

# **The measurement of the employee-brand relationship in the mining industry**

**SL Bezuidenhout**

**11304146**

**Mini-dissertation submitted in partial fulfilment of the requirements for the degree Masters in Business Administration at the Potchefstroom Business School, Potchefstroom Campus of the North-West University.**

**Supervisor: Prof C.A. Bisschoff**

**October 2012**



## **Acknowledgements**

I would like to thank the LORD for granting me the opportunity to develop myself, for protecting myself and my family during the numerous journeys from Steelpoort to Potchefstroom.

I would like to express my gratitude to the following individuals:

- My lovely wife Faith, I am truly blessed to have you in my life and thank you very much for the support you gave me every day during the three years in whatever ways you could.
- My parents for all the support and prayers that kept us save on our travel.
- Desmond McManus, General Manager at Tubatse Chrome for his understanding and giving me the required time to enable me to complete this qualification, as well as for the financial support that I received from Samancor Chrome.
- Prof Christo Bischoff for his guidance during the mini-dissertation.
- Mrs Antoinette Bischoff for the language and technical editing.
- All the employees at Tubatse Chrome that participated in completing the questionnaire, as well as partaking in other assignments that was required for my studies.



## **Executive Summary**

The study was aimed at measuring the employee-brand relationship in a mining company. The main reasons for the leading position of South African mining companies', especially in the Ferro alloys industry was due to the large quantities of natural resources and especially the comparatively low electricity rates. South Africa's electricity prices increased significantly since 2008, when the electrical grid became unstable due to inefficiencies and poor planning. Eskom embarked on an expensive expansion programme, which are funded by increasing electricity tariffs of approximately 30% to 45% over several years, therefore the management of these mining companies was not only obliged to relook companies' strategies, forecasts and future plans, but were now forced to further utilize resources to the maximum and to create internal brand images. Internal branding in the mining industry will increasingly become more relevant especially in the recession time. Powerful brand images can promote loyalty amongst employees, grow profits, increase market share and satisfy customers.

The survey that was conducted was done at Tubatse Chrome that is a subsidiary of Samancor Chrome in Steelpoort. This survey enabled the detection of weaknesses with regards to departmental and organisational identification, perceived organisational prestige, job and company satisfaction, organisational culture, employee communication, commitment, employee knowledge with regards to the company and whether the employees cares. The conceptual model identified several sub factors that can either create or prevent a supportive attitude towards the company as a whole or towards only a part of the company. The company obtained the highest score with regards to commitment and job satisfaction however attention needs to be given to its communication policy as well as the climate that is created by its leadership style and the management behaviour.



## Table of Content

<b>LIST OF FIGURES.....</b>	<b>VI</b>
<b>LIST OF TABLES .....</b>	<b>VII</b>
<b>CHAPTER 1 .....</b>	<b>1</b>
INTRODUCTION .....	1
1.1 Background.....	1
1.2 Problem Statement .....	2
1.3 Objective .....	3
1.3.1 Main Objective.....	3
1.3.2 Sub-objectives .....	3
1.4 Research, Design and Methodology .....	3
1.5 Scope of the study .....	4
1.6 Limitations.....	4
1.7 Layout of the study.....	5
<b>CHAPTER 2 .....</b>	<b>7</b>
BRANDING .....	7
2.1 Introduction .....	7
2.2 Concepts used in branding .....	10
2.2.1 Brand Knowledge .....	11
2.2.2 Brand Awareness .....	11
2.2.3 Brand Images .....	12
2.2.4 Brand personality.....	12
2.2.5 Brand Loyalty.....	13
2.3 Internal branding .....	14
2.4 Corporate branding .....	16
2.4.1 Corporate brand image.....	18
2.4.2 Corporate brand identity .....	19
2.5 The critical success factors of managing corporate brands .....	24
2.5.1 Top management involvement .....	24
2.5.2 A multi-disciplinary approach to corporate brand management.....	25
2.5.3 The importance of alignment of vision, culture and image.....	25
2.5.4 Employees play a central role.....	25



2.5.5 Consumer interaction and involvement.....	26
2.5.6 Build long-term multiple stakeholder relationships.....	26
2.5.7 Consistent corporate communication .....	26
2.5.8 Continues monitoring of corporate brand for relevance and distinctiveness .....	27
2.6 Corporate marketing mix.....	27
2.7 Conclusion .....	30
<b>CHAPTER 3.....</b>	<b>31</b>
CASE COMPANY: TUBATSE CHROME .....	31
3.1 Introduction .....	31
3.2 Vision .....	33
3.3 Mission.....	34
3.4 Intent.....	35
3.5 Values.....	35
3.5.1 Zero harm .....	36
3.5.2 Integrity .....	36
3.5.3 Focusing on core business .....	37
3.5.4 Caring for people .....	38
3.5.5 Cost consciousness.....	38
3.5.6 Respect .....	39
3.6 Organisational Alignment.....	39
3.7 Conclusion.....	40
<b>CHAPTER 4.....</b>	<b>41</b>
RESEARCH METHODOLOGY AND RESULTS.....	41
4.1 Introduction .....	41
4.2 Research methodology .....	41
4.3 Reliability and Validity .....	45
4.4 Results.....	47
4.4.1 Demographic information.....	47
4.4.2 Employee – brand relationship concepts .....	51
4.4.2.1 Identification with Department.....	51
4.4.2.2 Identification with Tubatse.....	54



4.4.2.3	External prestige .....	57
4.4.2.4	Satisfaction with job and company .....	59
4.4.2.5	Internal Communication .....	62
4.4.2.6	Communication policy .....	65
4.4.2.7	Do they know the brand .....	67
4.4.2.8	Do they Care? .....	70
4.4.2.9	Organisational Culture .....	73
4.4.2.10	Commitment.....	76
4.5	Conclusion .....	79
CONCLUSION AND RECOMMENDATIONS .....		80
5.1	Introduction .....	80
5.2	Conclusions .....	80
5.2.1	Reliability and Validity.....	80
5.2.2	Questionnaire .....	81
5.2.3	Results.....	81
5.3	Recommendations .....	84
5.3.1	Questionnaire .....	84
5.3.2	Results.....	85
5.4	Areas for further research .....	85
5.5	Summary .....	86
<b>BIBLIOGRAPHY .....</b>		<b>87</b>
<b>APPENDIX A – QUESTIONNAIRE.....</b>		<b>92</b>



## List of Figures

FIGURE 2.1 TOTAL BRAND EXPERIENCE.....	10
FIGURE 2.2 BRAND DRIVERS AS MENTIONED BY DE VOS <i>ET AL</i> (2003:174) FROM <i>THE ENCYCLOPAEDIA OF BRANDS</i> .....	10
FIGURE 2.3 CORPORATE REPUTATION CHAIN. ADAPTED BY ALWI & DA SILVA (2008:125) FROM DAVIES ET AL .....	16
FIGURE 2.4 CORPORATE IDENTITY AND IT SUB CONSTRUCTS AS NOTED BY MELEWAR AND JENKINS (2002:81) .....	21
FIGURE 2.5 MODEL OF ROTTERDAM ORGANISATIONAL IDENTIFICATION TEST .....	23
FIGURE 2.6 ORGANISATIONAL IDENTIFICATION MODEL OF ASHFORTH AND MAEL .....	24
FIGURE 3.1 VALUE – ZERO HARM.....	36
FIGURE 3.2 VALUE - INTERGRITY .....	37
FIGURE 3.3 VALUE – FOCUSSING ON CORE BUSINESS .....	37
FIGURE 3.4 VALUE – CARING FOR OUR PEOPLE .....	38
FIGURE 3.5 VALUE – COST CONSCIOUSNESS.....	38
FIGURE 3.6 VALUE - RESPECT .....	39
FIGURE 4.1 CONCEPTUAL FRAMEWORK USED TO MEASURE EMPLOYEE- BRAND RELATIONSHIP IN THE MINING INDUSTRY.....	44
FIGURE 4.2 SUMMARY OF RESULTS FOR TUBATSE .....	79
FIGURE 5.1 SCORES OF SUB FACTORS AS IDENTIFIED BY SURVEY .....	82
FIGURE 5.2 REVISED CONCEPTUAL FRAMEWORK FOR EMPLOYEE BRAND RELATIONSHIP INCLUDING SUB FACTORS (INFLUENCES) .....	83



## List of tables

TABLE 2.1 – MAJOR COMPONENTS OF MARKETING VERSUS CORPORATE MARKETING .....	27
TABLE 2.2 HEADS <sup>2</sup> A CONCEPTUALISED CORPORATE MARKETING STRATEGY BY BALMER(2001:284) .....	29
TABLE 2.3 BRANDING CONCEPTS TO BE MEASURES .....	30
TABLE 3.1 GRADING OF EMPLOYEES AT TUBATSE .....	32
TABLE 3.2 EMPLOYEE NUMBERS PER DEPARTMENT .....	33
TABLE 4.1 GENDER OF RESPONDENTS .....	47
TABLE 4.2 RACE OF RESPONDENTS.....	48
TABLE 4.3 AGE OF RESPONDENTS .....	48
TABLE 4.4 HIGHEST QUALIFICATION OF RESPONDENTS .....	49
TABLE 4.5 GRADING OF RESPONDENTS.....	49
TABLE 4.6 MAIN ACTIVITIES (SECTION) OF RESPONDENTS .....	49
TABLE 4.7 YEARS OF SERVICE OF RESPONDENTS.....	50
TABLE 4.8 DEPARTMENT OF RESPONDENTS .....	50
TABLE 4.9 KMO AND BARTLETT'S TEST – IDENTIFICATION WITH DEPARTMENT .....	52
TABLE 4.10 FACTOR ANALYSIS – IDENTIFICATION WITH DEPARTMENT.....	52
TABLE 4.11 RELIABILITY OF THE FACTORS – IDENTIFICATION WITH DEPARTMENT .....	53
TABLE 4.12 RESULTS OBTAINED FROM ANALYSING DATA – IDENTIFICATION WITH DEPARTMENT .....	54
TABLE 4.13 KMO AND BARTLETT'S TEST – IDENTIFICATION WITH TUBATSE.....	55
TABLE 4.14 FACTOR ANALYSIS – IDENTIFICATION WITH TUBATSE.....	55
TABLE 4.15 RELIABILITY OF THE FACTORS – IDENTIFICATION WITH TUBATSE .....	56
TABLE 4.16 RESULTS OBTAINED FROM ANALYSING DATA – IDENTIFICATION WITH TUBATSE.....	56
TABLE 4.17 KMO AND BARTLETT'S TEST – EXTERNAL PRESTIGE .....	57



