experience with Umpqua Bank prior to initiating this research study, having never competed with it while in bank marketing, never entered a branch, was never a customer or stockholder, and was never employed by Umpqua Bank or any of its subsidiaries or previously acquired entities.

It is important to note, because of this industry knowledge and banking employment within the Oregon market, certain employees the author interviewed and/or engaged in dialogue shared common knowledge. While the author had no prior knowledge of any individuals studied, through dialogue it was discovered in some cases they had been employed simultaneously or at other times worked at the same bank. As a result, both the author and certain Umpqua Bank employees could discuss Oregon banking from different dimensions, allowing added insights through comparison — similarities and differences — of mutual experiences at former bank employers.

The author's bank marketing background, fully disclosed to all participants, also allowed increased insights through previous employer comparisons and in some cases provided a limited, but palpable emic — insider — view within Umpqua's environment. This was made possible in the sense that the author's background and knowledge of several shared bank employers and former co-workers enabled a deeper dialogue level with specific participants that would not have been possible without this knowledge. Additionally, because the author had been through bank acquisitions as an "acquired" employee, this experiential knowledge allowed a comfort level with and appreciation by those who had been at other banks acquired by Umpqua Bank, allowing engagement at a different level with the author.

Research Design

The four questions this research study addressed required a qualitative research approach. Field research, specifically, grounded theory ethnography (Glaser & Strauss, 2008), was the method chosen. By tradition, ethnography is an anthropological method that has also been applied successfully to understand organizational culture within an organizational setting (Glaser & Strauss, 2008; Goulding, 2006; Swanson & Holton, 2005; Charmaz, 2006). While this study closely examined a company's organizational culture, its research goals also required an in-depth understanding of management philosophy and processes.

As Charmaz (2006) notes, “Grounded theory ethnography gives priority to the studied phenomenon or process rather than the setting itself” (p. 22). This rationale applied to this specific method chosen. A recursive process, grounded theory compares data from the beginning of the research project and continuously analyzes it throughout, rather than waiting until all data are collected, to identify emerging relationships which “grounds” new theoretical interpretations within the data collected and analyzed (Glaser & Strauss, 2008). By applying grounded theory ethnography to answer this study’s research questions, differences in the company’s management, marketing, human resources, organizational culture and communication practices compared with other banking institutions emerged. Some of these differences reflected existing management, marketing, organizational behavior and/or communication theories, while unanticipated discoveries prompted new theory development.

Data collection began January 2010 and concluded January 2011. During this time the author used an etic — outsider — approach at locations which reflected Umpqua’s core service geography. The research sites included the headquarters of Umpqua Bank Holdings in Portland, Oregon, Umpqua Bank’s headquarters in Roseburg, Oregon and selected stores (branches) and bank office locations within the greater Portland, Oregon/Vancouver, Washington metro as well as Roseburg, Medford, and other stores located in smaller Southern Oregon communities.

Additionally, representative employees were also included from store locations throughout Northern California and Tacoma, Washington. During this research period, Umpqua Bank completed three FDIC-assisted acquisitions. In first quarter 2010 two acquisitions added 21 store locations to its Tacoma/Seattle, Washington presence;

employees from these acquisitions are represented in this study. A fourth state, Nevada, was added in second quarter 2010 to the bank's network with four locations, but employees from this acquisition were not included.

As is the nature of grounded theory, the author's original research plan changed in response to data collected, evolving during the research process as new discoveries were made. All data collection changes are noted within each research step which follows.

Step 1: Secondary Data, Qualitative Extant Text Analysis

The first planned step was analysis of both quantitative and qualitative results of Umpqua's employee responses collected by the Great Place To Work® Institute for the 2010 *Fortune* magazine's "Best Place to Work" survey (GPW, 2010a). Approximately 350 publicly and privately held companies compete for study inclusion, but only 100 make "the best" list (GPW, 2010b). As noted previously, as a company recognized as one of the "Best 100" for the past five years — 2007-2011 (Fortune, 2011) — Umpqua Bank's employees are identified as having a high degree of trust in the organization, as validated through the 58-question survey (GPW, 2010a, n.d.). The author received 2009 and 2010 quantitative study data, including how Umpqua compared against the other 99 selected companies on all questions asked from Umpqua.

Content analysis of open-ended employee responses of qualitative extant data, specifically the *Trust Index* and the *Culture Audit,* was planned as it appeared a good resource to provide initial direction for this study's subsequent steps. However, this qualitative data set (n=367) was not available. To overcome the issue of obtaining these open-end responses, Umpqua provided its own proprietary *Cultural Enhancement*

Survey, a bank driven annual organizational culture survey of its associates (employees). Data provided to the author included: quantitative survey results for 2007, 2008 and 2009 surveys; and all 2009 open-ended responses from associate participants (n=745) who answered this question, "I am proud to work for Umpqua because…". Given the nature of the study this qualitative data set served as a good proxy for the unavailable *Best Place to Work* qualitative data. The author performed content analysis centered on this study's four research questions (Appendix A) and provided the initial insights for Step 2.

By definition, *content analysis* is "...a research technique for making inferences by systematically and objectively identifying specified characteristics within a text..." (Frey, Botan, Friedman & Kreps, 1991, p. 212) and was developed during the 18th century in Sweden for analysis of hymns and the symbols they conveyed. Most modern applications are by communication researchers seeking to analyze public communication, journalism, and mass media. Applying content analysis is rooted in these four methodological advantages: (a) it uses existing texts and is unobtrusive; (b) it allows the researcher to accept unstructured content and create structure for analysis; (c) all content appears within context, allowing valid inferences by a researcher of the data; and (d) it can be used to analyze large amounts of data (Frey, et al., 1991).

Since the content analysis research technique relies on coding messages, the author's first step taken with the 2009 Umpqua Cultural Enhancement survey open-ended data was reviewing a sampling — every 10th response — to identify and create types of units to analyze by looking for mutually exclusive categories. A coding scheme emerged from this process and was applied to the data as coding identification looked at the "substance" (content of the message) and "form" (the way it was conveyed or its genesis)

(Bailey, 2007). In this situation it became very apparent to the author — the sole coder — through this coding process that Umpqua associates' responses directly related to core elements of the company's identified corporate culture. Additionally, when content analysis identified multiple concepts within an individual response, all concepts were coded separately and resulted in a total of 1,121 concepts coded (Appendix A).

To gain insights and context of these concepts the author concurrently analyzed additional Umpqua-supplied secondary materials: (a) Umpqua marketing brand book; (b) Umpqua new hire employee orientation booklets, two versions; and (c) Umpqua *Keys to our Culture* handout. These materials were invaluable in helping the researcher 'decode' many references provided in the content analysis and focusing questions for the next stage of primary research. The author also read Umpqua CEO Davis' (2007) book *Leading for Growth* to appreciate historical and contextual elements which emerged through this first research step. Anticipating the need to monitor ongoing company, market, and economic events, the researcher created a daily Google word search for "Umpqua Bank", enabling currency of company-created and third party-created articles which were reviewed daily during the research timeframe (January 2010 – January 2011) and proved extremely insightful.

Step 2: Primary Data, Key Informant Interviews

As identified in the original research plan, themes identified from secondary content analysis — explained partially using Umpqua-supplied and researcher-acquired materials — provided an initial concept categorization to explore further through primary data collection. This second step looked at marketing and human resources areas directly tied to all four research questions, coupled with insight clarification gained from Step 1.

Three initial key informant interviews, conducted on the same day, March 12, 2010, by the author were one hour, semi-structured (Appendix B) with Umpqua Bank's senior executives who led these areas: Creative Strategies (marketing), Cultural Enhancement (human resources), and Retail Banking. Findings are discussed in Results. Additional needed resources — both primary and secondary — also emerged.

One outcome of these initial senior executive interviews was identification of three individuals, one Senior Vice President and two Vice Presidents, whose responsibilities were fundamental to the creation, development, and maintenance of elements related to Umpqua's culture: Community Responsibility, Culture, and a regional retail bank officer. All three provided one hour, semi-structured interviews (Appendix B). One individual interviewed also included a half-day job shadowing/ride along through visitation of four Umpqua retail stores. Just prior to these interviews, April 2010, secondary texts, acquired through publicly available means, were analyzed: (a) Umpqua Bank 2009 Annual Report & Proxy Statement; and (b) exploration of various pages at the company's website pertaining to its community responsibility program. Two other Umpqua-supplied materials included: (a) Umpqua Annual Associate Performance Review, Core Competencies of Culture form; and (b) the *Umpqua Associates' Handbook*.

Through this second group of key informant interviews and additional secondary data noted, the author validated definitions of culture artifacts identified previously and began coding recurring interview concepts as constant comparison of data and initial diagramming of recurring themes began (Corban & Strauss, 2008). A new insight gained through the initial six interviews identified a previously unknown employee group: President's Club members. The author learned the importance of interviewing a representative associate (employee) sample of President's Club members as they were identified as being the 'Ambassadors of the Umpqua culture.' These associate ambassadors are recommended by peers for consideration, while the review and final decisions are carefully made through a strenuous process conducted by President's Club members; membership numbers less than 5% of the total associate population. The researcher conducted one-hour, semi-structured interviews, June – July, 2010, with five geographically representative President's Club members (Appendix B). Two previously interviewed employees were also members, thus a total of seven President's Club members were interviewed. Of these interviewees, two participants joined Umpqua through acquisition of their former bank employer; the other five were hired by Umpqua.

During this primary research step the researcher recorded and personally transcribed all eleven interviews and made these transcripts available to all interviewees for content validation. Analyzing these transcripts, using the concepts originally identified in Step 1, the author coded the data, and revised these codes, making memo notations throughout, as new elements and patterns appeared. The author diagramed these emerging themes and through comparative analysis established consistency from this study's secondary data analysis in Step 1 (Corban & Strauss, 2008).

Additionally, through subsequent coding of key concepts gathered from interviewees and secondary sources, it became apparent to the author that the words "brand" and "culture" are somewhat interchangeable within Umpqua's lexicon, with culture the one employed. As a result, the author substituted the word "culture" in all subsequent discussions which, by default, adjusted the research questions inquiring associates “living the culture” rather than “living the brand”. The author took these initial insights, core thematic categories, the emerging theoretical diagram and continued this comparative and iterative analysis with the next research step.

Step 3: Primary Data, Employee Focus Groups & Umpqua Cultural Events

Using insights gained from the data richness and an emerging pattern identified in Steps 1 and 2, the author worked with Umpqua personnel to create six geographically and demographically representative associate focus groups (n=55) fielded August – December 2010. Focus group membership included: (a) *external customer-facing*, store (branch) and/or commercial lending, and (b) *internal customer-facing*, bank support departments, e.g. consumer loan services, technology support. Three focus groups were conducted in Oregon (two in greater Portland/ Vancouver, Washington, and one in Roseburg/Southern Oregon), two in Northern California (Sacramento and Orland) and one in Tacoma, Washington.

Associate recruitment methodology differed in Oregon, as this state contains the greatest number of associates. Oregon invitees were randomly selected by the author’s Umpqua project contact based upon how stores/departments had scored over a 12-month period in Umpqua’s monthly Return on Quality (ROQ) results (identified as a primary internal metric in Step 2 above). Oregon participants who worked in stores/departments that scored in the upper quartile of this ROQ metric represented 50%, while those who worked in stores/departments which scored in the lower quartile represented 50% of the total Oregon focus group population.

All participants from Northern California worked in external customer-facing (stores) positions. Participants from Tacoma, Washington were both external and internal customer facing; all participants, with the exception of one individual, had an eight month tenure with Umpqua having been “acquired” during first quarter 2010 through Umpqua’s FDIC-assisted acquisition of their former employer. All focus group participants represented a wide variety of demographics (early 20s to late 50s; 40% male, 60% female), job class (officers and non-officers) and company tenure (range: 8 months to 32 years; mean: 4.5 years). All were full-time Umpqua employees.

Employee focus groups were identified in the initial research plan and retained the previous goals: (a) validate the core findings from Steps 1 & 2 (research questions 1 & 2) regarding employee trust and brand commitment; (b) identify impediments that could negatively impact that trust and brand commitment; (c) define what employees believe “living the brand (culture)” means; and (d) seek specific examples of employees “living the brand (culture)” within the organization and explore if these behaviors are dependent upon extrinsic or intrinsic rewards (research questions 3 & 4).

During focus group moderation, the author believed both group dialogue as well as individual responses was vital to gain insights. Thus, the author developed four major questions with two components each (Appendix C), based upon insights from Steps 1 and 2 of this research project, to further develop the emerging theoretical model and give clarity to its evolution. Participants were asked to record their answers on four 3x5 cards, one card per question, as this approach enabled easy content analysis. For the first two questions the author approached it as an aided activity, i.e. allowed all participants to share opinions and observations at a broad based question to provide as much brainstorming as possible. Upon dialogue conclusion participants were asked to capture their individual responses on the properly coded 3x5 card to specific questions.

The last two questions were done “unaided”, i.e. participants were asked to respond to two additional, two-part questions and record their responses on the last two cards without group dialogue. Only after writing their responses to each question did the researcher lead them to share, or choose not to, what they wrote. No recording was purposefully made at all focus groups to eliminate the possibility of negatively impacting associates’ belief that what they said was confidential. Data gathered was written by participants, field notes made by the author based upon pre and post question dialogue, and participants’ responses to an open ended question which concluded each focus group: “What haven’t I asked you that you want to tell me?” This approach enabled content analysis and *in vivo* coding, defined as being the capturing of characteristics of social and organizational settings (Charmaz, 2006), or in this case cultural terms, by using the 3x5 cards. Field notes made during focus group dialogue and non-structured responses by groups who responded to the last question gave unanticipated insights.

During the same time period as the focus group fielding the researcher added two primary research gathering opportunities, identified as a result of insights gained in this research study’s Step 2: (a) attendance at an all day, six hour new associate training event, Umpqua Culture Orientation, which gathered 35 employees whose tenure spanned one day to eight months in Portland, Oregon on August 10, 2010; and (b) one “Town Hall” meeting, conducted quarterly in various locations, which serves as one of many cultural activities and promotes two-way communication between the CEO, senior management and associates. Approximately 300 associates attended the October 18, 2010

Portland, Oregon event the author observed. Throughout Step 3 the author wrote memos in a field research notebook, constantly compared, reviewed and refined the initial conceptual model which began in Step 1 and evolved through Step 2. During Step 3 the author advanced the conceptualized model and with the data gathered through focus group participants and the author realized thematic data triangulation as a consistent pattern emerged, indicating data saturation had occurred (Corban & Strauss, 2008).

Step 4: Secondary Data, Internal Communication

Initially, this document's research proposal called for primary research through onsite observation of employees to determine what/if any behaviors reflected "living the brand" as identified by associates. This approach changed as the researcher realized it would not added insight given the data saturation which had occurred in Step 3. Instead, based upon the research conducted in Steps 2 and 3, the author learned the importance of the bank's *Insider* intranet as a forum for storytelling by and for associates to share "living the culture". Many focus group participants referenced this resource in their responses to the "live the culture" question. The author changed the last step to include a review, January 13, 2011, of the *Insider*, specifically looking for additional examples of employees "living the culture" to expand those provided by focus group participants, key informant interviews, and secondary data sources supplied by Umpqua.

Having gained an emic — insider — understanding of Umpqua's cultural lexicon through this year-long research process, the researcher also revisited the open-ended Umpqua Cultural Enhancement Survey open-end responses from Step 1. Originally content analyzed for key themes, the researcher reviewed the data (n=764) and re-coded and categorized them based upon explicit usage of Umpqua's organizational values, its six "Keys to our culture" and references to its 12 "non-negotiables" as this analysis reconfirmed thematic consistency and data saturation.