TABLE 4.18 FACTOR ANALYSIS – IDENTIFICATION WITH EXTERNAL PRESTIGE .....	58
TABLE 4.19 RELIABILITY OF THE FACTORS – EXTERNAL PRESTIGE.....	58
TABLE 4.20 RESULTS OBTAINED FROM ANALYSING DATA – EXTERNAL PRESTIGE .....	59
TABLE 4.21 KMO AND BARTLETT'S TEST – SATISFACTION WITH JOB AND COMPANY .....	59
TABLE 4.22 FACTOR ANALYSIS – SATISFACTION WITH JOB AND COMPANY	60
TABLE 4.23 RELIABILITY OF THE FACTORS – SATISFACTION WITH JOB AND COMPANY .....	61
TABLE 4.24 RESULTS FROM ANALYSING DATA – SATISFACTION WITH JOB AND COMPANY .....	61
TABLE 4.25 KMO AND BARTLETT'S TEST – INTERNAL COMMUNICATION ....	62
TABLE 4.26 FACTOR ANALYSIS – INTERNAL COMMUNICATION .....	63
TABLE 4.27 RELIABILITY OF THE FACTORS – INTERNAL COMMUNICATION..	63
TABLE 4.28 RESULTS OBTAINED FROM ANALYSING DATA – EXTERNAL PRESTIGE .....	64
TABLE 4.29 KMO AND BARTLETT'S TEST – COMMUNICATION POLICY .....	65
TABLE 4.30 FACTOR ANALYSIS – COMMUNICATION POLICY .....	66
TABLE 4.31 RELIABILITY OF THE FACTORS – COMMUNICATION POLICY .....	66
TABLE 4.32 RESULTS OBTAINED FROM ANALYSING DATA – COMMUNICATION POLICY .....	67
TABLE 4.33 KMO AND BARTLETT'S TEST – DO THEY KNOW THE BRAND ....	68
TABLE 4.34 FACTOR ANALYSIS – DO THEY KNOW THE BRAND .....	68
TABLE 4.35 RELIABILITY OF THE FACTORS – DO THEY KNOW THE BRAND..	69
TABLE 4.36 RESULTS OBTAINED FROM ANALYSING DATA – DO THEY KNOW THE BRAND .....	70
TABLE 4.37 KMO AND BARTLETT'S TEST – DO THEY CARE? .....	71
TABLE 4.38 FACTOR ANALYSIS – DO THEY CARE? .....	71
TABLE 4.39 RELIABILITY OF THE FACTORS – DO THEY CARE .....	72
TABLE 4.40 RESULTS OBTAINED FROM ANALYSING DATA – DO THEY CARE .....	72
TABLE 4.41 KMO AND BARTLETT'S TEST – ORGANISATIONAL CULTURE? ....	73
TABLE 4.42 FACTOR ANALYSIS – ORGANISATIONAL CULTURE .....	74



TABLE 4.43 RELIABILITY OF THE FACTORS – ORGANISATIONAL CULTURE ..	75
TABLE 4.44 RESULTS OBTAINED FROM ANALYSING DATA – ORGANISATIONAL CULTURE .....	76
TABLE 4.45 KMO AND BARTLETT'S TEST – COMMITMENT .....	77
TABLE 4.46 FACTOR ANALYSIS – COMMITMENT .....	77
TABLE 4.47 RELIABILITY OF THE FACTORS – COMMITMENT .....	78
TABLE 4.48 RESULTS OBTAINED FROM ANALYSING DATA – COMMITMENT	78
TABLE 5.1 PERCENTAGE EMPLOYEES VERSUS VALID RESPONSES .....	84



# **Chapter 1**

## **Introduction**

### **1.1 Background**

South Africa have large mining companies such as Xstrata, Samancor Chrome, Assmang, Herculite Ferrochrome, ASA Metals and International Ferro Metals therefore making the country an important role player in the global ferro alloy industry (Basson & Gericke, 2007:1). South Africa is not only a role player in the ferro alloy industry, but also in gold, platinum and coal which form part of the main products that are exported.

The chronological reasons for South African mining companies' leading position, especially in the ferro alloys industry was large quantities of natural resources and comparatively low electricity rates (Basson, 2007:1). South Africa had relatively low electricity rates that provide a competitive advantage to the highly power intensive Ferro Alloy industry. However, South Africa's electricity prices increased significantly since 2008, when the electrical grid became unstable due to inefficiencies and poor planning. The limited capacity of Eskom to supply sufficient, reliable, uninterrupted electricity compelled Eskom to embark on an R 440 billion expansion programme, which are funded by increasing electricity tariffs of between 30% to 45% over several years.

Management of these mining companies was therefore not only obliged to relook companies' strategies, forecasts and future plans, but were now forced to further utilize resources to the maximum and to create internal brand images. Internal branding in the mining industry will increasingly become more relevant especially in the recession time. Powerful brand images can promote loyalty amongst employees, grow profits, increase market share and satisfy customers. Every company have a brand image or even more than one, depending on whom you talk



to, others may think you're something completely different. Therefore choosing the correct brand image and promoting it is very important.

Branding became more relevant when sales patterns began to show that feelings and visuals associated with brands were powerful motivators to purchase products [Brand identity guru, 2012:1]. People like people who are like them and value the things they value. The same goes for brands. Brand image plays an important role in the recruitment and retention of staff (HRMI Digest, 2007:12) Employees and customers are committed to companies and their products whose brands represent things they value and like, whether it's fun, power, money, intelligence or numerous other qualities. Great brand images are instant, positive, unique and easy to recognise. However a weak brand image receives a slower and less certain reaction. Brands are important aspects of any business, but unlike physical items, brands are an intangible aspect of business. Brand images are alive in people's heads and create more loyalty among employees and customers, and higher market share.

This research will aim to study the following:

1. What is a brand, components (dimensions) or characteristics that makes up the image of a brand and how can it be measured.
2. Measuring employee relationships with regards to brand identity concepts that were obtained in the literature in a mining company.

## **1.2 Problem Statement**

The South Africa ferro alloys mining companies for many years had a competitive advantage with respect to their international competitors due to a relatively low electricity price and an abundance of natural resources. However due to electricity shortages, large yearly increase in tariffs electricity and the recession this electricity intensive industry is starting to lose its competitive advantage. Mining companies are not in a position to determine the different commodity prices and therefore need to find



other ways to increase profits and market share. Competent and skilled employees are the most important asset of a company and can make a massive difference in a company's competitiveness. Internal branding is a tool that can be used to promote loyalty amongst employees, grow profits, increase market share and satisfy customers. However the South African ferro-alloy mining companies have not focused on it. Five years ago the Senior Management team at Tubatse Chrome have embarked on an extensive exercise in promoting the company by introducing a new vision, benevolent intent and re-focusing on the company values. The study will aim to evaluate the employee relationships with regards to brand identity concepts and do a comparison between departments.

.

### **1.3 Objective**

#### **1.3.1 Main Objective**

The main objective of this study is to define what a brand image is and to identify brand concepts that can be used in measuring employee relationships with regards to a brand.

#### **1.3.2 Sub-objectives**

- To study in detail what defines a brand and the effect of creating powerful brand images.
- To investigate critical success factors in managing corporate brands.

### **1.4 Research, Design and Methodology**

The research methods of this study consist of a literature and empirical study:



### Literature study

The literature study will focus profoundly on the theory of branding with regards to defining what is a brand, the components (dimensions) or characteristics of what makes up the image of a brand and how can a brand's relation with regards to its employees be measured and its consequences.

### Empirical study

The theoretical framework obtained from the literature survey will be used to measure the employee relation with regards the identified concepts in a mining company where the senior management team have embarked on an extensive exercise to promote the company to its employees.

## **1.5 Scope of the study**

The field of the study for this research is marketing management. This study will focus on what makes up the image of a brand and how it can be measured. The measurement however will only be done on a specific company in the South African mining sector and to evaluate the success thus far in the project endeavours to sustain value creation for the specific company.

## **1.6 Limitations**

A limitation in this study is that it covers only one company in the mining industry. Therefore, perceptions, positioning and appeal of only one smelter of the particular mining company will be investigated. Since the workers of mining companies are totally removed from their customers and mining companies cannot determine the price of its product as well as its products are homogeneous compared to its competitors, it will be difficult to determine any profits of any projects aimed at branding. However monetary saving and improvements to day to day operations will



be as a result of better employee engagement whereby employees doing their duties better, faster and cheaper.

## **1.7 Layout of the study**

This study is layout as follows:

- Chapter 1: Introduction

Chapter 1 formulates the background, the problem statement as well as the main and sub-objectives. The chapter also gives a description of the scope of the study and sets out the limitations. It concludes with a lay out of the dissertation.

- Chapter 2: Literature Study

This chapter contains the literature study conducted to ascertain the theoretical basis of this dissertation. This chapter focuses what defines the image of a brand and concepts that can be used to measure employee relationship with regards to the brand.

- Chapter 3: Case Company

A brief overview will be give of the company where the empirical study will be performed with regards to their mission, vision, values and the company's objectives with regards to promoting the company.

- Chapter 4: Empirical Study

This chapter empirically examine and applies the theory of the literature study done in Chapter 2. The results from the examination are analysed to conclude how the



employees relate to different brand concepts and how these results compare across departments.

- Chapter 5: Conclusions and Recommendations

This chapter will give a summary of the findings and their relation with regards to the relevant theory. Conclusions, recommendations and areas for further study will be made.



## Chapter 2

### Branding

#### 2.1 Introduction

It is globally accepted that a key indicator of the future sustainability of a business is whether it have a strong brand or not (Sampson 2007:24). Several of the world's foremost investors such as Warren Buffet, acquire shares only in companies that have strong brands however only 12% of companies indicates that brand development is an important business priority. Coetzee (2009:9) mentions that the global talent crunch will remain a pressing and pervasive issue for employees worldwide in the future. Including the global recession, employers are also facing a scarcity of talent in critical areas and that is why employer branding is very important and companies must offer a clear value proposition that appeals to those individuals whose skills are critical to gaining a competitive advantage and achieving the organization's strategic goals. Dr Edward de Bono was quoted by De Vos *et al* (2003:156) indicating that "*Brands exists in the mind. They help us reduce the anxiety of the unknown by providing the assurance of an old friend*".

A brand must be more than just a logo or any catchy pay-off line; it must meet its customers' expectations consistently to ensure that each encounter with the brand is a positive experience (Lawrence, 2008:24). A brand can be seen as a promise but also it includes the delivery of the promise and the relationship that is built on the delivery (Crous 2008:38). Sampson (2007:25) indicated that a brand consists of a combination of attributes which is tangible and intangible; that is symbolised in a trademark, if it is managed properly will create value and influence. Value has different interpretations such as from a marketing or customer perspective it is the security of future earnings and from a legal perspective it is a separable piece of



intellectual property. In order to build customer trust and loyalty, a brand must be easy to identify and consistent in quality (De Vos *et al* 2003:159).

According to Ball *et al* (2005:119) a brand is designed to express the uniqueness of its product and assist the particular company in differentiating its product from its competitors' offerings. The brand of a company must represent a unique identity and this identity must be able to extend beyond the product itself. For any consumer a brand can have several functions or meaning such as:

- i. Identification,
- ii. Security,
- iii. A summary of the product's information,
- iv. A means of differentiating between products, or
- v. As a value added purchase.

If a company has a strong brand they stand to gain from the extended life expectancy of the product and the potential for profitability. Companies that have unique brand identities can have their identity legally protected through the registration of trademarks and copyrighting of the design elements used in the brand.

Vessenes (2004:36) indicates that the biggest challenge for any company is that whether the brand fulfils the image that it projected and what is the message that was left in the consumers mind after they come into contact with it. People quickly establish beliefs about almost everything around them and many factors have an influence on these beliefs, but changing these believes is very difficult. There are seven factors that can establish a brand:

- The name of the brand,
- The point of differentiation for the brand can be based on price, value, service, quality or speed,
- Advertising or any material used to support and reinforce a media advertising campaign including other media such as a Web site.



- The brand's image as perceived by the public,
- The historical performance of the products associated with the brand
- The details and
- Whether the brand consistently deliver on its promise.

All the effort or the lack thereof in the above mentioned seven factors establishes what the market believes with respect to the brand.

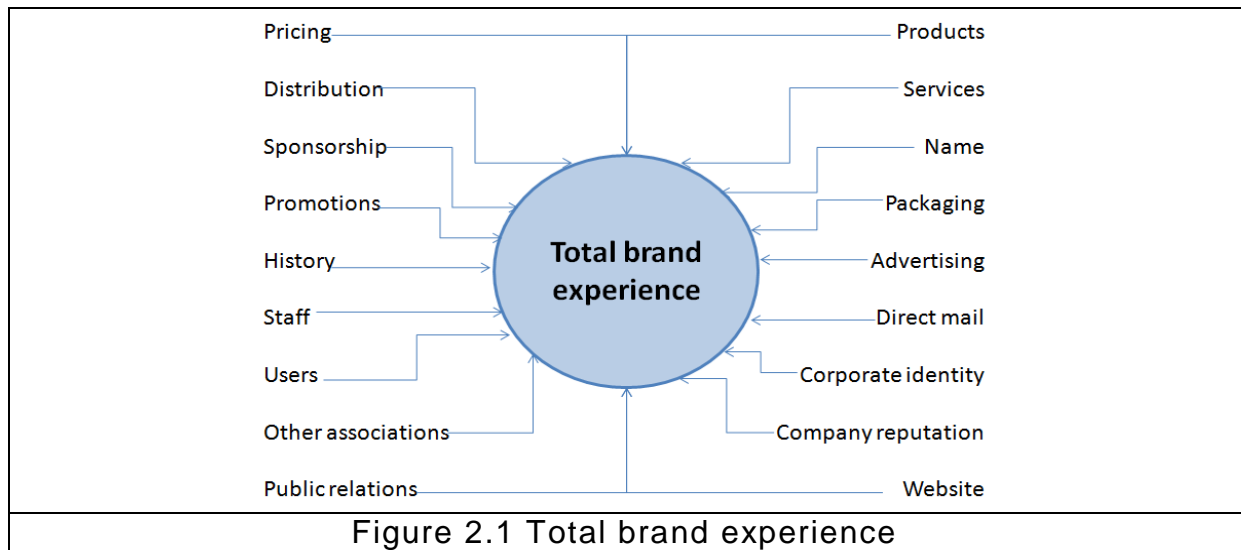
Companies have realised that the factors that allow them to stand out from their competitors are primarily those characteristics of their products and services that shape the image of their brands and these have become the factors upon which they *concentrate* and *focus* (Babu & Miladian, 2009:81). Before any company wants to establish a brand and the image it wants to projects in the hearts and minds of its target market, it must first define its brand (Vessenes, 2004:36). The brand needs to give an indication who the company is and what it does. Any company can define themselves based on the following categories:

- Whom (market audience) do you serve?
- What services or products do you provide?
- What makes you different from your competitors?

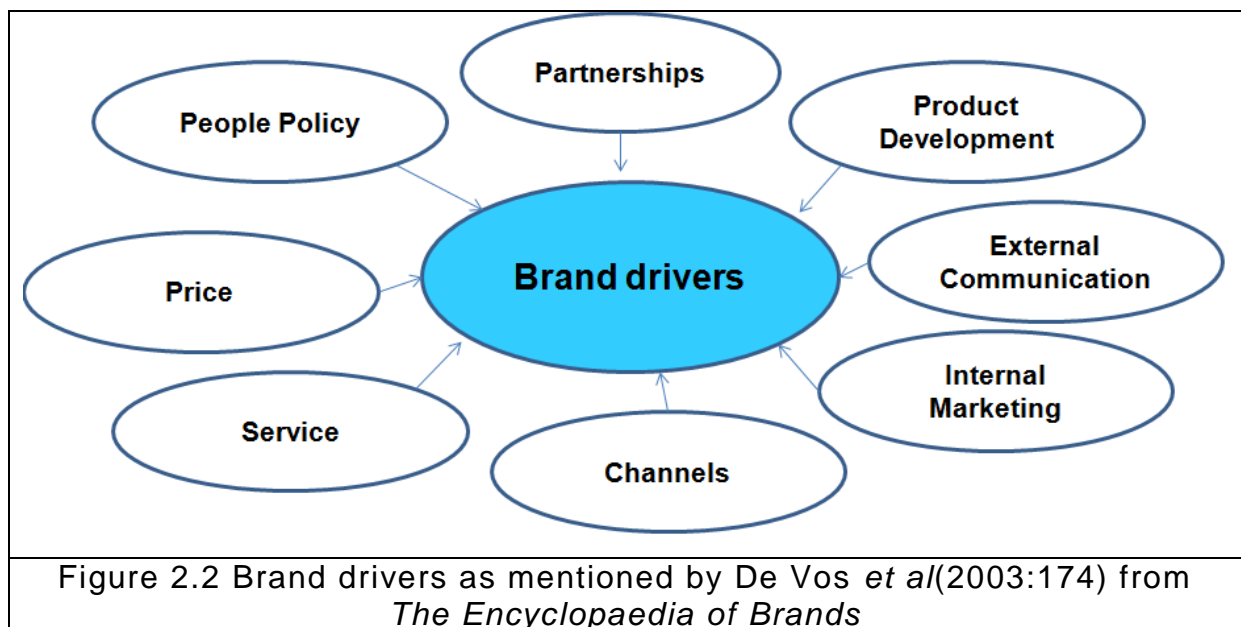
According to Crous (2008:38) all employees of a particular company are responsible for delivering on the brand promise. The vision and mission statement of a company indicates the ideals for the company. These statements clearly define what the company intends to do regarding the product or service they offer to the consumer. The mission statement will define the product or service delivery as a promise and the process used to fulfil this promise. All employees within a company need to understand how the promise is delivered. The employees need to passionately live by the promise. Employees need to take ownership of the brand as the employees are the heart of the company. If the employees operate at a second class level, the company cannot build itself into a world-class company. Sanchez as quoted by Crystal and Scheffer (2008:62) declares that two-way communication is vital in establishing a clear mission and purpose among employees, and in securing the



support the organisation needs to achieve. Sampson (2008:30) that a total brand experience has several components and can be seen in figure 1.