Human Subjects Safeguarding

As required by George Fox University's research policy, all participants, whether key informants interviewed in Step 2 or those participating in the focus group, Step 3, signed and dated a release form signaling their willingness to participate in this study. The researcher has retained an original copy of all releases. Consequently, confidentiality of each individual's identity has been preserved. To source specific informants, the author has attributed insights gained from individuals based upon how the source was obtained, e.g. interviewee, focus group, survey data. In the case of specific titles, these were used based upon a general description of title, e.g. executive, senior-level, manager, associate (employee).

CHAPTER 4

Results

Research results begin with a brief historical discussion of Umpqua Bank. This step establishes the context to effectively frame research findings. In-depth results follow through discussion of the proposed five-part conceptual model. Representative research participant insights are included to supplement the findings and demonstrate the data richness found through both primary and secondary sources.

Umpqua Bank: Historical Context

A company's organizational culture is historically-based and provides the context to understand its development (Rowlinson & Proctor, 1999). It may be difficult to trace historical factors as they are "fantastically complex"; Schein (1992) notes the importance of understanding the CEO's role as "…organizations begin to create cultures through the actions of founders" (p. 221). This research focused on Umpqua employees, not its CEO, yet an overview of Umpqua's history and its CEO's leadership philosophy is necessary to provide the full cultural context of this study's findings as they are intertwined.

After running a bank consulting company for ten years, Ray Davis put his experience and ideas to work with the goal to take a small bank and transform it, making it into a unique, exciting, and different bank offering its customers a memorable experience. In 1994 Davis was hired as CEO at a small community bank, South Umpqua State Bank, in rural Oregon with six branches and $140 million in assets. Together with bank employees, they collectively began its recreation of what was renamed Umpqua Bank (Davis, 2007). As of January 2011 Umpqua Bank had nearly $11 billion in assets and 184 branches in four western states (Umpqua, 2011a).

Chronicling his philosophy and experience of this transformation in *Leading for Growth* (Davis, 2007), Umpqua's CEO, Ray Davis, identified the values and priorities he placed to create and grow Umpqua's organizational culture and its brand. It is not possible to exclude his purposeful and monumental influence to create, grow, and maintain the bank's culture in this study, as many internally, including Davis, call him "the father" of Umpqua's culture.

Of note as a research backdrop are six elements Davis (2007) used and identified as remaining key to lead a company. These are fundamental to understand how his leadership philosophy laid the platform to purposefully develop Umpqua's culture and brand from the top down, while enabling employees to "make it their own" by changing and refining it from the bottom up regardless of position held within the organization.

One senior-level associate in an interview with the author during this research remembered, "When Ray came [to the bank] in '94 he decided they [bank employees] were going to have culture standards and that the associates (employees) would develop them themselves. He didn't sit down and write those, they did. It was bottoms up." Fundamental to co-developing those cultural standards are Davis' (2007) leadership keys:

1. Get Them [associates] Excited. …about change and they'll welcome it….inspired people thinking positively can accomplish miracles (p. 43);

2. Offer Full Disclosure. I owe you an explanation of what we're doing, why we're doing it, what we hope to achieve, and most important, how we are going to support you as we implement the changes (p. 44);
3. Make Them Accountable. The quickest way to demonstrate to people that you are serious about new changes is to hold them accountable (p. 44);
4. Support Them. I hold 'focus groups'…so I can focus on what they [associates] need from me…half the issues I can fix right away…the others I push back to people to look at immediately (p.45);
5. Act Like a Human Being. …remember you are a human being who can't do it all alone, people will have a whole different attitude....one of my favorite sayings is, 'Give me the benefit of the doubt' (p. 46); and
6. Don't Manage Change — Lead it. …if you are a leader who really believes in the direction of the organization.…you are going to be in the trenches with people at all levels…learning and changing with them — leading them through the change (p. 47).

Given Davis' conceptual foundation above, it is interesting to note associates' (employees) responses to Umpqua's 2009 internal Cultural Enhancement Survey that enjoyed 68% participation of the total 2009 associate population (Umpqua, 2009a). Survey open-ended questions (n=745) were analyzed through content analysis, identified and described as Step 1 in Method. Associates answered the question: "I am proud to work for Umpqua because…" Numerous responses (n=52) included references to the

CEO and senior management. The following are representative and echo many of the leadership elements Davis outlined above:

1. Our CEO makes a concerted effort to stay in touch with all associates at all levels;
2. Our CEO seems to be an honest, open person who genuinely cares for the employees;
3. Ray has worked to distinguish the bank from others with our culture; that flows through each and every aspect of my day;
4. I admire the direction and leadership from Ray Davis;
5. The integrity of our executive management team; the strength of their characters makes it easy to trust and embrace their vision of our company;
6. I am proud to work for Ray Davis, I don't know him personally, however, he leads me to believe he truly cares about Umpqua and its employees…he assembled an excellent management team that led us thru this deep recession;
7. I have been in commercial banking for 26 years and have worked at several banks and know the difference between a well run organization with a strong committed team [Umpqua] and a bank that lacks leadership;
8. As big as we've grown, we are still a community bank, just as Ray wants;
9. I have great respect for Ray as he had the common sense to see the hardships of the banking industry a couple of years ago and saved our bank; and
10. Ray is an inspiration to me and my team; he is easy to talk with.

(Umpqua, 2009a).

Results Overview & Proposed Model

Research results that follow partially reflect a culture identified in the Literature Review as being from an integrative perspective, one developed and driven by senior management to ensure a united consensus of the organization's culture (de Chernatony, 2006). That integrative perspective is partially true at Umpqua as its CEO recognized the strategic importance, purposefully developed it and today continues to use it to ensure organizational culture consistency.

However, as noted above and reflected in the research results, Umpqua's organizational culture is a co-creation. It was and remains a purposeful, closely guarded, dynamically evolving co-creation driven simultaneously by its associates regardless of organizational position.

To express Umpqua's culture co-creation, the conceptual model in Figure 1 shows at its core "We are". Conceptually and culturally this is two-dimensional. One dimension represents Umpqua's co-created culture and brand which defines what it *means* to be "Who we are." The second dimension reflects the *behavioral promise* of all Umpqua associates to "be" its vision, "World's Greatest Bank", by daily enacting specific, including extra-role, behaviors to attain this brand promise. This conceptual duality of "We are" is discussed last in this chapter.

Content analysis of primary and secondary data collected, as specified in Methodology, yielded three interconnected themes supporting this dual "co-creation" and "behavioral promise": (a) Values Congruence: Company & Individual; (b) Trust; and (c) Empowerment. The outer circle surrounding this triad represents the company's culture and brand integration through its cultural values, visual artifacts and underlying assumptions that create and enable the three intersecting circles. These elements complete the conceptual model, developed through close examination of primary and secondary data collected, evolved and achieved through data saturation, as discussed in Methodology.

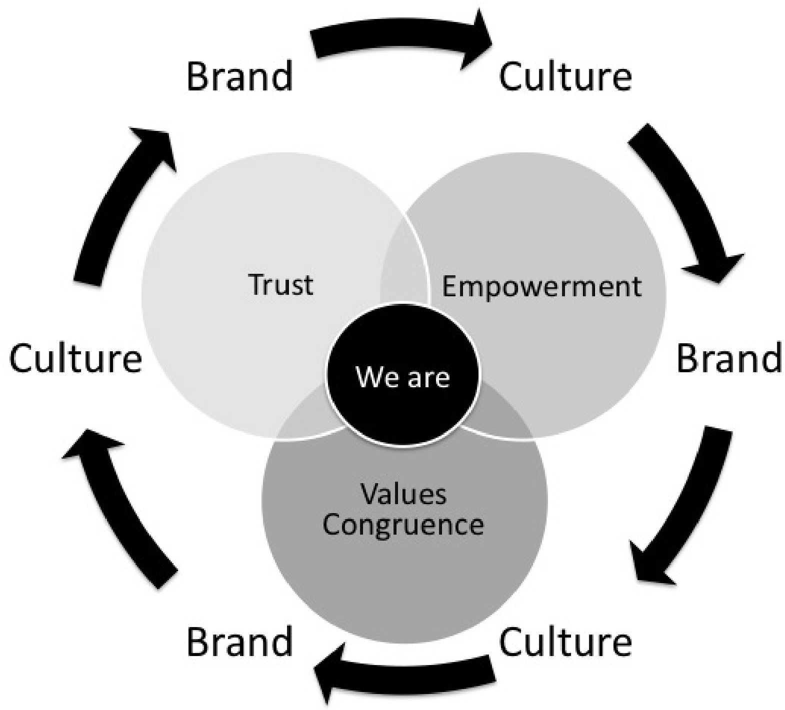

Figure 1. We Are – co-creation culture model

Values Congruence: Company & Individual

> "Live the Umpqua life…it's not just at work, but I hold
> myself to a higher standard, things you don't think about
> as a normal civilian walking down the road.
> Before I worked here, would I have thought about helping
> some elderly woman with her groceries? Maybe not.
> Before I didn't think about it…
> I wasn't inspired to look for opportunities every day.
> I do that now on a daily basis….
> You have to take it in (culture) and want to be us (Umpqua)."
>
> (Umpqua Associate interview)

"Thank you for calling the World's Greatest Bank, this is Amy, how may I help you?" is how Umpqua Bank associates are required to answer the phone. The phrase "World's Greatest Bank" (WGB) is not a statement of fact but rather an aspirational vision which serves to focus individual and collective Umpqua associate behaviors. Connected to this WGB vision are three integrated, vital cultural elements which define for associates "who we are" by imbuing associates with a value-based "way to think" which are operationalized within the platform of "non-negotiable" behaviors expected daily of all associates.

As noted by Schein (1984) an organization's identified values, visible artifacts and underlying assumptions are necessary to understand an organization's culture. The bedrock of Umpqua's organizational culture includes these three elements: (a) Values; (b) "Keys to our Culture"; and (c) "Culture Standards" or "Non-negotiables" (Appendix D). Each element collectively forms the context for its organizational culture and all are discussed individually below. Examples of how values, including ethics, and cultural artifacts were and continue to be "co-created" between management and associates are examined. How Umpqua supports continuance of its culture and uses its company values to attract like minded associates, or serve to acculturate associates to attain values congruence within the culture, as reflected in the Umpqua introductory associate quote above, is discussed through the proposed conceptual model's (Figure 1) components.

World's Greatest Bank — Vision

Anyone who walks into an Umpqua location will immediately see a sign which reads: "Welcome to the World's Greatest Bank." This message is never externally communicated through marketing materials. It is communicated solely through signage inside its locations and verbally through its associates. As Umpqua's brand book explicitly states "World's Greatest Bank is not a marketing tagline but a 'state of mind'" (Umpqua, 2010f). Marketing did not create "World's Greatest Bank." It came into existence in 1996 as a result of an empowered store manager, officially adopted by the bank's Board of Directors in 2000 as Umpqua's vision (Davis, 2007). Its genesis is one of many cultural elements transmitted internally through storytelling and merits retelling.

Responding to CEO Ray Davis' admonishment to "make it [Umpqua] your own and run with it" (Davis, 2007, p. 32), the manager of Umpqua's first prototype retail store (branch) in the bank's Roseburg, Oregon headquarters, created a 50 foot long banner and hung it on the roadside front of the building. It announced: "Welcome to the World's Greatest Bank!" Driving by the location, a stunned CEO phoned to talk with the manager and inquire about the sign. He was greeted with, "Thank you for calling the World's Greatest Bank." Davis embraced the initiative and passion. As the store manager remembered later, "I thought I could get away with it…because we were always encouraged to have an entrepreneurial spirit….the point wasn't that we were already the world's greatest bank, but it was something we aspired to do and be…it set an expectation for our people that we had to live up to" (Davis, 2007, p. 33). This is an explicit example of "co-creation" of the organization's culture.

To many who join Umpqua, being required to say this daily when answering the phone can take time to become comfortable with, while an inability to repeat this can direct an applicant elsewhere. One focus group member offered, "I found it corny saying, 'The World's Greatest Bank' and was uncomfortable starting my phone greeting that way. Over time, though, I have seen others truly believe in the philosophy behind it and I started reading Ray's book to understand his reason — it made sense." An interviewed senior-level associate remembered:

> I have to tell you the first couple of times I said it [Thanks for calling the World's Greatest Bank when answering the phone] my friends would burst out laughing…[but now] they've seen what Umpqua has done and proudly say, 'My friend works at the World's Greatest Bank!'….I interviewed a guy who said 'I really want to work here, but I just can't say that.' So I said, 'You know, this may not be the right place for you because we DO say 'Thanks for calling the World's Greatest Bank' because that's our attitude!' We strive to be the World's Greatest Bank and even if we make a mistake, we're going to be the World's Greatest Bank fixing it!

World's Greatest Bank serves as a visible artifact within Umpqua's physical locations, as a value directing behavior through the required phone greeting, and as an underlying assumption, identified internally as an aspirational vision that is a "state of mind" (Umpqua, 2009c). Additionally, World's Greatest Bank also serves to automatically direct associates' behaviors as they conduct themselves at work, with both customers and each other. Its use serves as a uniting, core value which connects and links all cultural elements which follow.

Umpqua Core Values

Umpqua Bank's identified four core values — people, community, action, and culture — are visually represented through internally distributed materials as circles radiating around and connected to a center circle which proclaims: "Who we are" (Umpqua, 2009c). Each of the four values defines what the company identifies as a foundational platform for its organizational culture to create, and who associates are behaviorally expected to be.

People. This core value is reciprocal and speaks directly to Umpqua's associates in two ways: what the bank expects from its associates and what associates expect from the bank. As provided in the bank's internal materials, it is represented by the bank's associates who "…demonstrate their professional and personal commitment to excellence in everything they do…" (Umpqua, 2009c). Associates are identified as exhibiting: "…creativity, innovation, creative problem solving, taking initiative and superior service…" (Umpqua, 2009c). These behaviors are expected from all associates to deliver "…what customers want" (Umpqua, 2009c). The bank reciprocates by delivering to its people "…incentive plans recognition, rewards programs and career opportunities only available in a vibrant, growing institution" (Umpqua, 2009c). This value shows a two-way relationship between bank and associate and is reflected in subsequent cultural artifacts which follow.

Community. As a community bank, an identified Umpqua core value is making a difference in the communities it serves through "…stewardship, leadership, involvement, protection and expansion of community wealth [by] sharing our communities' risks and investing in our communities' future " (Umpqua, 2009c). This value incorporates not only what one could consider Corporate Social Responsibility, but also addresses the normal business service the bank delivers to both individuals and businesses in the form of lending practices. Both elements reflect an ethical context and articulate how both the customers and communities it serves will be treated.

Action. This value speaks directly to customers as Umpqua acts with "…financial security and opportunity through integrity and honesty, to earn and retain customer trust and confidence and to always strive to improve already high standards" (Umpqua, 2009c). Coupled with trust, action also speaks to the bank, and by extension its associates, who act with a "…sense of urgency to insure action and responses that 'wow' our customers" (Umpqua, 2009c). This "sense of urgency" juxtaposed with ethics and trust is worthy of note as both elements are implicitly tied to the bank empowering its associates to deliver a trust-based, exceptional experience to reflect its brand promise. An executive-level associate offered, "[We have] a sense of entrepreneurism here — everyone has their stake in it…[and] despite all the growth we still have that sense of urgency going…."

Culture. Described by bank materials as being "…the heart and soul of the Umpqua experience" (Umpqua, 2009c), this cultural value to a great degree reflects what the bank's brand promise is as verbiage used to describe it is "… it [culture] is what sets us apart from our competitors and encourages the public to say, 'They're different'" (Umpqua, 2009c). Embedded within this cultural value are expected associate behaviors to enable actualizing this statement: "….incredible service, sales environment that our associates live and breathe, and our customers experience….behavior we exhibit that allows us to say, 'We're the World's Greatest Bank'" (Umpqua, 2009c). In essence this identifies behaviors outside the "normal" way of doing business, thus identifying organizational citizenship behaviors as being embedded within Umpqua's culture and communicated as a values-based and "in-role" associate behavioral expectation within the bank's culture to deliver Umpqua's brand promise.