De Vos *et al* (2003:174) mentioned that Robertson indicated in *The Encyclopaedia of Brands* that brand values are critical important to brands as they are key drivers and measures in both brand delivery and the behaviour of people within an organisation.



## 2.2 Concepts used in branding



The following section provides an overview of the concepts that can be used to measure a brand. The overview below is provided by Miladian & Babu (2009:82).

### **2.2.1 Brand Knowledge**

Keller as quoted by Miladian & Babu (2009:82) indicated that brand knowledge refers to:

1. Brand awareness indicating whether consumers know the brand or have knowledge that it exist and,
2. Brand image indicating what the associations that consumers have with the brand are.

The different dimensions of brand knowledge can be classified in a pyramid where each lower-level element provides the foundations for the higher-level element. Therefore brand attachment stems from rational and emotional brand evaluations, which are derived from functional and emotional brand associations, and which necessitate brand awareness.

### **2.2.2 Brand Awareness**

Keller as quoted by Ascot-Evans (2011:34) indicated that brand awareness measures the accessibility of the brand in the memory of the consumer. Brand awareness can be measured through whether the consumer can recall the brand or whether it can be recognition. Brand recall reflects the ability of the consumers to retrieve the brand from their memory when they are given the product category, or some other type of a clue. Brand recognition reflects the ability of consumers to confirm whether they where previously exposed to the brand. Brand awareness builds familiarity between a customer and a brand, and also play a role in the development of a brand-customer relationship.



### **2.2.3 Brand Images**

Brand image is defined as the perceptions that the consumer have of a particular brand and it is reflected by the brand associations held in the consumers' memory. Brand image can be measured by both using and adapting an existing list of brand associations, or start from the beginning by eliciting brand associations and then measuring the strength of these associations. Ascot-Evans (2011:35) indicated that Keller defined brand image as a set of strong, favourable and unique brand associations that exists in a customer's memory, which directly affect perceived quality and create an overall positive attitude. When a brand is well established in a customer's memory, it is easier to link associations to that specific brand.

### **2.2.4 Brand personality**

It is evident from our day to day life and the reasons behind our choices give us an indication that each product has a different personality. This is indicated from the car people drive, the food they eat to the beer that they drink. Every product therefore has its own distinct personality that appeals to consumers differently in different situations. Therefore Hawkins et al as mentioned by Miladian & Babu (2009:82) indicated that every consumer will purchase a particular product with the personality that matches his or hers personality.

Two formal definitions of brand personality are:

1. Brand personality is the set of human characteristics associated with a brand (Aaker as indicated by Miladian & Babu, 2009:82).
2. Brand personality is the first reaction people have to a brand when they hear, see, taste or touch a certain product belonging to a specific brand name (Larson as indicated by Miladian & Babu, 2009:83).

Aaker concluded that (Miladian & Babu, 2009:83):



1. A personality can make the brand interesting and memorable and without a personality the brand can have trouble gaining awareness and developing a meaningful relationship with its customer.
2. A brand personality stimulates consideration of constructs such as energy and youthfulness, which can be useful to many brands.
3. A brand personality can help suggest brand-customer relationships such as a friend, party companion or advisor.
4. By using the personality metaphor for a brand, relationships can be developed that are sincere (down to earth, honest, wholesome, cheerful) and exciting (daring, spirited, imaginative, up-to-date).
5. It also can indicate competence (reliable, intelligent, successful), sophistication (upper class, charming), and ruggedness (outdoors, tough).

### **2.2.5 Brand Loyalty**

Ascot-Evan (2011:33) noted that Oliver defined brand loyalty as a deep-rooted commitment to consistently repurchase a selected brand or a set of brands over other brands. This type of behaviour is not affected by external forces, such as the situational setting and or marketing activities that aim at changing the behaviour of customers. Brand loyalty can also be defined as a biased (non-random) behavioural response (purchase) expressed over time by the same decision-making unit with respect to one or more alternative brands and it is a function of a psychological process (Jacoby and Kyner as noted by Ascot-Evan (2011:34)). Both the definitions above indicate that brand loyalty has both a behavioural as well as an attitudinal component. The behavioural component refers to the actual purchasing of the products or services and the attitudinal components refer to stated purchase intentions. Brand loyalty develops over time because a brand that continually evoke positive feelings and consistently delivers on its promises can impact on a customer's emotion, feelings and purchase intentions (Schiffman & Kanuk as quoted by Ascot-Evan (2011:33)).



## 2.3 Internal branding

According to Crystal and Scheffer (2008:65), Farner *et al* noted that in the pursuit of success, companies have traditionally focused on building and sustaining relationships with external customers in the belief that the external paying customers would ensure the financial success of an organisation. In doing so, the potential impact that the internal customer can have on the successful functioning of the company was largely overlooked.

Lawrence (2008:24) indicates that employees represent the brand of any company. It does not matter how the brand looks on the outside, it is whether it appeal on the inside that matters most. The aim of any internal branding campaign is very similar to that of an external campaign and it is to create an emotional connection to a particular company. It is critical that employees have an emotional connection to a company. Positive experiences with brands are largely reliant on the employees' behaviour and the extent to which they meet the expectations of customers during these critical interactions. The manner in which employees behave has a direct influence on the reputation of a company's brand and will eventually effects the overall success of the organisation. The purpose of any internal branding campaign is to create a distinct culture or mindset that is aligned with the company's defined brand promise. Many benefits will be obtained such as:

- Motivating and empowering employees.
- Improving productivity in terms of the delivering of the brand promise.
- Preventing departmental battles.
- Creating an emotional connection with the company that will reducing staff turnover.
- Engaging employees in always seeing the big picture when making decisions.
- Stimulating creativity, innovation and strategic thought at all levels of the organisation.
- Creating one unified brand voice across many diverse cultures.
- Reducing silo thinking amongst departments.
- Aligning the whole team with the organisation's vision



The responsibility for charting the destination and generation commitment from all organisational members to be players in the process lies with the leaders of the business. Successful brands are further defined by having passionate leaders at the helm of the business who are committed to the brand and its timbre throughout the company.

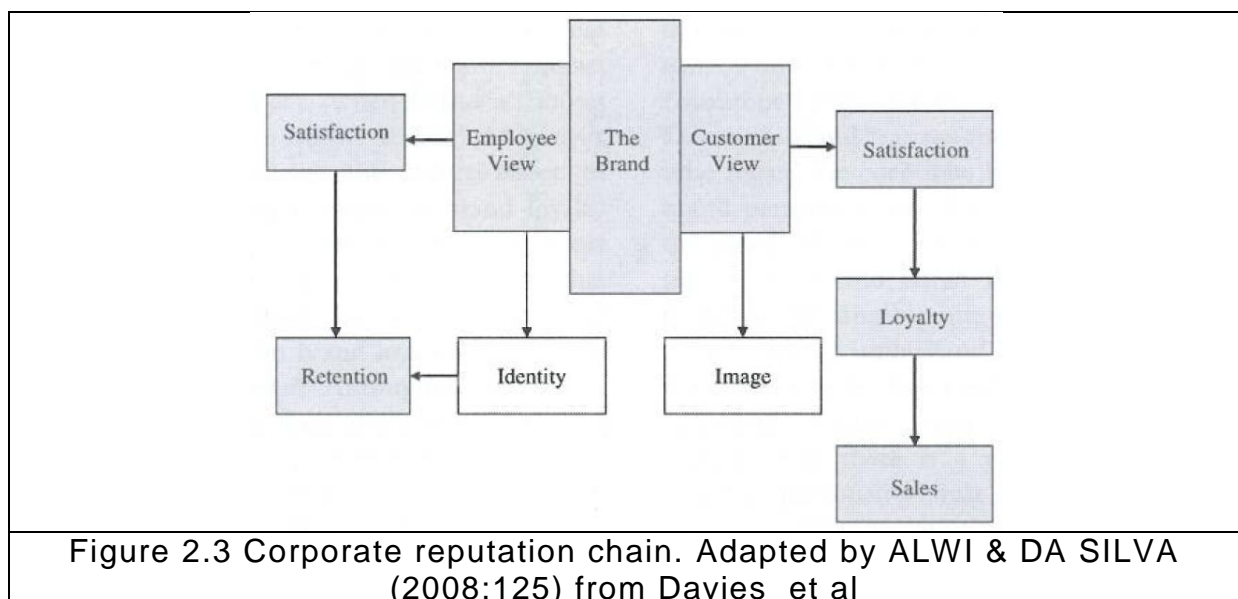
According to Crystal and Scheffer (2008:61) internal branding initiatives must be aimed at aligning internal stakeholders with the organisation's core values and its external corporate brand image. This will improve the quality of service rendered. Einwiller and Will postulated according to Crystal and Scheffer (2008:62) that an successful internal communication and branding strategy has the power to build and sustain the strategic competitive advantage of an organisation, and in turn promotes a shared identity, coordination, motivation, team spirit and synergy for the internal organisational audience.

Branding efforts within the organisation enables an organisation to build cooperation, collaboration and alignment with their internal and external customers on the products, policies and functioning of the organisation (Schultz, 2008:19). When an internal branding approach is followed, it creates the need for a continuous support process that ensures effective organisational development. The company should aim that the brand's appealing must be so powerfull that not only the organisation, but also the employees must be able to find self-fulfilment in aligning themselves and their behaviours with the brand. A strong corporate brand can only be achieved if the employees support the brand promise.

An organisational culture needs to be established that embraces the core values of the company and the internal communication practices must align the internal branding, organisational values and the organisation's external brand image (Crystal and Scheffer (2008:62). Communication plays a critical part in shaping the organisational culture into one that engages employees. Internal branding is an



organisational tool that can be used to create an alignment between the culture of an organisation and the external image it portrays. It is of strategic importance that management and employees should engage in open dialogue to ensure that management knows how the employees perceive the organisation and the employees should know how the organisation perceives their inputs (Sanchez as noted by Crystal & Scheffer, 2008:65). Communication campaigns used for internal branding should be brand-driven and aligned at the core level of the organisation. Internal branding can also be referred to as corporate branding which includes all branding initiatives in which the company engages and corporate identity is an element attributed to corporate branding (Crystal & Scheffer, 2008:68). The *Corporate Reputation Chain* suggest that customer satisfaction has a direct relationship with the corporate brand image but an indirect relationship with loyalty as indicated in figure 2 (Davies et al as quoted by Alwi & Da Silva, 2008:124). Employee satisfaction has a direct relationship with the corporate brand identity and retention.



## 2.4 Corporate branding

Abratt *et al* (2009:27) indicates that the literature suggest that there is a formidable case that can be made for building a strong, focused corporate brand because of its potential to add economic value to an organisation which means that it can



contribute substantial amounts of money to the balance sheet. Corporate brands therefore can be a source of sustainable competitive advantage. Alwi and Da Silva (2008:120) mention that corporate branding differs from product branding because it emphasizes the importance of brand values. According to Davies et al as quoted by Alwi and Da Silva (2008:120) anything can be a brand, including a company, or corporate name. The name or logo that acts as the corporate brand of the company has a tangible and an emotional attachment to it. A corporate brand must be the *sum of values* that represents the organisation. It is important for all companies to understanding corporate branding because a positive corporate brand will help a company achieve higher levels of performance. Increase in performance will increase the company's profitability through increased sales, without having to spend enormous amounts of money on advertising. Corporate brands are seen as guarantee of quality, as insurance against risk of poor performance or financial risk (Balmer and Grey as quoted by Alwi and Da Silva, 2008:120). Because a corporate brand is more with regards to the intangible and emotional values associated with a brand or company name, these values is the most suitable source of competitive advantage. When the corporate brand is seen from the perspective of its internal stakeholders namely the employees, it is referred to as *corporate brand identity* and if it is seen from the perspective of the external stakeholders such as consumers it is referred to as *corporate brand image*. Corporate brands can either be seen as attributes or perceived quality or as the emotional feeling/reaction that is attached to the brand (Alwi and Da Silva, 2008:21).

Coetzee (2009:10) describes an employer brand as what the company promises to deliver emotionally to be able to connect with employees so that they in turn deliver what the business promises to its customers. An employer brand should identify and then amplify the distinctive values, character and style of the organisation that set it apart from others. Therefore the employer brand is an expression of the organisation's **values** and **culture** and any company's employer brand should be unique. As an example given by Coetzee (2009:10), Nokia in Finland is well known for its cutting edge mobile phone design and usability. Its employer brand reinforces these traits when the company communicates that it is creating amazing new ways for people to connect to each other and to the things that matter to them. They poses



the question to potential employees if they want to be “*at the heart of the mobile internet revolution*” and a part of a “*global organisation with a dynamic, open culture.*” Similiar, the “*Just do it*” campaign of Nike do not only communicate to teenagers but also their parents, grandparents and employees and has nothing to do with its products but speaks volume about the challenges everyone faces in their everyday life (Bedbury, 2007:25). The Nike message is an emotional message of empowerment that is relevant across all genders, ages, cultures and markets. To identify which qualities really matter to the organisation, a survey can be conduct among the employees and especially the very best employees about why they came to work there in the first place.

Brick *et al* as noted by Abratt *et al* (2009:28) defines corporate branding as the manifestation of the features that distinguish an organisation from its competitors. Corporate brands therefore involve the establishing of differentiation and preference at the level of the company, rather than individual products or services. The company itself becomes a brand. The corporate brand is the visual, verbal and behavioural expression of the organisation’s unique business model. The target audience for the corporate brand is not only its customers but include all stakeholders that is employees, suppliers, investors and the community at large (Schultz et al., Morsing and Kristensen as quoted by Abratt *et al* (2009:28)). The objective of corporate brand management must be to establish a favourable disposition towards the company by all its stakeholders. There is a necessity for corporate branding practice to be multi-disciplinary combining elements of strategy, corporate communications, and culture. The advantage of the corporate brand is that it can increase the company’s visibility, recognition, and reputation, more than product brands can (Xie and Boggs, s quoted by Abratt *et al* (2009:28)).

#### **2.4.1 Corporate brand image**

Alwi and Da Silva (2008:120) mentioned that several authors indicated that a corporate brand image can be view from two perspectives:



1. Several academics have conceptualised the image of a company as more related to the qualities and attributes of the organisation.
2. It may also be conceptualised as more related to a person

However according to Alwi and Da Silva (2008:121) corporate brand image is defined as the sum of values that represent the organisation and these values or perceptions held by stake holders are based on their accumulated experiences with an organisation. Therefore a company's corporate brand image is about the consumer's emotional response to a brand that leads to the personification of the brand attributes, and this is then used to differentiate between alternative offerings.

#### **2.4.2 Corporate brand identity**

Corporate identity in the past was synonymous with organizational nomenclature, logos, company house style and visual identification because many of the people responsible for it had their roots in graphic design (Balmer & Van Riel, 2007:340). The role of symbolism has grown from its original purpose of increasing organisational visibility to a position where it has a role in the communicating corporate strategy.

According to Crystal and Scheffer (2008:65), indicated that corporate identity can be perceived as the endorsement of the brand and of its corporate values. This will be evident in every aspect of the corporate brand experience, from the visual aspects to the emotional associations people have with the brand. Therefore the consistent use and exposure of this corporate identity in all forms of communication aids to the employees about the organisation will influence the employee's perception of the organisation. Corporate identity can also be defined as the strategic development of a distinct and coherent image of the organisation that is continuously and consistently communicated to stakeholders through the corporate identity mix that comprises of symbolism, planned communication and behaviour (Cornelissen et al as noted by Alwi and Da Silva (2008:121)). According to this definition the **characteristics** of the corporate identity will affect the company's performance positively, if these characteristics are appealing to the employees of the organisation and to its external stakeholders. It is evident that the role of the

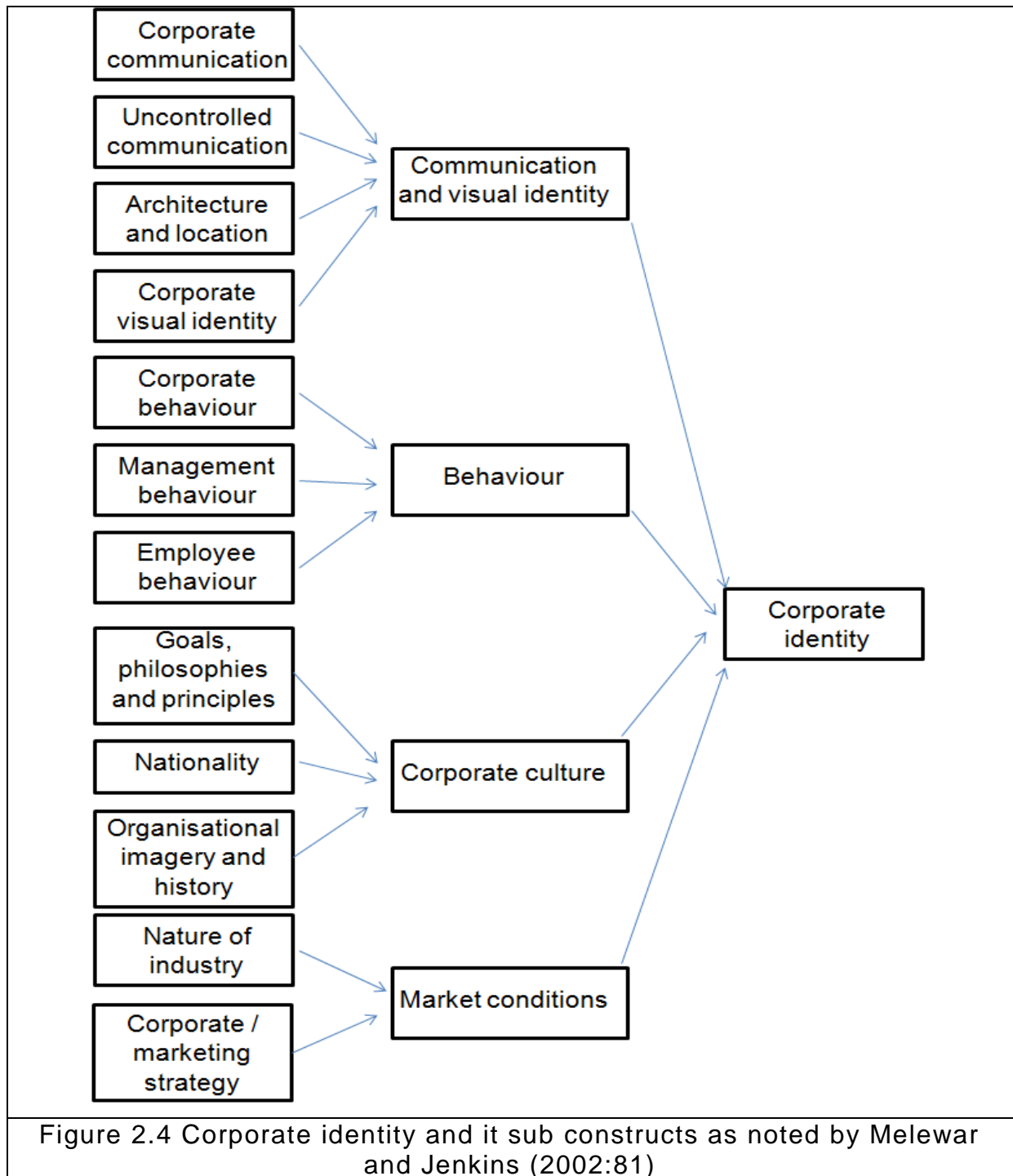


employee becomes increasingly important as employees are the link between the customer and the organisation. The employee is the person that needs to deliver the brand promise, therefore the employees role in the organisation needs to be viewed as an asset to the organisation's strategic performance.