Umpqua Mission Statement

Umpqua's mission statement echoes its four core values, adding one specifically identified stakeholder which does not appear in other internally provided values material:

> The mission of Umpqua Bank is to create a unique and memorable banking environment in which *our customers* perceive the Bank as an in indispensible partner in achieving their financial goals; *our people* may achieve unparalleled person and professional success; *our shareholders* achieve the exceptional rewards of ownership; and *our communities* benefit from our involvement and investment in their future.
>
> (Umpqua, 2009a)

This is the only mention of shareholders in all cultural materials. Further, it is interesting to note the order of the stakeholders: first, customers; second, associates;

third, shareholders; and fourth, communities. One could argue that the company's focus on its associates delivering a "wow experience" that exceed customers' expectations (Umpqua, 2009c), empowering associates to deliver this experience while meeting their personal and professional success, and serving the bank's local communities where it operates could yield superior financial returns to its investors, as Fulmer, et al (2003) noted with their financial analysis of "100 Best" employers.

Umpqua Bank Culture

Using the four core values as a foundation, Umpqua's culture is explicitly sustained by three major elements. The first element is "Keys to our Culture": "solid, genuine, exceptional, connected, resilient, and different" (Umpqua, 2009c). These six "keys" serve as the "heartbeat" to both Umpqua's organizational culture and its brand. The second element is Umpqua's "Culture Standards", also known internally as the "Non-negotiables", that provide the platform for Umpqua associates to ensure the "discipline…. consistency and framework for our vision to become The World's Greatest Bank" (Umpqua, 2009c). The third element is "Return on Quality", a way to measure monthly across the organization how well associates deliver on the bank's Keys to our Culture and the Culture Standards. This last element links with the CEO's third of six previously identified leadership keys: "Make them accountable" (Davis, 2007, p. 44). Each of these interconnected cultural and value-based elements are examined in detail.

Keys to our Culture. Connected to and an expansion of its four core organizational values above, are Umpqua's six *Keys to our Culture.* They are:

1. Solid: ethical financial practices, strong leadership, excellent training, solid roots;
2. Genuine: sincere and caring, associates who lend a hand, do what's right, and aspire to make a difference;
3. Exceptional: The World's Greatest Bank, worldwide recognition, the Umpqua story, high standards;
4. Connected: To community — Connect Volunteer Network; and to each other — rewards and recognition, team players, camaraderie;
5. Resilient: adaptable to change, meet challenges head-on, can-do attitude, flexibility;
6. Different: unique environment, extraordinary service, innovative thinkers, empowered associates.

(Umpqua, 2009c, 2010e)

To communicate what these values "look like" when enacted by Umpqua associates, internal printed materials and the bank's intranet, *Insider*, share associate stories who reflected the culture. The following is an example for the value "resilient."

> I had a customer whose husband was being treated for a serious lung disease in a Sacramento hospital. His wife had been staying with him over the course of several days, and she needed to leave his side to take care of some things at home. The next morning, as she began her return trip to the hospital, she stopped by my store to do some banking. Before she got on the road again, she asked if I could call her son at the hospital and let him know that she was on her way back.

> I made the call and learned from her son her husband had just passed away. The woman was in no condition to drive to the hospital, so I told her I would take her. When we arrived, her family was grateful someone was there to help. Her children treated me like family. To show our support, my kids and I spent the following weekend at the family's home helping with yard work and anything else that was needed. We found not just one way to help, we found many. (Umpqua Associate, Umpqua, 2009c)

As one interviewed associate remarked, "These Keys to our Culture are the fiber of our being — it's what we do." Knowing and being reminded of "what we do" within the culture is accomplished through internal bank materials appearing in the associate handbook, training, and handouts. Speaking about these "keys" with the author, an interviewee shared an example where this reminder originated, upward from an associate:

> If you asked me to name the Keys to our Culture I'd probably get three to four off the top of my head, so I have this to refer to (pulled out a business sized card from wallet). One of our associates came up with this (printed card) and presented it to us at President's Club. I liked it and now all of us have this at our locations. I have another one under the glass on my desktop so I look at it every day.

Culture Standards —"Non-negotiables". Culture Standards (Appendix D), also referred to internally as Umpqua's "Non-negotiables", communicate 12 behaviors expected daily from all associates (employees). Three are of special note as they were explicitly and consistently mentioned in the focus groups, interviews and open-ended responses to the Cultural Enhancement Survey.

The first “non-negotiable” states, “We have a Motivational Moment every day” (Appendix D). Within the Umpqua culture a Motivational Moment (MM) is a five minute group activity led by an associate, a rotating responsibility, in every store, department or team to begin their morning. Its goal is to “…promote fun and teamwork and often teaches key lessons or provokes fresh ways to look at our business…” (Davis, 2007, p. 5). The author observed five Motivational Moments, two on the executive floor, two in different departments and one at a store. Four MMs focused on specific activities performed by the associates to either serve as linking company values or sharing positive observations about other associates as a fun activity. In the store, the MM engaged both customers and associates to act out a favorite cartoon character as the MM was done after the store opened. One observed MM served as a Friday morning cultural ritual as each department associate wrote a thank you card to another associate in stores they had worked with that week and wanted to recognize for their help. After reading to each other what all dozen associates had written, one card was randomly drawn and a $5 Subway gift card inserted. Money to enable this weekly ritual was taken from that department’s quarterly Team Recognition Fund.

The third “non-negotiable” is “We answer external phone calls with our standard greeting, ‘Thank you for calling the World’s Greatest Bank’” (Appendix D). As discussed earlier, this is the company’s vision, but it also serves as a behavior that is “non-negotiable” and expected from all associates.

The 12th “non-negotiable” is: “We consistently look for opportunities to serve our customers beyond their expectations” (Appendix D). This element of Umpqua’s Culture Standards makes it clear associates are culturally expected to engage in extra-role behaviors; one can also interpret this as in-role behaviors as they are expected behaviors. Examples of these are shared by associates on the employee intranet, *Insider*, in a variety of locations including one called "Brag Box." These stories are celebrated and those garnering extra attention are included in bank generated materials. As an example, the value "genuine" in one internal booklet provided the following story, explicitly mentioned by four of the 55 focus group members and re-told by two interviewees as an example of "living the culture."

> One of my customers, a 74-year old retiree, came into the store and requested to stop payment on a check he had written to a local firewood supplier. This supplier had just dumped a cord of un-split fir logs in my customer's driveway, stating that he didn't have time to split them. The supplier's advice to this elderly gentleman: get an axe.
>
> That's no way to do business, and I sincerely wanted to help, but the check had already been deposited. I told two other Umpqua managers about the situation. With axes in tow, the three of us drove 80 miles to the customer's home and, in a short time, split and stacked the wood and swept the garage clean.
>
> It was an effort fueled by our genuine desire to lend a helping hand. It just felt like the right thing to do. Judging from the look on our customer's face that day, I'd say it was. And it felt wonderful.
>
> (Umpqua Associate, Umpqua, 2009c)

As noted earlier, Umpqua's Culture Standards were originally created 'bottoms up' by associates and have evolved over time with a small team of associates, representing all areas of the bank, who review these required associate behaviors. This review is accomplished annually by “mystery shopping” other companies that appear on *Fortune* magazine’s “Top 100” employers list, as well as mystery shopping Ritz Carlton hotels. The associate review team concluded in 2010 that no changes were needed in Umpqua’s Culture Standards only continued focus on associates being consistent, according to a senior-level associate.

It is interesting to note the nearly decade-long connection between Umpqua Bank and the Ritz Carlton hotel. Since 2003 when CEO Davis experienced extraordinary service as a hotel guest and wanted associates to experience it so they could treat customers that way, Umpqua invited the Ritz Carlton Leadership Center to conduct training classes onsite with its associates. Over 670 Umpqua associates since 2003 have received this training. Two elements of Ritz Carlton’s service elements experienced by Umpqua associates in these trainings were identified and incorporated by Umpqua associates into the 12 “non-negotiables” (Ritz Carlton, n.d.) during the annual review process noted previously.

Return on Quality (ROQ) – Measurement. A metric conducted monthly at the external customer-facing locations, a store, and internal customer-facing, department level, is the Return on Quality (ROQ) Program. This cultural element is part of the bank’s Rewards and Recognition program. Service to customers and other associates is a core value and foundational to its organizational culture. All stores and departments are assessed monthly to determine their level of quality service. According to CEO Davis (2007), “Service quality has to be measurable so we could hold people accountable (p. 129)….ROQ has turned into one of the most critical measurement factors of our company" (p. 132). This reflects Davis' third of six leadership standards discussed earlier, "hold them accountable" (p.44).

External customer-facing ROQ for stores involves: (a) Customer account retention; (b) New account surveys; (c) Your Opinion Counts surveys, minimum of 10 customer in-store drop boxes; (d) Sales Effectiveness Ratio (SER), cross-selling of products to each customer; (e) productivity, number of new accounts per associate; and (f) one in-person mystery shop per month (Freeze, 2004). Each of the 184 stores receive one in person visit by a bank paid, third party mystery shopper who records his or her experience by using a bank designed scoring model; results are included in each store's ROQ rating. When asked what an "excellent" store score looks like during an interview with the author a senior-level associate responded: "If you take our mystery shops they'll [top branches] get 93 out of 100 in the stores. The store has to be clean, elements in merchandising visible, name tags worn, employee polite, call you by name…ask probing questions." Three of those behaviors mentioned are among the 12 "Non-negotiables" required daily of all associates (Appendix D) discussed earlier.

Departments, with internal associate "customers" are assessed by associates in stores and other departments they regularly interface with based on elements unique to each department's function, according to a senior-level associate interviewee. To create this data, every store manager and department manager is responsible for including in his or her end of month meeting a collective ranking from associates of their interface experience with each group their teams are in contact with during the prior month. As an example, the Consumer Lending Department can be assessed by each store, human resources, and by customer service. Data is collected and all stores and departments are ranked from the highest score to the lowest score. A traveling trophy is awarded monthly for the store and department with the highest ROQ score. Results are communicated company-wide through the bank's intranet, *Insider*. Associates anticipate learning who won #1 ROQ for the month since it is a highly regarded and a big competition and celebration. One interviewed manager noted, "ROQ is not necessarily [about] the score, but a manager of a department would look at trends and individual criteria [to see if the score] is slipping." Managers are encouraged to examine score trending to proactively identify any emerging issues and work creatively to address them, according to an interviewed senior-level associate.

Umpqua Ethical Standards

As expressly noted within Umpqua's espoused values, ethics are a core value within its organizational culture (Umpqua, 2009c; Umpqua, 2010cde). This orientation is conceptually supported within academic literature (Sharma, et al., 2009). Ethics provides a context and influences decision-making and employee behaviors (Ferrell & Ferrell, 2008, Trevino, et al., 1998; O'Donohue & Nelson, 2009). As noted in Methodology, secondary materials provided the majority of data analyzed to assess Umpqua's core values. Interviewees added insights and personally experienced examples. Elements associated with an ethics climate include organizational practices and procedures that have ethical content (Victor & Cullen, 1988) and are part of its programmatic or formal framework, which support its espoused values (Trevino & Weaver, 2003). At Umpqua these elements include: company governance, associate code of conduct, ethics training, and associate performance assessment.

Company Governance. Unlike many companies, the bank's CEO does not also serve as its Chairman of the Board. This is purposeful as Umpqua's Governance Principles states, "The Board Chair shall not be a current employee of the company or any of its subsidiaries" (Davis, 2007, p. 124). Further, its governance principles outline the following separation between associates and board members:

> The Board will adopt appropriate structures and procedures to ensure that the Board functions independently of management. Those procedures may include executive sessions of the Board, the Board meeting on a regular basis without management present, and/or expressly assigning responsibility for administering the Board's relationships with management to a Board committee. The Board contemplates that it will meet in executive session with only the independent members of the Board at least twice a year (Davis, 2007, p. 125).

Associate Code of Conduct & Conflict of Interest Code. Moving from the company level to associates, two codes of conduct exist at Umpqua: one for all associates and a second for all associates and directors who wield fiduciary oversight. All new hire associates, and those joining through acquisition, are required to read and sign the *Umpqua Bank Business Ethics & Conflict of Interest Code* agreement. Every associate is annually required to renew his or her commitment by signing a new copy of this six-page document, focused on legal and ethical concerns that could be expected at any financial institution. It references NASDQ, FDIC, SEC and U.S. Federal law statutes governing customer data, inappropriate dealings with customers and other third parties, personal involvement with financial transactions and political activities (Umpqua, 2010b, Umpqua, 2008).

Three specific areas found within Umpqua's associates' Code of Ethics are worthy of note as they directly align with a programmatic framework: (a) the *Associate Complaint Procedures for Accounting and Auditing Matters (Whistleblower Policy)*, identifies a third party, EthicsPoint, as the retained company to provide an anonymous way for associates to report any unethical activities via phone or online system (the author observed this appears in the upper right corner on the home page of the company's intranet, *Insider,* as a direct link); (b) specific identification of fiduciary-related unethical/fraudulent behavior and their consequences, including termination; and (c) identification of the bank's Chief Auditor as the contact for those who wish to report internal unethical fiduciary behavior. This individual is explicitly obligated to report all complaints to the Audit and Compliance Committee of the bank's Board of Directors (Umpqua, 2008). The Chief Auditor serves as the fiduciary-related ethics officer while the bank's senior executive overseeing the human resources function serves as the Ethics Officer for all non-finance based issues. This division of responsibility offers a balance, as noted by Trevino and Weaver (2003), as an ethics program managed in human resources "frames more towards values" while one located in legal (in this case audit) is "oriented more toward rules and compliance" (p. 213).

Additional associate behaviors are itemized in the Code of Ethics surrounding Sales Incentive Programs. Of special note is the itemization of *inappropriate sales* which is defined as "Steering a customer to an inappropriate or unnecessary product to receive sales credit harms the customer and also violates the spirit of the incentive program" (Umpqua, 2008). An associate who does this will receive "corrective action, which may include termination" (Umpqua, 2008). It appears this section is included because CEO

Ray Davis recognized its importance, “You’ve got to have the right controls in place so that you don’t actually encourage unethical behavior. If you offer your sales teams bonuses for booked sales, for example, you’ve got to have controls in place to ensure the bookings reflect real customer orders” (Davis, 2007, p. 135). In one interview for this research, a senior-level associate offered an example of a sales incentive ethics issue he discovered within his area of responsibility and explained how he responded.

> For me there is never any gray area. It’s either ethical or it’s not. Once I had a branch manager who recorded false information about sales activities. The reason I caught him is he listed on the sales report several clients he said he brought in that I had brought in before he was at the bank. I made some phone calls to those clients and they didn’t know who this guy was. We parted company at his own choice — all I was looking for was ‘I screwed up and I won’t do it again.’ He decided to resign and not face the music and never came back because he knew he was wrong. You know I would have been able to live with him if I could change his methods. Now, I questioned his integrity and would have kept a closer eye on him. In the long run it paid off for both of us.

The second Code of Ethics is found within Umpqua’s Proxy Statement and is designed specifically for financial officers, including the CEO, CFO, chief accounting officer, treasurer and all other employees serving in accounting, finance, tax or investor relations and all board directors and executive officers (Umpqua, 2010b). Additionally, the bank’s Board of Directors are required to be active in community-related activities

(Umpqua, 2010b), which links with the company's commitment to serve the community, as identified in its core values.

Associate Ethics Training. All newly-hired associates, and those who join through acquisition, attend an all day new associate training called Culture Orientation. During this training, one full class was observed by the author as noted in Method, after all values and culture elements were fully presented an hour is dedicated to a section called "Empowerment & Ethics." The trainer defined business ethics, provided a quote from the CEO that "We make ethical decisions" and led the 35 new-hire associates to discuss two fundamental questions associates should ask themselves when approaching an ethical dilemma at work: 1) Is that decision ethical? and 2) What's the right thing to do?

To apply the concepts, the trainer provided a total of 18 typical bank situations, two discussed in each of six smaller groups and the remainder with the entire class. These covered typical situations which most associates might encounter. Groups reported back their collective responses, and the trainer affirmed decisions whether the chosen decision was ethical or not and if it was a good use of empowerment or not. The trainer highlighted the procedures above, including the third party ethics reporting site and annual signing of ethics statements. This supports Victor and Cullen's (1988) ethical climate definition as new associates were given a chance to become aware of the company's practices and procedures so they could understand how to answer the question "What should I do?" when faced with an ethical dilemma.

Associate Performance Assessment. In Umpqua's annual Associate Performance Review document, used annually for assessing associates, one element identified as a Core Competency for performance rating is Culture. Two of eight elements identified as core "culture behaviors" speak to the ethical climate embedded within the organizational culture and provide a way to measure associates' behaviors. These include: (a) "Gains trust and support from the people they interact with, inside and outside of Umpqua Bank"; and (b) "Can present the absolute truth in a direct, appropriate, and helpful manner" (Umpqua, n.d.). Three choices with a narrative of what this behavior looks like range from: (a) Behavior Derailers; (b) Meets Expectations; and (c) Consistently Exceeds Expectations. This component within Umpqua's annual review document and process was expressly created as a way to measure individual associates' alignment with the company's organizational culture, according to one interviewed Umpqua executive associate. This element reflects the ethical context — which incorporates both ethical climate and ethical culture — expectations for all associates and extends the bank's code of ethics to incorporate behaviors from a financial nature to relationships between customers and other employees.

The four previous elements are considered part of Umpqua's formal ethics program and align with those identified by Trevino and Weaver (2003) as programmatic, formal elements embedded within the culture. The following examples provide insight into what the author found during this research that tied to and supported the espoused values and ethics at three levels of the company: organizational, executive, and associate.

Ethics & Economic Backdrop. As noted in Methodology, this research was conducted during the global economic recession which began in mid-2008. During this time, the executive team, led by CEO Ray Davis, took "drastic changes in anticipation of the economy in 2007" through salary holds, hiring freezes, and other "belt tightening" company-wide, according to one interviewed senior-level associate. It is important to note this action by the CEO was nearly one full year before the U.S. economy was identified as being in a recession. As a result, the bank did not have any layoffs during this time and, in fact, added 157 full-time associates in 2009 (Umpqua, 2010b). The bank did not pay out bonuses to any managers in 2009, including the CEO and executive officers, because the company did not meet its earnings per share (EPS) target. Additionally, the CEO did not receive a pay increase since January 2007, based upon his own recommendation, although the board granted him 50,000 additional stock options (Umpqua, 2010b). This data demonstrated that the same rules applied to salary and bonus freezes regardless of organizational position which reflects consistency with values.

Another economy-driven action that occurred internally but directly impacted customers was the way Umpqua's leadership responded to the economic crisis. An interviewed associate described Umpqua's response to the economy and bank failures.

> Management's communication related to 'the economic situation' has been phenomenal. I could articulate with some conviction who Umpqua is, how we were dealing with it. I felt that the information was honest and timely. Of course, you wonder what's going to happen, but I felt like we would take whatever measures it took to get thru that. I never thought failure [bank failure] was a word that was spoken, not taboo, it's just not a place where Umpqua would be.
>
> The front line associate got the same info I did [interviewee was internal customer facing in a department] through broadcast calls in Town Hall fashion. [We were told] when a bank fails in a community, here's what it means. Here's how you need to protect your customers. We may need to see money to go away to make certain these customers are protected, but that's the right decision, it's the

> right thing to do — to structure customers who were above the FDIC [deposit insurance] limit. We were being very proactive as a company. We weren't in a position to fail, but we wanted everyone to know where they needed to be as an individual customer. We were proactive in this.
>
> That to me was a very defining moment for Umpqua… it's a piece of who we are. Customers needed to know if they have more than $250,000 [at Umpqua], then they should have it structured correctly. If not, they need to take it [money] away from us, not because we're at risk, but because it's not a smart way to manage your money as an individual or as a company

Responding to the author's final focus group question, "What haven't I asked you that you want to tell me?", one focus group recounted this same story adding the bank's position — noted as being one of ethics collectively by all participants — often resulted in more money coming to the bank because of the way the bank responded. Additionally, this specific focus group discussed at length how important this bank action was in maintaining their continued belief in Umpqua's values and ethics. It was clear through their comments participants all shared a high level of pride in how Umpqua responded to the global recession.

During an interview one associate offered, "I've been here a long time, and feel like I know what the company's response is going to be. You can call it when it's what you know will happen — we know ourselves well enough to do the right thing."

Values Congruence

From an associate's perspective, values congruence with Umpqua is reflected in associates' perceptions of the bank's culture as measured through content analysis of the Umpqua 2009 Cultural Enhancement Survey open-ended statement "I'm proud to work for Umpqua Bank because…" The data contained open-ended associate responses (n=745) which represented 68% of the total employee population who participated in the 2009 study (Umpqua, 2009a). When content analysis identified multiple concepts within an individual response, all concepts were coded separately and resulted in a total of 1,121 concepts recorded. Examining aggregate results (Appendix A) showed five core themes: (a) bank management, appreciation of or trust in (n=63); (b) external view of bank, pride in (n=128); (c) atmosphere on job, appreciation of (n=177); (d) bank culture, internal focus, (n=332); and (e) bank culture, external focus (n=421).

Within the bank culture, internal focus category two distinctly different, yet thematically parallel themes emerged. Explicit Umpqua values (n=248) occurred when associates used the word *values* or a synonym to identify their reason for pride in working for Umpqua. Of those responses 27 explicitly linked their personal values as being in alignment with Umpqua's values. Explicit Umpqua culture artifacts (n=84) identified specific elements discussed earlier which are part of the culture's daily rituals and ways of thinking. Representative bank culture/internal focus category responses are:

1. I believe in Umpqua's philosophy of customer service and commitment to the communities we live in; it is what I have always believed in personally and feel that I share the same values;

2. Umpqua reflects my personality and when I tell people what the bank stands for, I'm sure Umpqua will follow through;
3. Umpqua's goals, values and culture mirror my personal goals, values and culture;
4. It is a great company with great values. I fully support and believe in our Culture Standards and what we put into our community; I also appreciate and am proud to work for a bank that knows its customers and appreciates them!;
5. The bank shares my same values of integrity and creativity;
6. Umpqua always encourages associates to live their lives greater than they thought possible;
7. The values of the organization matches with my personal values;
8. This is a company I am highly passionate about. Umpqua upholds a lot of the same values that I strive to live by in my own personal life — it's not just a job but it is a greatly appreciated part of my life;
9. The bank's commitment to ethics is true and genuine; and
10. The values and morals are strong and I believe in the company and its people.

(Umpqua, 2009a)

The second major category, bank culture, external focus, yielded two major sub-categories as well. Customer service commitment (n=187) related to the level of service provided by associates within the banking environment which align with the bank's values. Bank community commitment (n=238) reflected the bank's values and commitment to the communities it serves, with explicit identification of the bank's

Connect Program (n=38) and the bank's encouragement for associates to volunteer their time within the community (n=17). Representative comments from the bank culture/external focus category include:

1. I believe Umpqua's Connect program is amazing and firmly believe Umpqua is truly 'The World's Greatest Bank';
2. I feel Umpqua is a representation of me as a person, a place that I can be proud to say helps the community and really gives back to those communities we serve and employees;
3. Not only because of Connect, but also Umpqua's involvement in so many community activities, I can't think of one large event in town Umpqua didn't sponsor, that's pretty amazing;
4. Overall Umpqua is great with its employees and I love the Connect hours that each associate is granted every year;
5. The Connect program allows me to do the required parent help time at my child's school without losing hours;
6. Umpqua lets you be yourself, get involved in the community and connect with customers and others in the community;
7. Umpqua realizes that their employees have a life outside of work and support that; the volunteer hours that are paid to employees are wonderful and the bank's culture is outstanding;
8. We are ingrained in the communities we live in…the bank is composed of many teams that act as one;

9. Umpqua really does allow us to broaden our scope of assistance to prospective and current clients; I love working here due to the teamwork, the culture and the executive team;
10. We are a people-helping community of associates; we help each other, we help our customers and we help our community; and
11. We do all we can as a company to sustain the culture we talk about; Umpqua is true and strong and it's not all about making money, it's about sustaining the culture while growing

(Umpqua, 2009a).

A consistent message is communicated by Umpqua associates through primary and secondary data gathered: Umpqua operates within a values-oriented ethical climate enabled through an organizational culture that values, supports and empowers employees. As a result employees appear to have values congruence with Umpqua's values. Creation and purposeful management of Umpqua's organizational culture as "its most important asset" and "DNA" (Davis, 2007) is the contributing force, allowing the values-orientation to thrive, while simultaneously operate within a compliance enabled foundation.

Culture & Brand Integration

"Culture is something you have to exude…it's customer service,
whether it's external or internal customer — making sure of our relationships.
I know culture. I don't know what brand means…is it our logo?"
(Umpqua Associate, interview)

"The customer experience is the brand."
(Umpqua Marketing Executive, interview)

As described previously, Umpqua's values, visible artifacts and underlying assumptions provide a consistent platform to guide associates' expected behaviors. These "ways to think" and behave within the culture touch both external and internal customers. Integrating this culture across the associate population so all external customers experience a consistent brand message is reliant on two organizational functions operating in tandem: human resources and marketing. This section analyzes this nexus, but begins by identifying the organization's underlying assumption or thought processes which served as a platform to guide this "different" way to view these traditional roles and concepts: Umpqua's organizational lexicon.

Organizational Lexicon

As part of its organizational culture, Umpqua Bank purposefully renames all traditional department functions, branches, and job titles based upon the CEO's belief that they are more reflective of their mission. Umpqua's CEO explained: "Finance is now Financial Integrity because their responsibility is to keep the integrity of our financial statements top drawer, never questionable" (Davis, 2007, p. 85). Information Technology (IT) is called Technology Advancement Group (TAG). Because Davis identified building and maintaining organizational culture as paramount, human resources is called Cultural Enhancement since “…what they do is train our associates through what we call the World’s Greatest Bank University” (Davis, 2007, p. 83). By tradition, a bank’s consumer location is called a branch; however, at Umpqua they are called stores. Davis explained, “We’re in the retail service business, which to us means we sell banking products and services to the public in our stores” (Davis, 2007, p. 9).

This renaming philosophy extends to job titles as well. “Changing job titles changed the way people think about their jobs…what’s the larger purpose? If you have a generic title with a focus [for example] on marketing, that’s all you’re thinking about” (Davis, 2007, p. 84). In this example, he changed the EVP of Marketing to the EVP of Creative Strategies because “…she’s going to look at her job in a different way, on a higher level” (Davis, 2007, p. 83). While waiting to interview a senior executive, the author observed the CEO engage the executive suite receptionist in the following dialogue: “You’re smiling again,” said Davis. Her response, “Yes, well you gave me the title Director of Smiles so I have to support it!” Davis responded, “Well, yes, that is true!” This dialogue paralleled Davis’ reflection of an article he read in *Fast Company* that initiated this job title “enlargement” (Davis, 2007) and influenced his thinking about Umpqua’s lexicon as the executive floor associate’s name plate reads: Director of Smiles. Renaming ‘traditional’ departments and job functions — Cultural Enhancement for human resources and Creative Strategies for marketing — also reflects a different view when comparing the ‘traditional’ concept of an organization’s culture and its brand. Based upon both primary and secondary data analyzed for this research, it appears within Umpqua Bank that culture and brand are used interchangeably. Culture is brand and brand is culture, but the word employed internally is culture. The following details the genesis and continuation of Umpqua's culture and brand integration.

Culture & Brand Integration

As noted with the quotes introducing this section, the concept of culture and brand are conceptualized differently than at traditional banks. This difference is best encapsulated with the following definitions of culture and brand by CEO Davis:

> Our biggest asset [at Umpqua] is our culture….it is our DNA…if you want to maintain and enhance your culture, you've got to know where it lives….culture lives in the hearts and minds of your people…[it] embodies what you stand for" (Davis, 2007, p. 175-176).
>
> Your brand is everything about your company that people inside and outside can see and touch….what you stand for, it's what inspires your people. It's how you treat your customers, your employees, and the community where you work….your brand is a living and breathing thing. And if you don't take care of it, feed it, and nurture it, it will die on you (Davis, 2007, pp. 150-151).

This definition of culture and brand suggests the very nature of the human resources and marketing functions within Umpqua are by necessity linked. The author observed that the physical presence of both departments reflected this. The senior officers for Cultural Enhancement (human resources) and Creative Strategies (marketing) have their corner offices at either end on one side of the executive floor. Between these two executive bank leaders their Portland-based team members work side-by side from their cubicles. To a visitor it is impossible to know where one department ends and the other begins. The author inquired of both senior leaders about this unique personnel arrangement and received the following explanation as they addressed their definition and views of culture, brand and their integration at Umpqua.

> The marketing people I worked with in the past — we were elevator mates, just see them on the elevator….Here it's so different. I can't imagine not collaborating with [senior marketing officer name] on everything we do….how we interview people, our collateral, product launches, recognition programs…are they branded? It's really not two different departments because brand is culture and culture is brand — I wouldn't know how to work in an organization where human resources and marketing weren't interrelated. Her folks and my folks. We see ourselves as being on the same team — we share work, we share ideas….Consistency. She has those stores that are all over the place…it's like Starbucks, you're going to walk in, take off the blindfold and say, 'Oh, that's Starbucks'. That's her thing. My thing is to make the associates consistent—take off the blindfold and someone just asked me if I want to take a tour of the store. So she's focused on the facilities/looks/feel and I'm focused on the service/friendliness — we make certain they're all consistent. (Senior Cultural Enhancement Executive, interview).

> When I talk about brand, I talk about people — it's half if not more of it. I need and have to support [senior Cultural Enhancement officer name] what she is doing and vice versa since we are really playing off of each other. What I do helps her recruit really great people. What I do creates reputation, but what she does is

> deliver to that customer so that word of mouth is there….there are no dotted lines…we're constantly in each others' space. I was just in her office yesterday. There will be some layoffs where their [FDIC bank acquisition] redundant positions will be eliminated. I'm looking at it from a public relations and communication perspective, but I'm also looking at it from a culture perspective too. I care about how those people are going to react because at the end of the day, it's going to affect the delivery. It's going to affect how we appear and how things feel to the customer — at the end of the day you want a healthy, vibrant culture in there [Umpqua stores] (Senior Creative Strategies Executive, interview).

It is clear from both executives, and the CEO, that integration of Umpqua's culture and brand is purposeful and a strategic decision. Cultural/branding components, which serve to link culture and brand, follow; they are not exhaustive. Elements examined were chosen because associates, through primary and secondary data collection, identified these elements as being vital to the bank's culture and brand, and by extension their integration. For organizational purposes, all elements are grouped within the areas where they were managed during the fielding of this research (January 2010 – January 2011): Cultural Enhancement and Creative Strategies.

Cultural Enhancement

Senior management, and those who work within Cultural Enhancement, view this department's contribution to the bottom line, as recruiting and hiring the right people which reduces turnover and, therefore, improves EPS (Davis, 2007). According to an interviewed senior-level associate, within the financial services industry, during a good economy, employee turnover runs approximately 25%, while Umpqua averages 18%. During the current economic downturn Umpqua's turnover was 10%.

A second way Cultural Enhancement positively impacts EPS is assessing service quality by measuring culture through attitudes using the bank's ROQ monthly measurement and by annually conducting its own Cultural Enhancement Survey with associates (Umpqua, 2009a). A third way this department positively impacts the bottom line is by Umpqua's recognition as a 'preferred employer' through its five-year ranking (2007-2011) on *Fortune* magazine's "Top 100 employers' (Fortune, 2011) and similar, Oregon-based "best" awards (Hetzgang, 2011).