Melewar and Jenkins (2002:80) noted Balmer and Soenen proposed that a corporate identity mix consists of the *mind*, *soul* and *voice*. The *mind* consists of the leadership's vision, the corporate philosophy and strategy, the performance of the company, the brand architecture that are used, the nature of corporate ownership and the company's history. The *soul* comprises subjective elements that is including of the distinct values, mix of sub-cultures, employee affinities, and internal images. The *voice* is the total corporate communication (controlled and uncontrolled), symbolism, employee and corporate behaviour and indirect communication by third parties. Figure 4 gives a indication of the corporate identity and subconstructs as noted by Melewar and Jenkins (2002:81)

Balmer and Van Riel (2007:341) stated that the understanding of corporate identity has gradually evolved to be broader and refers to an organisation's unique characteristics. These characteristics are revealed through the behaviour, communications, as well as through symbolism to internal and external audiences and are termed the corporate identity mix (communications, symbolism and behaviour). Balmer and Van Riel as noted by Balmer and Van Riel (2007:342) indicated that the objective of a corporate identity management strategy is to establish a favourable reputation with the company's stakeholders which will in turn be translated by these stakeholders into a tendency to buy that organisation's products continuously or make use of its services or to remain in its employment or wants to be employed by the company or to invest in the company. There is evidence in the literature that supports the notion that a favourable corporate reputation gives an organisation a competitive advantage.





The literature that was examined by Balmer and Van Riel (2007:342) on corporate identity suggests that corporate identity management must consider the following in order to acquire a favourable corporate reputation:

- The company's historical roots.
- The company's personality.



- The corporate strategy and the three parts of the corporate identity mix in order to

The reputation and performance of any company are also influenced by developments in the external environment such as changes in the behaviour of competitors, as well as by corporate stakeholders such as customers, personnel and the government.

Balmer and Van Riel (2007:347) mentioned that to determine an individual's strength of identification with an organisation it needs to be established whether there is:

- A feeling of belonging
- Congruency between organisational goals and values
- Positive organisational membership
- Organisational support
- Recognition of distinct contributions
- A feeling of acceptance
- Security

Van Riel *et al* as noted by Balmer and Van Riel (2007:345) indicated that the impact that these variables have on employee identification with the company can be determined by applying the Rotterdam Organisational Identification Test (ROIT). This survey enables the company's management to detect weaknesses in the company with regards to (section B and C in figure 4) perceived organisational prestige, job satisfaction, goals and values, organisational culture, employee communication that creates or prevents a supportive attitude towards other company as a whole or predominantly towards only the part of the company.



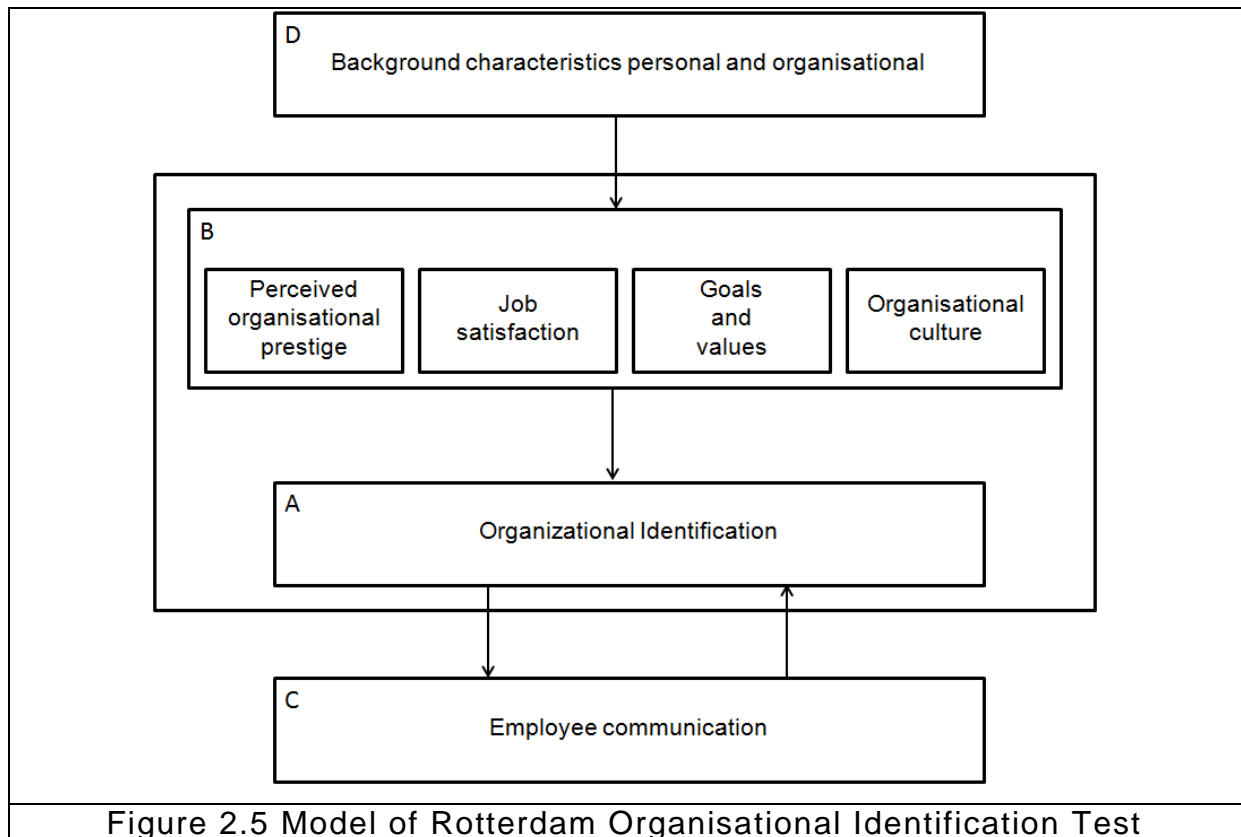
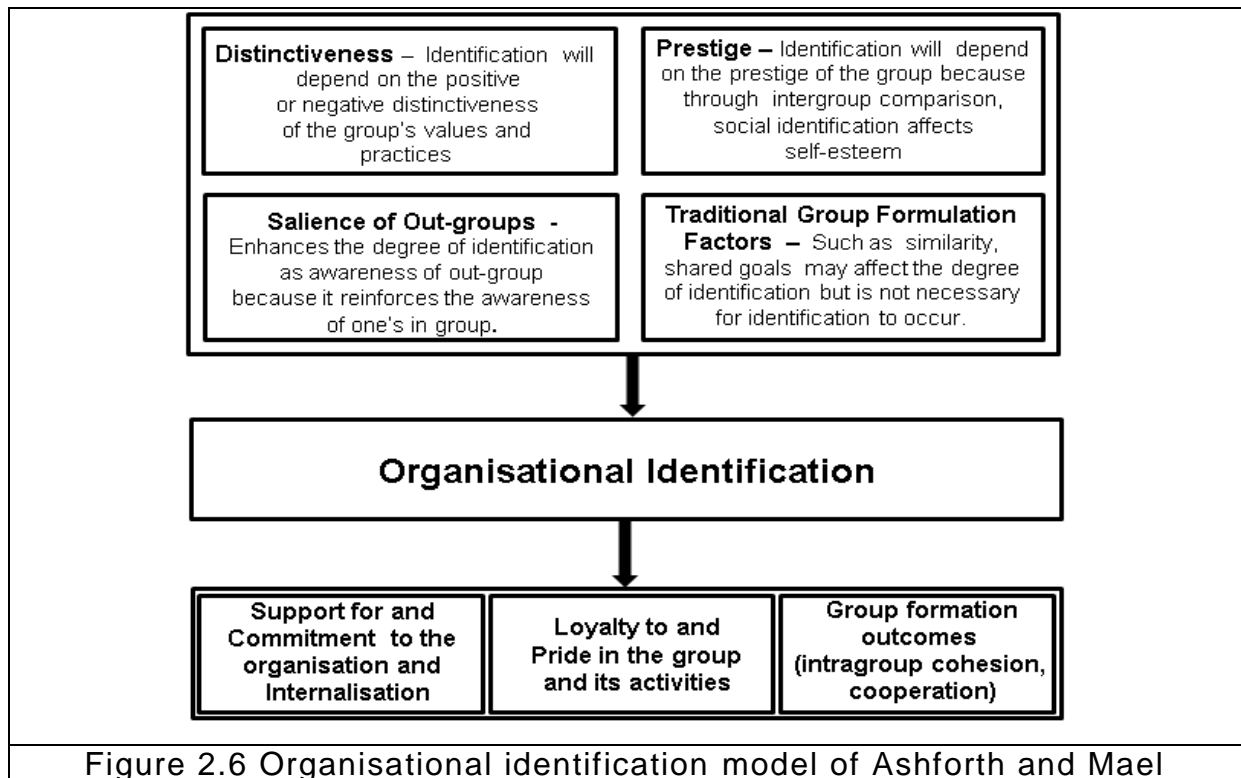


Figure 2.5 Model of Rotterdam Organisational Identification Test

Mael and Ashforth (1992:103) define organizational identification “as a perceived oneness with an organisation” and that the successes and failures of the organisation are perceived by the employee as their own.

A summarised version of Ashforth and Mael’s model of organisational identification was obtained from Zobel (2000:16) with its predicted antecedents and consequences. It can be seen in figure 5 below.