The following are key areas within Cultural Enhancement identified by associates that support the bank's espoused values, beliefs and behaviors. These are managed through this department and are discussed separately: hiring practices, culture orientation training, associate performance assessment, President's Club, and Town Hall meetings.

Hiring Practices. Everyone hired at Umpqua Bank will go through a hiring process that requires interviewing with four Umpqua associates: the hiring manager, interviewer from Cultural Enhancement, and another associate within the department where the candidate is being considered. If the position is external customer facing at a store, the candidate's fourth interviewer will be someone from an internal customer facing department, for example, consumer lending services who the candidate would interface with on an ongoing basis. An internal customer-facing candidate, for example, from the Technology Advancement Group, will have a fourth interview with an external customer-facing interviewer from a store. During the post interview debrief, all four interviewees must give a “thumbs-up” to the candidate based upon their assessment of cultural fit with Umpqua, according to several interviewed Umpqua associate managers.

One focus group participant remarked about his experience, “During the interview process I knew by the weight of the questions they were looking for certain types of people — good Samaritans with a flair for customer service. They won’t just hire anyone, as many of my knuckle-headed friends now know.” An interviewed hiring manager remarked, “We like to find Umpqua people….I guess you’d call it ‘culture fit’” Another interviewed manager shared her favorite interview question and her own method for discovering this culture fit:

> I’ll ask candidates, ‘What’s the strangest thing you’ve ever done at work? Would you dress up in a bee costume and pass out Bit O’Honey candy in one of our stores?’ If you’re willing to do this, or have done, wild and crazy things like that — like sing Karaoke, one person we hired and asked her to do that in her first week — it’s something you’ve got to be open to. Skill set is important, but they have to be willing to do fun things here….when I think of culture [at Umpqua] it’s someone talking about their job and company and loving what they do — it gives you goose bumps! I look for someone who gives me goose bumps!

Another interviewed manager added: “As long as employees are having a delightful, unexpected experience and they’re having fun and like coming to work, then we’ll give that to our customers…I want you [associate] to love this place and it take a crowbar to get you out.”

Culture Orientation Training. Every newly-hired Umpqua associate will spend one day early in his or her employment in Culture Orientation. All associates attend, regardless of title or geography, an all-day Culture Orientation training led by one of the bank's trainers. This generally happens during the new-hire's 90-day "introductory period"; the term "probationary period" is explicitly not used.

Several elements of this culture training engage new hires to accelerate their acculturation. One example from the observed Culture Orientation training by the author included a section titled "How you fit into the culture." Within this hour-long section associates are asked to answer three questions for themselves: (a) What do you bring to the bank?; (b) Which "Keys to the Culture" most closely describe you?; and (c) Share an example or an experience [linking questions one and two].

Associates first answered these questions with others in a small group, and then reported back through a trainer facilitated debriefing in larger groups. The trainer debriefed the small groups with the larger group, using affirmation as examples were given, that linked and positively enforced the idea that "Management saw something in you, that you 'live the culture' and how you fit in so you were hired. Lots of people don't fit into the culture and they aren't hired" (Umpqua trainer).

Beyond conducting the training, the Culture Development trainer also looks for associates who may exhibit behaviors during the daylong session that they may not be taking Umpqua's culture elements seriously. Rolling the eyes and other visual or auditory cues are signs that the Umpqua culture aren't aligning with the new hire. If this behavior is observed, the trainer will call the associate's manager and ask him or her to touch base with this new associate to see what, if any issues exist with the associate's acculturation, according to a post training conversation by the author with the trainer.

Activities woven into the day's agenda and key messages validated and supported the importance of Umpqua's culture and clearly supported the statement that culture is the company's "DNA" and its "most important asset" (Davis, 2007).

Associate Performance Assessment. Two of the eight elements identified as core competencies of Umpqua's culture were discussed in the prior section, Values Congruence: Company and Individual, as they were ethics-based. Six elements not previously identified in this associate performance assessment within the Culture section, but germane to exhibiting other elements of Umpqua's culture, include: (a) Provides an incredible sales and service experience for our customers; (b) Acts in the best interest of the company, our customers, and our communities; (c) Keeps confidential information as appropriate; (d) Talks the talk, walks the walk; (e) Supports equal and fair treatment for all; and (f) Admits mistakes and takes personal responsibility for own actions (Umpqua, n.d.). Three evaluative choices with a narrative of what this behavior looks like range from: (a) Behavior Derailers; (b) Meets Expectations; and (c) Consistently Exceeds Expectations. As noted previously, all eight core behaviors are included in Umpqua's annual review document. Processes, including this, were expressly created as a way to measure individual associates' alignment with the company's organizational culture, according to an interviewed senior-level executive.

President's Club. In Step 2 of Methodology, key informant interviews revealed to the author the importance of interviewing a sample of President's Club members as this group was identified as being the "Ambassadors of the Umpqua culture." Subsequent focus group data collection also purposely included participants' perception of and personal experience with President's Club members. This data is included within this sub-section since the President's Club charter constitutes a major link with this study's research questions three and four.

As its name suggests, Umpqua's CEO created the President's Club program as Davis had two specific goals in mind: "…[to] serve as a direct link between me and my senior management team and our associates. Most important, they also act as role models for the bank's culture" (Davis, 2007, p. 179). Begun in 1995 as one element of the Rewards and Recognition program within the Cultural Enhancement Department, the President's Club has "evolved" over time but remains, as two interviewed members noted, "Ray's club."

All seven Presidents Club members interviewed for this research echoed the two-part mission of the club, as identified by its 'owner' CEO Davis. Additionally, all interviewees consistently acknowledged two major benefits derived from their roles, summarized by two interviewee comments: (a) "One great thing about being in it [President's Club] is you have excellent rapport with Ray and the other senior executives"; and (b) "The hardest thing to preserve is the heartbeat of the [Umpqua] culture….it's important [as President's Club members] to model the culture — not just because you want to do it, but because you really believe it."

Less than 5% of the Umpqua associate population — approximately 90 as of January 2011 — have earned membership in this group. The quarterly nomination process, fielded from all Umpqua associates, is managed by President's Club members. Nominations are gathered by club members and through their own process, winnow the names to a short list of six associates where only President's Club members vote. It takes at least 75% of President's Club members' votes to gain group membership. In 2010 six new members were inducted.

Within Umpqua's culture President's Club status is visually communicated by the member's nametag changing color: from white to silver. With this change additional responsibilities are added. While new members receive some restricted bank stock upon their induction, this role does not come with any other extrinsic rewards. A member's responsibility to "live the culture" is increased through additional responsibilities beyond their job including: quarterly club meetings with CEO Davis to provide feedback from associates, "adopting" stores and/or departments that they visit at least quarterly to conduct culture-related activities, and sending out associates' anniversary letters, to name a few. One club member described a specific activity members were involved in, which mirrored one focus group's experience with club members.

> Every year the President's Club tries to meet for a retreat and this year (2010) we had our retreat in Seattle, as part of our responsibility was to reach out to new locations [two Seattle/Tacoma banks were acquired through FDIC]. One of the things we organized while we were all there was to bring Harry & David's gift boxes to every [acquired] store. We split up and spent half a day driving all around Seattle and Tacoma meeting everyone…we welcomed them to Umpqua and let them know if they ever don't know where to go for something, pick up the phone and call a President's Club member.

As noted above, interviewed President's Club members have a clear understanding of their added roles and responsibilities. However, three interviewed members, and two focus group participants who also enjoyed club membership, expressed concern not all its members fully demonstrated the expected level of commitment to the club's charter. Focus group members were asked two questions — general understanding and specific personal example — to determine to what level each is understood from this representative associate population.

President's Club members, what is their role?. Of the focus group respondents (n=55), 90% (n=50) mentioned one or more of the required behaviors of President's Club members while 5% (n=5) did not know or were unclear. Of those who knew members' roles, two core roles emerged: (a) Umpqua culture ambassadors and (b) Liaison between associates and management. Both roles aligned with the goals identified earlier by Umpqua's CEO (Davis, 2007) and were supported by interviewed President's Club members. A representative sample of responses from focus group members include:

1. They are contagious ambassadors of Umpqua culture all associates can look up to;
2. Keepers of the culture, they are the valedictorians of Umpqua — they have earned it and execute it — more is expected out of them;
3. Collective voice for all associates, examples and leaders of Umpqua's culture;
4. I don't really know;
5. Helps associates better understand the culture and participate in activities that help emphasize that philosophy;
6. Cheerleaders for the bank who display the best of what Umpqua is;
7. They take what they observe in the bank and make suggestions for change;
8. Ambassadors of the culture who teach and lead by example;

9. President’s Club is a mock-UN for the bank, they encourage dialogue between employees at all levels and make recommendations based upon their findings;
10. Energetic advocates for the bank who show associates the best Umpqua has;
11. Liaison between upper management and associates while being ambassadors of the Umpqua culture;
12. I don’t know exactly [the role of a President’s Club member] but I do know they are voted in by employees for their culture; and
13. To me, the President’s Club members are those people who go above and beyond their everyday, normal job to embrace all of Umpqua’s qualities — they are amazing people who care about their job and those around them.

A second question followed as the author asked for examples from focus group participants who may have had personal experience with President’s Club members. Based upon content analysis of total responses (n=55), respondents included *President’s Club members*, 7% (n=4) and *No personal experience*, 20% (n=11) with members. Of those who were not club members and had some type of experience with members, 73% (n=40), those experiences varied in five ways: (a) member visit at store/department, presented an award or conducted cultural activity, 33% (n=13); (b) member named explicit positive, personal experience 38% (n=15); (c) general no name given, on the job personal experience, 15% (n=6); (d) own manager is member, 8% (n=3); and (e) member named/unnamed explicit negative, personal experience, 8% (n=3). A representative sample of those who had personal experience with President’s Club members from all five categories, in addition to members’ own comments about the club, included:

1. Many experiences – 98% are worthy of their silver badge [designates President's Club membership], the other 2% have forgotten why they have them [silver name badge];
2. I have daily interactions with members; they are all very hard working and sacrifice a lot of personal time to the bank;
3. Busy for [associate name] doesn't even begin to describe this man's day. He is pulled in 1,000 different directions and despite this, anytime I have an issue or feel like I need to discuss something he clears his schedule and makes the time to listen. Not only that he shows his experience and shows me hot to do things better, fast, more efficiently. Best of all, he shows me how to be a great leader. Because of his example, I always make time for my associates and take real interest in them;
4. President's Club members — all that I have experienced — have a feeling of 'untouchable.' Ethics with these associates is not as high as non-members; President's members (5) have been terminated for unethical behavior;
5. I've seen President's Club member hand out certificates of achievement and such but have never really had a significant, personal experience with a member. I find myself wondering more about how and why they are members. Granted, they are all really nice people, but I am frequently curious why they were inducted;
6. I have nominated someone for the President's Club. She's everything I aspire to be. She a walking, talking billboard for the great things about Umpqua Bank. I admire her and sincerely hope to be nominated myself one day; I would feel honored to be considered a role model;

7. There are certainly a lot of people that still are not sure what we do [President's Club member]. It is clear there are others who should not be in the club. 'Arrogance' doesn't work. You must be genuine and care. It's a great group of people with a genuine focus on keeping the culture strong;
8. My manager [associate's name] is a President's Club member. She asks us a lot about what works, needs improvement….she gets stuff done; and
9. The President's Club comes into our store and has MMs [Motivational Moments] with us and brings the message of how involved we are with making Umpqua the 'World's Greatest Bank'. I was just awarded by the President's Club for completing my 40-Connect [volunteer program] hours for the year.

As this qualitative data suggests, the roles and responsibilities of President's Club members are generally understood by the associate population and most of its membership is recognized as being the "culture standard" at Umpqua. Both club members and focus group participants identified a need for increased consistency by a small percentage of existing members to maintain the expectation of President's Club members' cultural consistency and commitment.

Town Hall Meeting. Quarterly throughout the states Umpqua serves, CEO Davis holds Town Hall meetings which associates attend in person, depending upon location. The primary meeting goal is for Davis and his executive leadership team to deliver on his "offer full disclosure" precept as he receives questions directly from associates — written or live — on any subject and nothing is considered taboo, according to one interviewed executive. Another senior-level associate offered an insight into the CEO's style. "It starts with Ray. Ray puts himself out there — he's transparent. He goes out to Town Hall meetings. You can ask him any question. Send it in anonymous — he'll read it just like you send it. He's very visible with the staff. And we [executive team] try to be out there as much as we can."

The author attended the fourth quarter Town Hall meeting (October 18, 2010) in Portland, Oregon and observed this two-hour cultural celebration, held at a rented theatre and attended by approximately 300 greater Portland-based associates. It began with a hosted buffet. Highly interactive and engaging, the first hour of the meeting included cultural awards and values-based activities led by associates from many levels. During the last hour an executive-level associate addressed divisional changes and outlined how they would improve customer relationships. The CEO followed; interactive cultural activities and prizes concluded the event.

As noted above, CEO Davis not only addressed associate questions while exhibiting a great deal of candor in his responses, but he also addressed an issue he saw of paramount importance to the bank: communication. Davis specifically focused on middle and senior management team associates' need to communicate as he linked this ability as being vital in their roles, "If you can't communicate, you can't lead" he noted, and stated two words "motivate" and "inspire" were core elements to leading at Umpqua. Davis linked communication across the organization as being vital to maintaining the bank's independence and community-based focus. This orientation supports Davis' Six Keys to Leadership discussed previously (Davis, 2007).

One interviewed associate, reflecting on a prior Town Hall meeting remarked, "I've grown in my trust of leadership and their decisions — that doesn't mean I agree with all decisions or think we make all correct ones. But I think the overall mentality is as one company which is a portion of our moral compass."

Creative Strategies.

In addition to 'traditional' marketing activities focused externally to communicate the brand through advertising and public relations, the Creative Strategies team is also actively involved with the direction, development and design of "next generation" stores throughout Umpqua's four states. As noted in the previous discussion by both senior executives of marketing and human resources, their responsibilities are interconnected. As a service-based business associates are recognized as the 'brand ambassadors' through living the Umpqua culture and exhibiting the values through empowerment to deliver "handshake marketing" in stores.

As provided in the Culture Orientation training materials, the EVP of Creative Strategies defined culture and brand: "Brand and culture are highly connected. Brand, however, is the personality and image of the company — it's the way we look, feel, and sound to the customers and where we show up. Culture is more focused on how we operate as a company — it tells us as associates how to act." One of the ways associates 'act' is by delivering on the bank's value of community through its creation and management in Creative Strategies of its Connect program.

Connect Volunteer Network. Supporting its organizational values — nested within its organizational culture and ethics climate — is Umpqua's commitment to the communities it serves (Umpqua, 2010e). One component is the Connect Volunteer Network launched January, 1, 2004 as an associate benefit, which benefits the associate, bank, and the company's external stakeholders. An interviewee recounted a Town Hall meeting when CEO Davis, "…spoke about this vision of paying all Umpqua associates to go volunteer in the community. I seriously thought to myself, 'This guy is full of it'. What a great thing to say! Well, a year later I was getting paid to volunteer."

This program rests organizationally within Creative Strategies and is managed and nurtured internally with the goal of 100% participation. In 2010 the Connect program recorded its most successful year with 77% participation from 1,729 Umpqua associates who logged 36, 025 hours at 1,132 community organizations within its operating territory. This placed Umpqua in the top 5% of all corporate employee volunteer programs (Umpqua, 2011b).

To encourage and facilitate associate volunteerism, on every associate's pay stub a separate line item appears with sick leave, vacation, and one called Connect. Yearly, each full time associate receives 40 hours (part-time an equivalent amount), prorated based upon hire date, of volunteer time paid for by the bank. Associates are encouraged to leave work to perform volunteer duties for organizations primarily focused on two categories: youth and low income populations. Unlike vacation and sick leave which must accrue, Connect time is automatically available January 1st each year or upon hire date. The program's manager commented:

> When we interview you, we talk about this benefit [Connect]…the importance to us as a company and we set the tone that's what you do when you're here — and everybody is excited. We ask you to follow thru on that. We help you find a place to go, engage in that, we might ask you why you're not engaged in that… we don't require it, it's still a personal choice. We had 76% of our associates

utilize it [Connect benefit] last year (2009) with 30,897 hours. That number has steadily increased over the years.

Nearly one-third of associates say their participation in the Connect program was their first experience volunteering (Umpqua, 2011b). One focus group associate explained his participation this way: "Umpqua changed who I was — or brought out the way I can be. I never thought about homeless people before. Now I volunteer at the local homeless shelter…. Umpqua has made me a more considerate person."

Given Umpqua's organizational values, strategy, and lexicon it is clear from the previous supporting data that the company's approach to and use of culture and brand is one of purposeful integration across the organization.

Trust

"I sought a position and wanted to work here for a year before I was hired....
I think the specific event that allowed me to trust the company was when I was
granted the operational authorities to do my job to its fullest. Umpqua was
essentially allowing me to take hold of the steering wheel when it came to helping
customers. So, the bank began trusting me with its image and well being.
And thus, I was able to respect the 'grant' of ability and, therefore,
trust the bank — presumably because they trusted me.
My prior banking experience I'm sure had something to do with it,
but to the extent Umpqua provided me/empowered me
showed me the company trusted/cared."

(Umpqua Associate, focus group participant)

As noted previously in Methodology, Umpqua Bank's associates have identified it a "Best Place" to work for five years (2007-2011) through the annual *Fortune* magazine survey (Fortune, 2011), developed and conducted by Great Place to Work®

(GPW) Institute which is recognized as a valid and reliable instrument (Lyman, 2003, 2008). Analysis of organizations who annually participate in this study include, by default, assessment of their employees' level of trust, as this is a vital element in becoming recognized as "The Best" (Lyman, 2003). At the core of this employee survey is the institute's proprietary *Trust Index*® and *Trust Model*®. Data from all participant organizations analyzed (2004-2008) showed employers in the "Top 100" enjoy 20-30% higher levels of trust from their employees than the data collected from the lower 100 organizations that participated.

Umpqua's trust score from the Best Places To Work® Trust Index® for 2010 shows Umpqua's employees enjoy a high degree of trust relative to all companies. Specific results show the following comparison relative to all Top 100 organizations: (a) *Credibility*, Umpqua scored 3 points above the mean; (b) *Respect*, Umpqua scored 2 points above the mean; and (c) *Fairness*, Umpqua scored 3 points above the mean (GPW, 2010a). Applying the assumption that Umpqua's associates trust Umpqua, the author formulated two connected questions for focus group members and interviewed associates to further advance previously collected primary and secondary data surrounding and answer this study's first research question.

Why do you trust (or not trust) Umpqua Bank?

Focus group participants were explicitly asked "When did you trust/not trust Umpqua? Please provide a time" (Appendix C). Participants (n=55) responded: Yes, they trust Umpqua, 90% (n=50) and No, they don't trust Umpqua yet, 10% (n=5). Of those who trust Umpqua the time frame when they experienced this trust varied from pre-employment as a customer (n=3), an immediate outcome of the hiring/on-boarding process (n=4), and trust developed over time, 3 months – 2 years (n=43).

The follow up question, "If you trusted Umpqua, what was the 'tipping point' for you?" provided additional insights. Using content analysis, the reasons associates trusted Umpqua fell into three major categories: (a) other Umpqua associates; (b) hiring/on-boarding process; and (c) Umpqua culture/general. It was interesting to note the Umpqua associates category represented 58% (n=29) of those who trusted and this trust was directly linked with specific behaviors exhibited by four Umpqua associate categories: (a) fellow associate(s) (n=5); (b) as a customer prior to joining Umpqua (n=3); (c) senior management team (n=7); and (d) associates' own manager (n=14).

In four cases, those who identified the senior management team explicitly cited how they led Umpqua successfully through the current economic crisis as being the 'tipping point' to trust Umpqua. One associate remarked, "It was Ray's [CEO] broadcast call in '07 when he said we were facing a 'Perfect Storm' financial crisis. He explained how we would respond and that we would make it through together…our executive management team demonstrated their ability to effectively manage this bank through the crisis."

For those who responded associates' own manager category, two different themes emerged: (a) manager openness, i.e. seeing the manager as "rooting for my success" and "asking for and implementing my ideas" (n=7); and (b) unique personal situation, the manager responded "outside the box" in his/her job role by meeting the associates' needs (n=7) with: family crisis, family member death, maternity leave, personal illness, unique schedule issues, and bank acquisition/job enlargement.

In the case of hiring/on-boarding, two reasons yielded trust: (a) Umpqua's hiring process (n=4) and (b) culture training (n=3). One associate commented:

> In my second interview (of four) I was engaged in dialogue about my future whether I could see myself in management. This really told me this company is looking to hire the best…those who want not only to succeed, but exceed expectations so I came into this relationship ready to do my best and expecting or trusting that Umpqua would give me the same.

The last category, Umpqua culture/general category (n=7), thematically reflected the bank's stated values, as one associate's explanation reflected.

> When I started my first day they treated me like a close friend they already knew. I had never met friendlier people or happier customers. I knew I could trust Umpqua when about two weeks into my training they gave me my cash card and let me dig in. When I was stuck or had difficult questions, they told me I was 'empowered' to make my own choices (to an extent). That's when I knew if they gave me that much faith and trust, how could I not believe they didn't care about their employees?

As reflected in this representative "general culture" category quote from a focus group participant, the associate explicitly linked trust with empowerment. This associate's observation, as noted in the Literature Review, reflects academic research which shows a high degree of trust within an organization is a critical element of employee empowerment (Chan, et al., 2008). Trust can result in employees exhibiting behaviors beyond one's expected job responsibilities (Organ, 1988) as employees who trust an organization's leaders are more willing to take risks (Mayer, et al.,1995) to deliver customer-oriented behavior (Peccei & Rosenthal, 2001).

Empowerment

"One of my proudest moments…[was] a procedure in our operating manual…
I made a call and the next day it was changed!
To work for a company where one associate can make one phone call
and make the whole operating manual change because it makes sense…
I knew even then, though I was inexperienced [at the time],
that wasn't something you'd get without an open door for suggestions."
(Umpqua Associate, interview)

One of Umpqua's six "Keys to our Culture" is "Different." Four descriptors were used to define what being 'different' within the culture is; one of these definitions is "Empowered Associates" (Umpqua, 2009c, 2010e). This "empowerment" is integrative of CEO Davis' third of six keys to leadership philosophy identified earlier, "Make them accountable". He explained: "While it's critically important to support your people and hold them accountable, that's not enough. You've got to empower them by giving them permission to make decisions" (Davis, 2007, p. 69). Based upon Davis' leadership philosophy, his definition of what empowerment "looks like" can be determined by four associate behaviors:

1. Empowered employees do not hesitate to tell the truth, good and bad;
2. When people are empowered, they get into a lot of debates, some very passionate;
3. People who are empowered are not afraid of being punished for making decisions; and

4. When people are empowered, they don’t worry too much about the rules (Davis, 2007, p. 70-72).

An interviewed President’s Club member shared an example of the first behavior, “There was one meeting by phone where he [CEO] said something that struck me wrong and it festered for about 20 minutes, so I called him. We talked about it. It’s not the first time and won’t be the last, that’s okay. It [conversation with CEO] gave me additional insights too.” Another interviewee shared an example which reflects the second behavior, “Since I joined management, even before that, I’ve had the opportunity to suggest things like ROQ…some of those components aren’t necessarily an even playing field between store to store because of the equations implemented....even though it was not implemented right away, I somehow trusted that it [specific recommendation] was heard and will be implemented.”

The last two behaviors are reflected in another interviewee’s comment, “If you want to come up with a newsletter, you don’t have to ask at Umpqua. Come up [associate in store] with something and send it out. You want to do a campaign rally? It’s not just the manager’s thing, everyone has that opportunity.” Critical to enabling this empowerment are several elements embedded within Umpqua’s culture. Two of these are defined below.

Brag Box. Previously identified within this chapter’s Values Congruence section, the associate intranet, *Insider*, provides a specific location for any associate to post examples of how other associates have “gone above and beyond” (Davis, 2007, p. 76) to deliver exceptional service to a customer, external or internal. The author examined this area (January 13, 2011) and counted the prior month’s (December 2010) submissions which totaled 159. The total number of submissions for 2010 was 1,350, according to the program's manager. As this element is managed in Cultural Enhancement, team members monthly select winners and award $50 to the person(s) whose story — the associate who was recognized in the story not the person who submitted it — was most compelling. Stories are archived and available for associates to read and as reference.

Team Recognition Fund. The Motivational Moment example of the observed department's Friday morning ritual accessed this department's fund. Of all thank you cards written to acknowledge an associate in a store or department, a randomly drawn card received a $5 Subway gift card inserted into it. The funds which enabled this weekly gift card were taken from that department's Team Recognition Fund.

Money is deposited quarterly — a specified sum per associate per quarter for each location — by the bank into a checking account that every team member can access without prior approval by management. As CEO Davis noted about this fund, "All associates have access to this fund to send something special to recognize another associate on the team or elsewhere in the bank. No permission or approval is required" (Davis, 2007, p. 76).

The above describes what empowerment "looks like" and how it is enabled through Umpqua's culture and several cultural programs and practices that empowers associates to decide for themselves how best to deliver on the company's vision to be "The World's Great Bank." Given the organization's identified cultural values, the CEO's recognition that associate empowerment is vital, and the two identified elements mentioned by associates through both primary and secondary data, it is insightful to note how focus group members responded to a broad based question about Umpqua's culture.

What are Umpqua's five most important cultural elements?

Focus group participants (n=55) were asked to identify and rank order up to five most important elements they believed were core to Umpqua's culture. As noted (Appendix A) this question began with dialogue among focus group participants as the goal was to allow the largest number of participants' ideas to identify for themselves what Umpqua's 'cultural elements' were. After discussion, participants prioritized and wrote up to five responses.

Content analysis identified six major categories: (a) *Umpqua values*, (n= 48), which included Umpqua's values identified earlier but also internal value-based cultural phrases: "Walk the Walk", "State of mind", "Do what's right", "Resilient", "Flexible", "High expectations", "Out of box thinking", "Go the extra mile", "Non-negotiables", and "Encouragement"; (b) *Empowerment*, (n=41), was the explicit use of the word empowerment; (c) *Community commitment*, (n=34), yielded two sub-categories which identified the bank's Connect program (n=16), and general community support (n=18); (d) *Customers*, (n=23), created two sub-categories identifying the bank's customer service culture (n=13) and individual relationships with customers (n=10); (e) *Umpqua culture program elements*, (n=17), three areas were specifically identified: Training, (n-11), Rewards & Recognition, (n=11), Motivational Moments, (n= 6); and (f) *Bank leadership*, (n=11).

As noted above, associate empowerment at 75% (n=41) was the highest specifically identified element as being the most important element of Umpqua's culture; Umpqua's values were first at 87% (n=48) in terms of total responses, but included a variety of thematically different cultural elements. Many focus group members who identified empowerment provided their own definitions; various themes are reflected in the samples below.

1. Empowerment = allowing me, and supporting me to make decisions to provide exceptional customer service;
2. Empowerment—being able to make decisions based on their [the bank] trust;
3. Empowerment is the ability to use your knowledge and common sense to do what's right for the customer;
4. Empowerment—It's nice to be able to get what I need to make a difference;
5. The most important element to me is empowerment — Umpqua doesn't make me feel like a 'teller', they make me feel like a capable associate who can handle situations without having to run to the manager anytime something out of the ordinary pops up;
6. Empowerment—the ability to make our own decisions to provide the greatest outcome for our customers;
7. Empowerment and being able to still be an individual and be heard;
8. Respect for and empowerment of all associates;
9. Empowerment. We are given a lot of leeway to do what is right and Umpqua stands with us on our decisions;
10. Empowerment. We have the right and obligation to think 'outside the box' to do what's right and best for the customer; and
11. Empowerment to live the culture—'random acts of kindness,' community service, 'handshake marketing,' etc.

The previously examined content analysis of Umpqua's 2009 Cultural Enhancement Survey (n=745) yielded "empowerment" as a specifically identified concept (n= 50) to the question "I am proud to work for Umpqua because…". Representative samples of these open-ended comments included:

1. I am empowered to help customers above and beyond their expectations and I have the ability to grow and advance to wherever I want. My hands are not bound to the norm!;
2. I have the power and resources to treat customers as I would like to be treated; I also have the power to go beyond what is expected to 'wow' my customers;
3. I have been empowered to do my job; and
4. Because of our culture and our empowerment to help our customers and make a difference in our community (Umpqua, 2009a).

The empowerment definitions provided by associates through interviews and focus group participants, and secondary data analysis all reflect the CEO's third and fourth definition of what empowerment "looks like." It is interesting to note that nested within some definitions of both data sets that Umpqua's values and cultural idioms were also employed and included: "respect", "do what's right", "difference in our community", and "random acts of kindness." Additionally, one focus group associate explicitly linked empowerment with trust. Some explanation of this consistency is noted by O'Donohue and Nelson (2009) as the more highly developed an organization's culture, the greater the likelihood that employees' perceptions will reflect a consensus.

We Are

"We knew there was economic trouble on the horizon…
how can we collectively grow tighter so we can all make it thru to the other side?
There was extra work to do. It's those 8:00 p.m. discussions, 'I've got an employee who works full-time and I need part-time, you need a part-time employee…
how can we work together to keep this really great employee?'
You're buried, it's really not 'my job' but I will find a way, tell me how I can help'.
To me, that's working tighter…we're working above and beyond."
(Umpqua Associate, interview)

The core of the previously introduced conceptualized model, We Are, is two-dimensional. One dimension represents Umpqua's co-created culture and brand. This definition of 'who we are' was shown through prior results of the model's four elements (values congruence, trust, empowerment, culture/brand integration) as they all converge to form what it *means* to be an Umpqua associate and the promise behind that meaning.

The second dimension reflects the *behavioral action* of all Umpqua associates who have values congruence with Umpqua, trust the bank and are empowered to enact or 'be' its vision through values-based behaviors and/or 'different thinking' that enables associates to 'live the culture/brand'. What those specific behaviors are identified as being within the Umpqua culture has been reflected within previous results. All interviewed Umpqua associates provided their definition of what it "looks like to live the brand." Focus group members were specifically asked two questions to define what this behavior — living the culture — "looks like" in others and in themselves.

What does ‘living the Umpqua culture’ look like to you?

Through content analysis focus group responses to this initial question presented itself in two different ways: (a) *Explicit extra-role behaviors*, outside job requirements; 54% (n=30) and (b) *Explicit Umpqua values-based connection*, 46% (n=25). It is interesting to note of the focus group participants (n=55) there was nearly an even split when defining what “living the Umpqua culture” looked like as just over half defined it as “extra-role” behaviors and provided a specific example. Nearly half defined “living the culture” as an attitude, value, or ‘state of mind,’ which aligned with Umpqua’s values discussed previously.