## 2.5 The critical success factors of managing corporate brands

Abratt et al. (2009:28) suggest that there are eight critical success factors for managing corporate brands:

### 2.5.1 Top management involvement

The top management of a company is ultimately responsible for initiating, maintaining and developing the corporate branding process. Top management needs to be committed to this role.



### **2.5.2 A multi-disciplinary approach to corporate brand management**

Managers need to adopt a more holistic approach to corporate branding, which includes the business processes associated with value delivery. Corporate branding should not only be a human resources and marketing function.

### **2.5.3 The importance of alignment of vision, culture and image**

Strategic vision can be seen as the leadership's ambition for the company. The organisational culture can be seen as the company's common set of internal values, assumptions, behaviours, attitudes, as well as beliefs resulting from the company's history but also includes the company's ambition about where it is going. The organisational culture can be used as part of the organisation's uniqueness, and for differentiation. This can give the organisation a competitive advantage. Strong corporate brands can be defined by prominent organisational values and goals. These values are vital in the corporate branding strategy because it reflects the absolute essence of what the company stands for and can be seen as the glue holds the corporate brand together. The company's values should be timeless and give guidance to the branding process. Thus values must be built into the brand through expressed behaviour, and reflected in all communications. This alignment will prevent the development of a gap between real and perceived values and ensure that the employees and the corporate brand are moving in the same direction. Stakeholder's overall impression of the company, however in many cases will vary among stakeholder groups because it is influenced by the interpretation of communication, external stakeholders, the environment, trends and competition.

### **2.5.4 Employees play a central role**

It is ideal to have workers who value their organisation's brand and show this through their interaction with all stakeholders. The employees' actions impact on the service level agreement both internal to the company's other employees but also to



its customers. If the employee is not able to project the message that the company is trying to convey, the message will not resonate with their customers. The employee's behaviour affects company brand perceptions and relationships with all stakeholders, and this ultimately affects the bottom line. Therefore the company should focus on influencing the employee's attitudes and behaviour as an integral part in its overall branding strategy. ***This process of promoting company brand activities to its employees, as well as teaching them about the brand values and how to incorporate these values into their work, is referred to as internal marketing, employee branding, internal branding or human capital branding.*** The rationale behind this process is that employees should know everything about the relevant stakeholders, long before stakeholders know.

#### **2.5.5 Consumer interaction and involvement**

Customers are not anymore passive recipients of the brand meaning but are active co-creators of the brand meaning and important contributors to an organisation's value creation. It is important to ensure that the company's products relates positively to the beliefs, lifestyles and own identity of its customers. A true measurement of the strength of a brand is how the brand makes its customers feel, act and think with respect to the brand.

#### **2.5.6 Build long-term multiple stakeholder relationships**

It is important that corporate branding comprises of a process of creating, nurturing, and sustaining a mutually beneficial long-rang, strategic relationship between the company, its employees and external stakeholders.

#### **2.5.7 Consistent corporate communication**

Corporate brand communication (formal and informal) to all stakeholders should be consistent to ensure that the brand message is not blurred or contradictory with regards to the company's brand strategy. Consistency of corporate communication can be measured through content analysis against brand statements.



### 2.5.8 Continues monitoring of corporate brand for relevance and distinctiveness

Due to global trends changing continuously any company needs to regularly re-evaluate its corporate brand and it is an continues process rather than a once-off event.

## 2.6 Corporate marketing mix

According to Balmer (2001:283) the author conceptualised the major components of corporate marketing based on McGee and Spiro components of marketing. A comparison of the major components is listed in table 1 below.

Table 2.1 – Major components of marketing versus corporate marketing

	Major components of marketing	Major components of corporate marketing
Orientation	Towards the <b>customer</b> aiming at understanding their wants, needs and behaviours.	Towards the <b>stakeholders</b> aiming at understanding the present and future stakeholders' wants, needs and behaviours.
Organisational support	<b>Co-ordinated organisational activities</b> are undertaken to support the <b>customer</b> orientation as indicated above.	<b>Co-ordinated organisational activities</b> are undertaken to support the <b>stakeholder</b> orientation as indicated above.
End focus	It is <b>profit orientation</b> because the focus is on profit rather than sales.	It is on <b>value creation</b> because profit maximisation is the primary focus but not the only. It also



		includes business survival.
Obligation towards society	It is aimed at <b>community welfare</b> . It is an obligation to the customers' and society's long term interest.	It is aimed at <b>future stakeholder and societal needs</b> . It is an obligation of balancing the current stakeholders' and society needs with those of the future showing sensitivity to organisational inheritance where applicable such as partnerships etc.

Balmer (2001:284) extended McCarthy's four Ps (product, price, place, promotion) to ten Ps (philosophy, promotion, people, personality, product, price, place, performance, perception, positioning) to be able to include all elements needed if marketing concept is applied to a corporate level. A summary of how Balmer conceptualised his new corporate marketing mix termed HEADS<sup>2</sup> is given in table 2 below.



Table 2.2 HEADS<sup>2</sup> a conceptualised corporate marketing strategy by Balmer(2001:284)

HEADS <sup>2</sup>	Applicable concepts	Corporate marketing mix elements (ten P)	List of elements
H – What the organisation <b>HAS</b>	Corporate identity	Philosophy	Organisational structures such as subsidiaries or business units. History or legacies. Alliances and partnerships; property and equipment; corporate subsidiaries and corporate brands; corporate reputation; product brands stakeholder interest in other companies
E – What the organisation <b>EXPRESSES</b>	Marketing and corporate communication; total corporate communication; corporate public relations	Promotion	Primary products and services; formal communication; third party communication
A – What are the dominant/mix of <b>AFFINITIES</b> held by the employee groups	Organisational identification; corporate personality; differentiated view of corporate culture.	People Personality	Sub cultural groups (old, new, departmental, subsidiary, predominant, corporate); national/regional/local/professional cultures etc.
D – What the organisation <b>DOES</b>	Corporate identity; corporate profile	Product, Price, Place, Performance	McCarthy's marketing mix excluding performance. Mix elements needs to address organisational concerns.
S – How the organisation is <b>SEEN</b> by key <b>STAKEHOLDER</b> groups and networks	Corporate image, reputation and brand; stakeholder theory	Perception, Positioning, People	Current perceptions of the organisation (image) and organisational awareness (profile) among key stakeholders; past performance, knowledge, beliefs, reputation based on expectations and perceptions of the value of the corporate brand. Individuals and groups outside the organisation.



## 2.7 Conclusion

Schultz *et al* as quoted by Abratt *et al* (2009:31) mentions that the importance of a corporate brand goes far beyond only the trademarks, products or services, it is a process whereby the organisation continuously maintains and develops its reason for being in relation to its relevant stakeholders and the society in which it operates.

The following aspects will be measured:

Table 2.3 Branding concepts to be measures

		Sources
1	Organisational identification	Ball <i>et al</i> (2005:119), Balmer and Van Riel (2007:347)
2	Perceived Organisational Prestige (external prestige)	Sampson (2008:30), Abratt <i>et al</i> (2009:28), Balmer and Van Riel (2007:347)
3	Job and company satisfaction including commitment	Alwi and Da Silva (2008:25), Balmer and Van Riel (2007:347)
4	Organisational Culture	Coetzee (2009:10), Melewar and Jenkins (2002:80)
5	Internal Communication	Chrystal and Scheffer (2008:62), Coetzee (2009:10), Melewar and Jenkins (2002:80), Abratt <i>et al</i> (2009:28)
6	Communication policy	Chrystal and Scheffer (2008:62), Alwi and Da Silva (2008:121), Abratt <i>et al</i> (2009:28)
7	Employees knowledge of brand/company (brand awareness)	Miladian and Babu (2009:82)
8	Employees care of brand/company (emotional connection)	Lawrence (2008:24), Alwi and Da Silva (2008:21), Coetzee (2009:10)
9	Commitment	Ascot- Evan (2011:33), Zobel (2000:16)



## **Chapter 3**

### **Case Company: Tubatse Chrome**

#### **3.1 Introduction**

Tubatse Chrome (PTY) Ltd is situated on the R555, near ( $\pm 2$  km from) Steelpoort, in the Limpopo Province, approximately 60 km North West of Lydenburg, Mpumalanga and approximately 300 km northeast of Pretoria and Johannesburg. The site covers around 230 hectare and is approximately 800 m above sea-level, with temperatures ranging from  $+ 42^{\circ}\text{C}$  in summer to  $\pm 0^{\circ}\text{C}$  in winter.

The key business of Tubatse Chrome is the manufacturing of Ferrochrome (FeCr). Ferrochrome is used in the manufacturing of stainless steel. The shiny appearance and resistance to corrosion in stainless steel can be attributed to the ferrochrome.

Although the company is managed by Samancor Chrome, Samancor Chrome has a 58% shareholding in Tubatse Chrome (Pty) Ltd and Sinosteel which is a Chinese state owned company has a 42% shareholding. Tubatse Chrome operates six furnaces to produce ferrochrome, a Pelletising and Sinter Plant that agglomerates the chrome ore that is fed into the furnaces as pellets and a Chrome Recovery Plant that treat all waste material that is a by-product from the furnaces to recover entrapped alloy.

Tubatse Chrome currently employs 582 full time employees working in nine different departments:

1. East plant
2. West plant
3. Pelletising and Sintering Plant (PSP)
4. Chrome Recovery Plant (CRP)
5. Logistics



6. Human Resources (HR)
7. Administration and Finance
8. Safety, Health, Environment and Quality
9. Engineering

The full time employees consist of 500 males and 82 female employees. The race demographic consists of 114 whites, 462 blacks and 6 coloureds. The employees are grouped in different grading bands based on whether they are skilled or semi-skilled labour and whether they are bargaining or non-bargaining. The bargaining unit employees have the workers unions that represent their interest with regards annual increases and benefit negotiations. The non-bargaining unit employee's annual increases and benefit are being determined by the chief executive officer and the board of directors of the company. The table below gives an indication of the company's employee profiles.