Re-analyzing the same data, the author considered if associates identified a specific Umpqua associate and, if so, how that individual could be categorized. Results reflected the following: (a) no identified person, general bank values, 18% (n=10); (b) personally known co-worker, 33% (n=18); and (c) not-personally known Umpqua associate, 49% (n=27). Within this last category, non-personally known associates identified, were: CEO/Executive officers (n=5); Own manager, (n=4), President’s Club member (n=4); associate on site through bank acquisition (n=2); and associate identified through Insider [bank intranet] (n=10). Specific ‘living the culture’ representative examples given by focus group members include:

1. An associate I know had a customer who banks with her on certain days and when the customer didn’t show up, she called her. The customer had oral surgery and couldn’t eat and was sick and had no one to care for her. This associate went to get Rx, soft foods, and drove to the customer’s house and

cared for her. She took her banking back to the store and completed her transactions so nothing would bounce;

2. One of our customers had her son pass away. As a store we brought her dinner twice a week for two months just to help her out in her time of need;
3. Living the Umpqua culture means to take a negative situation and turn it positive. Just like [focus group member] who shared how she solved her customer's debit card problem while her customer was in Vietnam. We have so many stories like this;
4. [Associate name] took it upon himself to create cards which contain our mission statement and keys to our culture overnight. Incredible initiative!;
5. Living the culture to me is about being genuine and less about being a certain way. Other banks want to see a dress code, a specific way of talking, etc. At Umpqua the company allows you to share who you are as a person—to become involved in helping people. I could say that living the culture is going above and beyond to help the customer, but that's just a small part of it. When I see someone think differently, that's when I perceive someone living the culture;
6. Living the Umpqua culture to me means living ethically and helping other people, customers or not. Many examples on the Insider blog [within bank's intranet] present this 'philosophy' or 'state of mind' to me. Often, I think about how many stores' staff members celebrate customers' or co-workers' birthdays, especially the elderly, but not exclusively;

7. Our embedded store manager [Umpqua manager onsite through bank acquisition transition] quickly recognized what tools to use to bring our mind sets to the next level—Umpqua bank [from former acquired bank]. She had a great attitude, motivational moments and insights. Also the [internal department associate] possessed the same attitude—a brand of Umpqua Bank.
8. [Associate name] is a brilliant example for me of someone worthy of the most 'living the culture' award. She is always positive, ready to help, treats issues with humor, upbeat, knows her resources, always delivers and is honest about everything;
9. When [executive bank officer] visited our store and we had a customer who had been waiting to get their debit card for over a week. He pulled his own debit card out of his wallet and had us call the CAM Dept to switch it over so she could use his card to access her account since she was going out of town for the weekend and had no other way to access her account. She was shocked and impressed that he would go above and beyond in that way;
10. A previous manager of mine lives the Umpqua culture and has always been someone I admire and respect. He treats everyone the same, holds people accountable, lets them take initiative, allows them to make mistakes, but helps them correct those. He is a damn good manager.

The second question requested a personal example — something each participating focus group member personally did that showed his or her own definition what "living the Umpqua culture" looked like. Using content analysis to categorize responses four themes emerged: (a) no response, 7% (n=4); (b) explicit extra-role behaviors, outside job requirements, 40% (n=22); (c) community volunteerism, 29% (n=16); and (d) explicit Umpqua/personal values, 24% (n=13). Representative focus group member examples found in the last three categories included:

1. I live the culture by doing what's right for the customer. I have reversed many fees caused by bank error. I have taken time off to go help a customer move. I have seen them [customer] walking in the rain or heat and have been late to work by giving them a lift where they wanted to go;
2. I think I live the Umpqua culture by genuinely caring about my customers and being involved. I try to be a positive influence in the store and strive to be encouraging;
3. The week before Christmas in 2008 Portland was covered in snow. Our transportation provider Loomis (transports currency) was unable to get cash/coin to our Portland or Salem stores. I worked all day keeping everyone up to date on who was going to get cash when. It was exhausting. I could have said, "You'll get it when you get it!" but I know it was important to each individual at each store, so I put everything aside I had planned to do that day and focused on others. That is living the Umpqua culture;
4. Throughout my tenure at Umpqua I've found myself more willing in general to drop my own concerns to assist others. I think that is driven by expectation of our culture;
5. I stayed late after work to give a customer money out of my own account so she could pay for her boyfriend's birthday cake because her debit card wasn't working. And I would also say it has the concept [living the culture] of being

less about me and more to do with others. Additionally, I think that you have a pretty strong feeling about whether or not you're living the culture without having to be told you are or aren't;

6. Even if it's just a small act like Mondays to serve lunch at our local homeless community. Helping my team by picking up a project of theirs and finishing it. When I travel to other stores to help. For me, it's not always the 'wow' factor…it can be the simple everyday smile for our daily customers;
7. I make it my goal to ensure all customers are greeted and acknowledged in the lobby to ensure they are receiving the help they need. The other items we talked about I view as part of my personal being and not specific to Umpqua — it is great Umpqua supports my values;
8. To me living the Umpqua culture is getting involved and connected with my customers and community. Showing up on Saturday for town clean up, ringing the bell for the Salvation Army, etc. The other side I see myself mostly in is helping my fellow associates achieve greatness. Encouraging them to learn, donate their time, think outside the box;
9. Probably when I was able to prepare paperwork for a mother in her last days; her son was beside himself so I took it [paperwork] to them for signing which helped him do what he needed to do to get through a most difficult time;
10. I have always loved bringing a smile to someone's face when they are having a bad day. I have had customers who have come in angry, and if they leave the store with a smile on their face because I was able to listen, or help them with a problem—then I feel like that smile 'looks like' the Umpqua culture;

11. By rallying a couple of associates to make baskets with cookies and Umpqua coffee bags. We handed them out along with ice cream to 8 fire and police stations—the coolest part was working together to do this!

Living the culture, as defined by focus group participants, is clearly rooted within the expressly designed and co-created Umpqua culture. This is built on the foundation of shared values and trust which is enabled through associate empowerment. As noted, focus group participants conceptualized “living the Umpqua culture” as having two elements: (a) “Going the extra mile” for customers, whether external or internal; and (b) exhibiting a “state of mind” which directly linked with shared organizational and personal values.

The proposed five-part “We Are – co-created culture” model, supported through rich primary and secondary data presented in this chapter, shows why and how Umpqua associates “live the culture.” Existing empirical studies explain much of its creation, yet not all phenomena can be connected. Development and rationale of two emerging constructs –developed through iterative review of themes and ultimately data saturation through Steps 1-4 of the research process — follow in Discussion as does convergence and extension of existing theories. All are included to more fully understand the powerful and unique organizational culture co-created by Umpqua associates across the organization.

CHAPTER 5

Discussion

Based on this study's findings and the conceptual five-part model proposed in Figure 1, two significant theoretical discoveries emerged: (a) an organizational culture that purposefully engages its employees as active participants across the organization in its co-creation, evolution, and cultural guardianship; and (b) a broader interpretation of living the brand through an employee's "state of mind" created through values congruence, trust, and empowerment thereby enabling an employee's self-fulfillment, benefitting employer, employee, and communities served.

Detailed study findings, discussed later in this section, reflect consistency with and extensions of previous empirical research, specifically including the work of: Burmann, et al. (2009), de Chernatony (2006), Bendapudi and Bendapudi (2005), Chong and Kong (2007), Punjaisri, et al. (2008), Rao and Dewar (2005), Morrison (1996), Sun, et al. (2007) and Mossholder, et al. (2011). This study was designed to address the following four research questions:

1. What fundamental elements embedded within the organizational culture create employees' high level of trust?

2. What specific internal branding practices are key determinants to create an organizational culture whose employees exhibit high brand commitment?
3. How do employees define what it means to live the brand?
4. What behaviors do employees believe are fundamental to deliver on their organization's brand promise?

As noted in Results, these four research questions guided this qualitative study and were answered. Identification of Umpqua's integrative cultural and branding underpinnings revealed the fundamental elements that associates identified as instrumental in developing their organizational commitment and trust, questions 1 and 2. Umpqua associates described the two-fold nature of what it meant to deliver on Umpqua's brand promise and the behaviors they believe they must exhibit, questions 3 and 4.

Discussion of this study's findings follows in these three sections: (a) significant study findings; (b) theoretical extensions and alignment; and (c) study limitations and future research. A conclusion to this research follows.

Significant Study Findings

Two important constructs emerged from this study not previously identified by prior empirical studies discussed in the Literature Review. These proposed constructs are identified and defined as: (a) *'We Are' – co-created culture,* is an organizational culture purposefully designed to engage employees as active participants in its co-creation, evolution, and guardianship across the organization regardless of job class; and (b) *Living the Culture*, is an employee's 'state of mind' created through values congruence, trust and empowerment which collectively serves as an antecedent to employee in-role and extra-role behaviors not only on the job, but enacted in their non-work lives thereby enabling an employee's self-fulfillment, benefitting employer, employee, and communities served.

'We Are' – Co-created Culture

Psychology and management literature identify many types of organizational cultures, several appear to be embedded within Umpqua. Two researchers' models, identifying three constructs, take a micro view and are germane to this study. McGregor (1960) characterized an organic culture as reflecting a relationship-oriented, empowering and trusting environment. Wallach (1983) extended this concept calling it an innovative culture, adding that the culture is stimulating, accepts challenges, is results-oriented, and fosters creativity. A third organizational culture description, supportive, offers 'family values' in a supportive, social and encouraging environment (Wallach, 1983). All of these descriptors, regardless of construct name, represent elements found through this study as being embedded within Umpqua's culture. The powerful force within Umpqua's values-based ethos recognizes its culture always changes by responding to customers and the market, an innovative culture (Wallach, 1985). Umpqua's culture is explicitly identified through its values of trust and empowerment, an organic culture (McGregor, 1960). Umpqua fosters a sense of encouragement and relationship among its internal family of associates and with it external community, a supportive culture (Wallach, 1985).

Taking a macro view, de Chernatony (2006) categorized organizational culture constructs as generally having two orientations. A differentiation perspective is what a group of people ‘are’: management does not view culture as something to be actively managed. Clearly, Umpqua does not fall within this category. The second culture orientation is identified as operating from an integration perspective: an organization ‘has’ culture and senior management directs and ensures adherence to its consistency. De Chernatony (2006) identified the work of Schein (1984) as reflecting this integrative orientation. Schein noted visible artifacts, values which govern behavior and underlying assumptions are three fundamentals to understand the “…dynamic evolutionary forces that govern how culture evolves and changes” (p. 3).

Based upon this study’s results, at Umpqua those cultural changes Schein (1984) noted are co-created by the organization’s employees, not just its management. This is the result of its management not only recognizing the importance of nurturing what its culture “has”, integration perspective (de Chernatony, 2006), but also empowering employees to participate in its dynamic evolution, or ‘co-creation’ and guardianship of its culture which is self-described by its associates as 'We are.' Further, Schein’s (1984) three levels were utilized in understanding Umpqua’s culture. In analyzing data collected from Umpqua — management and associates across the organization and job class — it became clear that a fundamental element embedded within Umpqua’s culture was not fully represented within this integrative perspective or the other three cultural types identified earlier. Umpqua’s espoused value in and empowerment of its associates to “make it [Umpqua culture] their own”, as stated by its CEO Davis (2007), served as a "co-created" cultural element. This is a core, fundamental element of Umpqua's culture and appears to be missing from the academic literature. While marketing researchers Ind and Bjerke (2007) broadly conceptualized a "participatory market orientation" as a way to build brand equity by involving employees and customers, this does not offer full insight into this vital dimension of Umpqua's culture.

Conceptually, this last element proposes a third organizational culture perspective. It expands the existing macro view of two cultural orientations by proposing a third currently absent from existing literature: 'We Are'— co-creation culture. As noted above, this conceptually expands the integrative perspective. This organizational culture not only recognizes the importance of and monitoring of an organization's culture, but it also actively engages employees across the organization, regardless of job class, through ongoing co-creation, evolution and guardianship of an organization's culture as an expression of 'We are.'

Living the Culture

Management and marketing researchers have identified extra-role and in-role employee behaviors as strategic for service-based organizations to exceed external customers' expectations. Prior academic research recognized these roles solely as on-the-job behaviors. Living the culture conceptually expands this understanding beyond the work environment, results from this study surrounding this aspect were not found in existing literature.

Organ (1988) established organizational citizenship behavior (OCB) and its antecedent organizational commitment within management literature as having a causal role in facilitating extra-role employee work behaviors. Mackenzie, et al. (1991) recognized two types of OCB; an employee operating in-role was connected with high work volume while extra-role reflected behaviors outside of an employee's normal job responsibilities. Burmann and Zeplin (2005) and Burmann, et al. (2009) maintained the management definition but renamed OCB to reflect a marketing lexicon: brand citizenship behavior, and its antecedent brand commitment. Several marketing researchers, including Ind (2003, 2004) and Burman, et al. (2009), have termed extra-role work behaviors as employees 'living the brand' of their employer.

Based upon this study's results, it appears Umpqua associates view their in-role and extra-role behaviors to 'living the culture' much more broadly than the current literature construct 'living the brand' definition identified above. Many associates seemed to have transcended their on-the-job roles through integration of living the culture into their non-work lives. Values congruence between the organization and the individual appear to have facilitated this orientation. This values-based antecedent either already exists with associates who purposefully seek to join Umpqua and align themselves with other like-minded individuals, or associates who upon joining the company choose to acculturate to Umpqua's values-based way to think. These elements and connections were not identified in current management or marketing literature.

As evidenced by Umpqua associate examples, living the culture also reflects an important dimension of an associate's self-fulfillment, whether on the job or not. An unexpected outcome, this self-fulfillment or self-actualization incorporates the nascent construct workplace spirituality, congruence of both organizational and individual values which provides an organizational platform for employees. As Giacalone and Jurkiewicz (2003) note, an added dimension to this workplace spirituality construct is to "…experience transcendence....[by] facilitate[ing] their [employee] sense of being connected to others in a way that provides feelings of completeness and joy" (p. 13). Comments by many Umpqua associates provided in Results reflect the true meaning embedded within this construct of 'living the culture' as one of being self-fulfilled, joyful, and connected with other associates, customers, and the community where they work and live.

One example of this transcendence or self-actualization, volunteering in one's community, would be considered an extra-role role behavior in most companies. Community volunteerism is clearly an in-role behavior at Umpqua as the bank has and continues to provide up to 40 paid workday hours annually to volunteer, but this value is also firmly established as a cultural norm. Many associates through this study's primary and secondary research explained their volunteerism often continued past working hours. One-third who joined the company had never volunteered prior to becoming an associate and now volunteer. This suggests a transformative experience as a result of values congruence acculturation.

Associates who embrace Umpqua's 'way to think' appeared to be empowered to define for themselves what their in-role behaviors were and how they reflected their shared Umpqua values. This empowerment, built on trust, provided the platform necessary for associates to look for and anticipate unique opportunities as they presented themselves to perform extra-role behaviors, regardless of who the customer (internal or external) was and whether the opportunity was identified at work or not.

This research initially sought what ‘live the brand’ looked like at Umpqua. As noted in Methodology, the words culture and brand were used somewhat interchangeably within the Umpqua culture, with culture the primary word. Based upon this lexicon convergence, this action suggests that adopting the word culture as the primary descriptor, and in-role or extra-role behaviors as ‘living the culture’ rather than ‘living the brand’, provides a broader, deeper and more enriching associate experience which can link to associates’ self-fulfillment. Certainly Umpqua’s customers and non-customers within the communities served are benefactors of this convergence, evidenced through storytelling. Its associates benefit, as shown with their collective statement, that Umpqua is among the “Top 100” employers to work for. And, by extension it can be perceived that Umpqua’s shareholders derive benefit through decreased operating costs associated with attracting and retaining associates and increased satisfaction levels with customers.

Theoretical Extensions & Alignment

Most research studies that examined the link between an organization’s culture, brand, and its employees reflecting its brand promise have primarily gathered data top-down through management-focused expert interviews rather than bottom-up from employees. Burmann and Zeplin (2005) and Burmann, et al. (2009) used this exploratory methodology to isolate three strategic ‘levers’ — marketing, human resources and management — as they conceptualized working integratively within two contexts, a company's culture and its corporate structure. These five elements identified through these researchers' two-step study also surfaced as vital 'levers'. They noted empowerment was a crucial corporate structure element; empowerment was one of three core elements within this study and, by comparison, this study identified it as playing a much greater role. Three elements specifically identified by Umpqua's associates as foundational to their empowerment were not identified in their study: trust, ethics, and values congruence, between employee and organization. These findings contribute to the Burmann, et al. (2009) model as they were foundational to this author's study results.

Two grounded theory studies focused on the link between culture and brand using data collected from employees in service-based organizations. Both studies found two identical elements fundamental to their success. Chong and Kong (2007) and Punjaisri, et al. (2008) determined training and communication played a vital role to infuse corporate values and enabled employees' brand promise delivery at six Thai hotels and Singapore Airlines. Both internal branding elements were identified as important in this study, but they were neither the sole factors, as Chong and Kong concluded, nor were they considered foundational to this study's results.

As Punjaistri, et al. (2008) also identified, management played an instrumental role in influencing employees' performance. So too Umpqua's associates were heavily influenced by its senior leadership team. Neither of these studies identified a crucial, fundamental element identified by Umpqua associates: their reliance, encouragement, inspiration, and guardianship received from other associates across the organization. Considering the storytelling and sharing among Umpqua associates

— albeit using a bank-provided communication platform — it appears associates play just as important role, if not more, in encouraging other associates to 'live the culture' as its leadership does. Certainly Umpqua's senior management team leads by example to influence other associates, as evidenced by many associates' comments and stories.

The importance of linking an organization's human resources and marketing efforts is not new, but examples realizing the strength of this pairing are fewer in number than studies admonishing this connection. This study aligned with Mosley's (2007) conceptualization of the need for an employer brand to play a dual purpose, linking marketing and human resources through shared values and its leadership. De Chernatony (2006) termed this linkage 'synergy' or 'holistic experience' between an organization's brand and culture. So too this study recognized the linkage of both Umpqua functions, Cultural Enhancement (human resources) and Creative Strategies (marketing). Their integrative nature proved a fundamental and enabling force for the Umpqua's organizational culture consistency and supports several researchers (Morrison, 1996; Sun, Aryee & Law, 2007; Mossholder, Richardson & Setton, 2011) who note the role human resources plays in fostering organizational citizenship behavior. Regardless, this example of Umpqua's alignment of Cultural Enhancement (human resources) and Creative Strategies (marketing) adds to the finding of other empirical studies by underscoring the value derived from this strategic partnership.

As shown in this study, Umpqua's Cultural Enhancement (human resources) places tremendous focus to attract and on-board new associates who align with the bank's values and culture, hiring for fit rather than skills. This same philosophy Rao and Dewar (2005) found with Washington Mutual Bank, now part of J.P. Morgan Chase. Both financial services organizations mirrored each other in additional ways as they both engaged in these tactical activities: (a) provided ongoing training to enable employee growth; (b) set high expectations of managers to model expected behaviors; (c) approached job design creatively; and (d) maintained a robust measurement and reward system (Rao & Dewar, 2005).

These same elements identified by Rao and Dewar (2005) appeared in Bendapudi and Bendapudi's (2005) findings of two convenience store chains. One of these, QuickTrip, like Umpqua, enjoyed consistent placement by its employees on *Fortune* magazine's "Top 100" employer's annual list. Additive to the tactical four-point list identified above by Rao and Dewar (2005) are six elements which appear more strategic in nature and also align with this study's findings: (a) know what you are looking for in recruiting employees, a focus on intrinsic traits rather than work experience; (b) make the most of talent, identify employees' strengths and leverage them; (c) create pride in the brand; (d) build community, internally and externally; (e) share the business context; and (f) satisfy the soul (Bendapudi & Bendapudi, 2005).

The last three elements are notable when considering both QuickTrip and Umpqua shared in their employees recognizing them as being among the "Top 100" employers, therefore, reflecting the role that a trust-based culture plays. Additionally, the 'satisfy the soul' also mirrors the identified element of Umpqua employees attaining self-fulfillment or transcendence. Perhaps this is reflective of the unique nature both companies serve by virtue of creating and maintaining a high trust and empowering culture.

As noted in this study's proposed five-part model in Figure 1, research results mirror the existing link between trust and empowerment established, for example, by Lyman (2008), and more specifically psychological empowerment by Chan, et al. (2008). Organ (1988) also associated trust and empowerment with organizational citizenship behavior or extra-role employee behaviors. Umpqua associates made it clear that values congruence and empowerment was a vital element to establishing and maintaining their trust.

Management literature provides multiple studies linking employee and employer values providing greater employee commitment. Zhang, et al. (2008) and Meyer and Allen (1991) are good examples. Turker (2009) extended this organizational commitment linkage with a company's Corporate Social Responsibility (CSR), as prior CSR studies have primarily focused on performance, competitiveness, strategy, and brand awareness. Porter and Kramer (2002, 2006), most notably, have established this CSR organizational orientation.

One aspect of CSR which does not appear in academic literature is the dimension of employee volunteerism as a specifically identified element of an organization's CSR. While purposefully not identified as CSR at Umpqua but as Connect Volunteer Network, this study underscores the importance of this element of Umpqua's values and culture as it contributed heavily to employees' self-fulfillment or transcendence. Additionally, it is interesting to note the elements of trust, values, and empowerment were only identified in management literature and were not recognized as a foundational element in correlative marketing literature; this study offers that connection.

Study Limitations & Future Research

This research study is clearly limited since it focused on just one American-based service-based organization. However, there are 99 other American companies — service-based and product-based — identified by their respective employees as being among the “Top 100” employers through *Fortune* magazine’s annual study. A certain level of exclusivity exists within this employer group, another limitation, since ranking on the “Top 100” automatically means the company has distinguished itself by creating an organizational culture with a higher than average level of employee trust. Additionally, this study’s results may not extend to other companies, or countries that do not enjoy the same ranking as those whose employees identify them as the “Top 100” American employers.

A next research step would be to expand this study, using the same methodology, to other “Top 100” employers to determine if the proposed model and two proposed constructs apply equally. Consideration should be given to including both service-based and product-based companies. Insights could be applied to develop a quantitative study with the purpose of testing this study’s results with “Top 100” employers as a ‘control’ and non-top 100 employers to see what, if any, differences exist. This process could be used to test and refine the proposed model from this study and the two proposed constructs: ‘We Are’ – co-created culture and living the culture.

Another area for research surrounds the concept of workplace spirituality, noted previously in this chapter. As was seen through this study, many Umpqua associates chose to work for or remain with the bank because of values congruence, as they were able to find personal fulfillment within Umpqua's organizational culture. Exploratory research within an organization with a strong culture could initially apply Pfeffer's (2003) and Ashmos and Duchon's (2000) four critical elements necessary within a work environment — self-actualization, social meaning, interconnection and integration — to understand if and how an organization can or does enable this "transcendence" (Giacalone & Jurkiewicz, 2003). One element which clearly aids in this within Umpqua is employee volunteerism. Marketing, management or CSR literature addresses this element of employee engagement and offers additional research potential.

While this study did not examine leadership styles, an unexpected result suggests two leadership types appear to scaffold study results: (a) *transformational leadership*, inspiring followers to innovate and achieve extraordinary results while empowering them towards personal growth (Bass & Riggio, 2006) and (b) *servant leadership*, individuals who are chosen as leaders because they are proven and trusted servants who place the needs of others first so others can grow as persons (Greenleaf, 2002). Servant leadership has been linked with workplace spirituality (Herman, 2010), organizational citizenship behavior (Walumbwa, Hartnell & Oke, 2010) and the importance of middle-management providing a vital organizational link for both concepts has been empirically established (Walumbwa, et al., 2010; Irving, 2008). Given this study's results and the importance of empowerment across Umpqua's organization, a follow on study with Umpqua middle managers and/or President's Club members, is another area for exploration. Utilizing the servant leadership Organizational Leadership Assessment (OLP) survey, identified as being valid and reliable instrument (Irving, 2008), may provide added insights into this co-created organizational culture and how leadership emerges within it. This survey may also identify what, if any, additional training may be warranted. Irving (2008) showed in his study OLP can be effectively used as a strategic tool for increasing the effectiveness of teams and organizations.

Lastly, the connection with marketing literature surrounding brand personality, human characteristics associated with brands (Aaker, 1996; Moore & Reed, 2008), and management's personality-based studies, such as Big 5 (Judge & Bono, 2000) or Myers-Briggs (Salter, et al., 2005), could be explored. In their meta-analysis of 151 published studies, Ilies, et al, (2009) identified two Big Five elements, agreeableness and conscientious, demonstrated preferences towards trusted brands while extrovert personalities demonstrated preferences towards sociable brands. As was found in this study, an organization whose service-based employees are actively 'living the culture' could be examined through exploratory research to see if the associate population skews more towards these two Big Five personality traits. The study's focus would be to identify what, if any, linkages can be found between these two seemingly parallel, yet unexplored concepts to better attract and retain employees who share like 'personalities' with their prospective employers.

Conclusion

This research study set out to determine why Umpqua associates identify their employer as one of America's top 100 Best Places (Fortune, 2011) to work and how this consistent proclamation is nurtured. Through a year-long analysis of company materials and associates' experiences, recurring themes, concepts, and models were developed. Confidence in the findings was established through triangulation of consistent and recurring patterns, and the occurrence of data saturation. The voices of Umpqua's associates spoke and a new model emerged to conceptualize their insights.

Umpqua's associates trust their employer because they are not only empowered to fully deliver on its vision statement, "World's Greatest Bank", but they also share a 'state-of-mind' reflecting shared values. Many associates join Umpqua because of these shared values while others are acculturated. Regardless of how this value congruence occurs, associates purposefully and proactively grow and guard this 'co-created' organizational culture.

Living the Umpqua culture transcends the work environment as it positively affects associates' non-work lives inspiring many to 'go the extra mile' for others, whether on-the-job or off-the-job. Clearly, Umpqua's 'way to think' is a powerful force that enables its associates to consistently live the Umpqua brand, and by extension, each associate's own personal brand.

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Appendix A

2009 *Umpqua Cultural Enhancement Survey* Content Analysis (n= 745)
Note: 1,121 total reflects multiple concepts coded separately to:
"I am proud to work for Umpqua because…"

BANK CULTURE -- INTERNAL FOCUS: *Total: 332*

- **Explicit - Umpqua values:** 248
  - Bank's Values/Mission/Philosophy/Goals: 26
  - Own personal values link with bank's values: 27
  - Bank values--supports employees/appreciated/treated fairly: 94
  - Bank/Management's Integrity/Ethics: 17
- **Explicit – Umpqua Culture Artifacts:** 84
  - We walk the walk/Do the right thing: 20
  - Commitment to Excellence: 8
  - Morning Motivational Moment: 2
  - Why not? vs. Why? culture: 4
  - We are the World's Greatest Bank: 31
  - Empowerment: 50
  - I can make a difference 19
  - Self-development/Push me to be better: 15

BANK CULTURE -- EXTERNAL FOCUS, Pride in: *Total: 421*

- Excellent customer service/customers: 187
- Bank's community commitment: 163
  - Bank encourages volunteerism: 17
  - Connect volunteer program: 38
  - Community Bank: 16

ATMOSPHERE ON JOB -- Appreciation of: *Total: 177*

- Associates/People/Family/Team/coworkers: 89
- Enjoy/love/happy/fun place to work/positive place: 59
- Flexibility/balance work/life: 17
- Training: 3
- Open Communication: 9

EXTERNAL VIEW OF BANK -- Pride in: *Total: 128*

- Solid/successful/reputable/strong bank: 63
- Creative/Innovative/progressive/unique/industry leader: 65

BANK MANAGEMENT -- Appreciation of/faith in: *Total: 63*

- Local manager/leadership groups: 11
- Senior management: 37
- Ray/CEO: 15

Appendix B

Semi-structured Interviews – Initial Questions

Umpqua Key Informants (Senior Executives & Functional Managers)

1. My focus is to understand why employees think Umpqua is ‘the Best Place’ to work. So, let’s begin with you. How long have you been at Umpqua, your role(s), and other elements you feel important that led to your joining and remaining with the company?
2. Based upon my content analysis of the 2009 Cultural Survey, several things struck me. One of these was “faith/trust in” senior management.
    a. What do executive team members do to engender this trust?
    b. What elements/processes are in place within the organization?
3. Functional Areas Focus:
    a. Marketing & Human Resources: Human Resources and Marketing. Where does one end and the other begin?
    b. Community Responsibility: Tell me about the Connect program.
    c. Culture: Tell me about ROQ and the President's Club.
    d. Regional bank officer: Tell me the story how “The World’s Greatest Bank” came into existence.
4. What does “living the brand” look like or mean to you? Or, to steal a phrase Ray has in his book, “the movie that’s in his head”…what does the ‘movie in your head’ look like to you?
5. Do you find Umpqua people or do employees become Umpqua people?
6. What’s the biggest threat to Umpqua’s culture?
7. What other areas do you think are important for me to learn more about to better understand your culture and why employees trust Umpqua?
8. What haven’t we talked about that you feel is important for me to know?

President’s Club Members

1. My focus is to understand why employees think Umpqua is the ‘Best Place’ to work. So, let’s begin with you. How long have you been at Umpqua, your various jobs/roles, and how long have you been a President’s club member?
2. Why are you a President’s Club member? How did it happen?
3. How do you see your role? What do you see as your responsibilities?
    a. Tell me about your ambassadorship to your group(s). What do you do?
4. I understand President’s Club members meet quarterly with Ray Davis, as it’s “his club.” Tell me about him.
    a. Is the Umpqua culture possible without Ray? Why/Why not?
5. Trust. Why do employees trust Umpqua? How does it happen?
6. What’s the biggest threat to the Umpqua culture?
7. What does it “look like” from your perspective to “live the brand?”
8. What haven’t we talked about that you feel is important for me to know?

Appendix C

Focus Group Questions

Aided Questions

Think about this statement one Umpqua associate told me (on board): "You can't be hired (acquired) today and trust Umpuqa tomorrow…it's not overnight." Do you agree/disagree and why? Let's discuss your responses to this statement.

1. Given our discussion, please consider and write your answers to the following two questions, one on each side of your 3x5 card. A: When did you trust/or not trust Umpqua? Give an approximate date/time period. B. What event—a 'tipping point'—occurred to make you trust Umpqua? Tell me about it.

Think about this (on board) "World's Greatest Bank." "A promise. A state of mind." A way to think? Let's discuss your response to this together. Dialogue.

Now, using the piece of paper in front of you write what elements of Umpqua's culture are most influential to help you "think" this way. Let's discuss.

2. Now, consider what you and others shared. Using your second 3x5 card, please write in order of importance up to 5 of the top elements (#1 to #5) you personally believe are the most influential to you of Umpqua's culture.

Unaided Questions

3. Please write your response on one side of your 3x5 card your response to this: A. What does "living the Umpqua culture" look like to you? B. On the other side, please share with me a personal example—something you did, observed, learned about, etc. that shows me what "living the Umpqua culture" looks like.

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4. The President's Club. On your last 3x5 card please write your response on one side your response to this question: A.What is the role of the President's Club? B. On the reverse side, please give a personal experience you've had with a President's Club member. If none, what have you heard?

Ending question: What haven't I asked you that you want to tell me?

Appendix D

Umpqua Bank Culture Standards – “Non-negotiables”

1. We have a Motivational Moment every day.
2. We consistently wear our name badges.
3. We answer external phone calls with our standard greeting, “Thank you for calling the World’s Greatest Bank.”
4. We are professional in our presentation, appearance, and interaction with customers and Associates at all times.
5. We return phone calls and e-mails within the same business day – or within the customers’ expectations.
6. We immediately smile and acknowledge the customer.
7. We stand to greet the customer.
8. We call the customer by name at least twice.
9. We hand out our business cards, when appropriate, to offer additional help or to personalize our service.
10. We sincerely thank the customer.
11. We take responsibility for our customers. When we refer a customer to another Associate, we make certain that customer is taken care of through follow up.
12. We consistently look for opportunities to serve our customers beyond their expectations.

(Umpqua, 2009c)