Table 3.1 Grading of employees at Tubatse

Grading	Bargaining Unit		Non Bargaining Unit	
	B - band	C - band	D - band	E - band
Labour	Semi-skilled	Semi-skilled / Skilled	Skilled	Skilled
Typical positions	Assistants, Equipment Operators (Drivers), etc.	Artisans, Furnaces Operators, Junior administration	Middle Managers, Engineers, Senior administration	Senior Managers
Typical qualifications	Grade 12 or less	Trade Test, Certificates	Diploma, Degrees or Post Graduate	Diploma, Degrees or Post Graduate
Employee origin	Locals from Steelpoort Area	Locals from Steelpoort Area and from other locations in South Africa	From other locations in South Africa	From other locations in South Africa
Fulltime Employees	263	257	54	8



Table 3.2 Employee numbers per department

Department	Total	E-band	D-band	C-band	B-band	Male	Female
Admin	32	1	7	18	6	21	11
East plant	154	1	12	58	83	134	20
HR	14	1	3	8	2	10	4
Engineering	29	1	9	18	1	25	4
Logistics	140	1	7	48	84	121	19
PSP	40	1	3	31	5	38	2
West plant	94	1	6	42	45	84	10
SHEQ	32	1	3	18	10	18	14
CRP	47	0	4	16	27	46	1
	582	8	54	257	263	497	85

Five years ago the Senior Management team embarked on an extensive exercise in promoting the company by introducing a new vision, a benevolent intend and re-focusing on the company values. Retention of skill employees also tends to be a challenge due to the remote location of Steelpoort

### 3.2 Vision

Tubatse's vision statement is as follows:

**TO COME TO WORK WITH A SENSE OF PURPOSE AND  
LEAVE WITH A SENSE OF PRIDE AND ACHIEVEMENT**

Tubatse Chrome's vision aims to capture the attitude of the people working within the company and guides all decision making and interaction with stakeholders. Although Tubatse Chrome's competitors have vision statements such as **"We intend to be an innovative and acknowledged provider of energy-efficient steel solutions to build a better living environment together with our customers"**, or **"Double Hernic's current value, high performance culture, be a responsible**



**corporate citizen and create growth opportunities”,** these visions cannot be realised if the employees don’t buy in **(Ruukki, 2012:1; Hernic, 2012;1).**

The vision statement is aimed at creating energy, passion and excitement amongst their team members, which will turn result into efficient operations and pride. The aim is that all in our organization must:

- Know the VISION
- See the VISION
- Feel the VISION
- Live the VISION

### **3.3 Mission**

Tubatse Chrome’s mission is underpinned by that of Samancor Chrome, namely:

**TO PRODUCE FERROCHROME THROUGH THE OPTIMAL UTILISATION OF ALL OUR ASSETS AND BY CONTINUESLY FOCUSING ON LOW COST AND HIGH QUALITY IN OUR SAFE, REWARDING AND ENVIROMETALLY CONSCIOUS SYSTEM**

It is evident that the selling price of chrome is relatively low compared to other commodities such as gold and platinum, therefore Tubatse Chrome will have to continuously focus on improving and utilising their relatively old equipment. In order for Tubatse to produce chrome safely and environmentally friendly, the company will have to revisit the technology currently in operation, such as the open furnaces. Tubatse Chrome cannot compete with its competitors such as Xstrata (a diversified mining company) regarding remuneration and will have to focus on motivating employees in a harsh working environment.



### 3.4 Intent

Tubatse Chrome's vision provides a foundation for the benevolent intent of the company namely ***“to make a difference to the world they live in”***, builds on its most valuable resource namely human capital and is timeless. The company aims to transfer the message that the difference they make through the creation of ferrochrome is much bigger than what most stakeholders believe. Ferrochrome is used in the stainless steel industry for the production of stainless steel. The properties of Stainless steel is that of a shiny, “clean”, rust free steel used in various application including medical equipment, motor vehicles, building and construction and every day utensils and appliances due to its special strength, hygienic and anti-corrosive properties. Ferrochrome therefore is extremely important in changing the lives and that of others in these applications. From here the company established its intent of producing ferrochrome:

**OUR FERROCHROME ENABLES THE CREATION OF STRONG, CLEAN AND SAFE STAINLESS STEEL THAT ADDS LASTING VALUE FOR A BRIGHTER FUTURE.**

### 3.5 Values

The leadership team at Tubatse is committed to value driven leadership. The leadership team is committed to lead and manage this organization with the following values as foundation. All decision making and interaction with stakeholders will (as per the vision) will be be guided by this value system.



### 3.5.1 Zero harm

Tubatse Chrome believes in providing a safe working environment for their employees and contractors and therefore should carefully manage the effect of their business on the environment.



### 3.5.2 Integrity

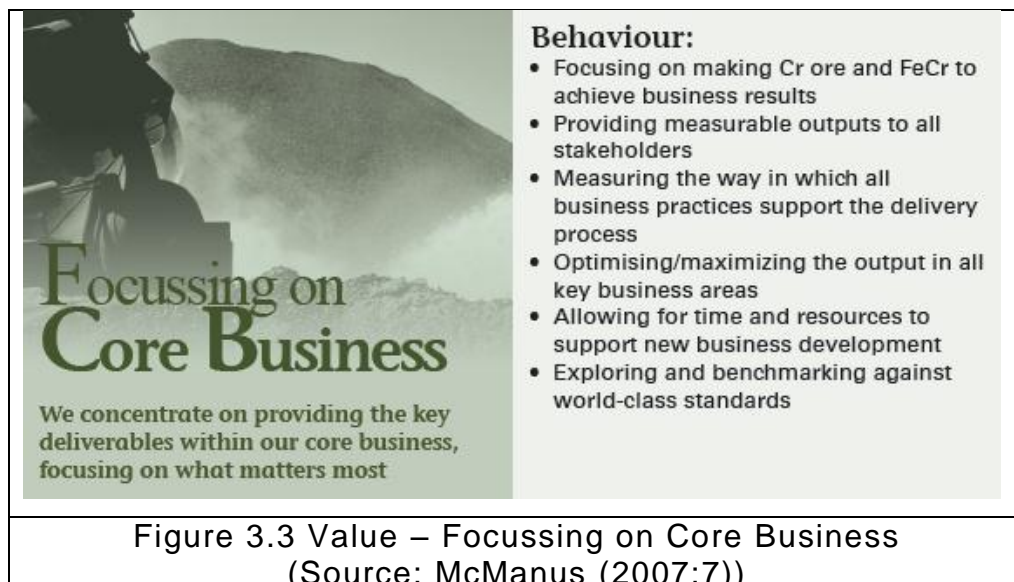
Tubatse Chrome encourages its employees to act according to agreed ethical standards and take responsibility for their actions.





### 3.5.3 Focusing on core business

Tubatse Chrome concentrates on providing the key deliverables that will enable them to focus on their core business and what matters most.





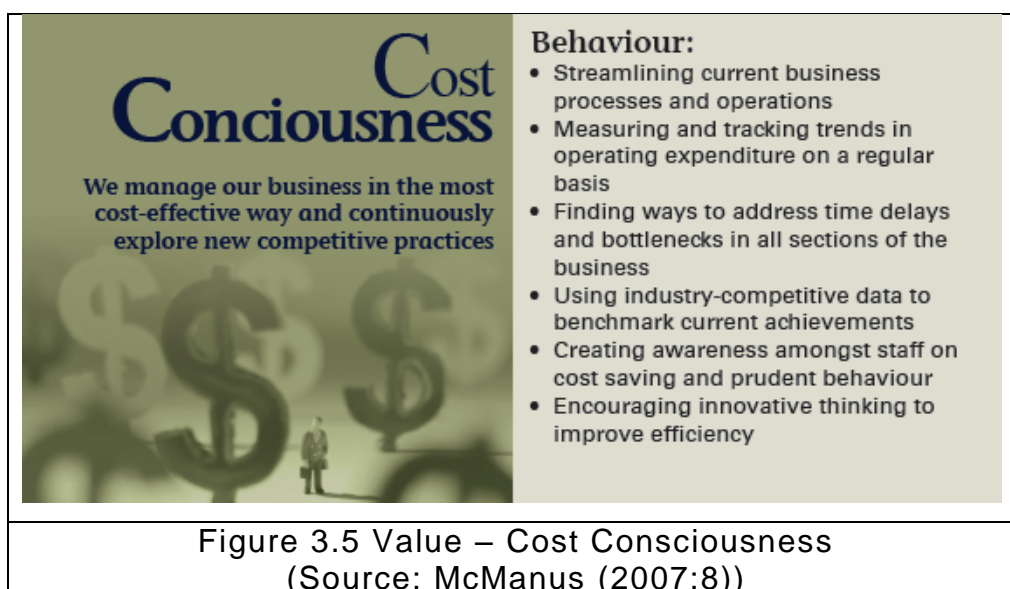
### 3.5.4 Caring for people

Tubatse Chrome strives to manage their people with the same passion and dedication, as their employees are regarded as their most important asset.



### 3.5.5 Cost consciousness

Tubatse Chrome aims to manage their business in the most cost-effective way and strives to continuously explore new competitive practices.





### 3.5.6 Respect

Tubatse Chrome aims to treat all individuals and teams with dignity and respect by embracing the diversity of the workforce, irrespective of culture, religious beliefs or gender.



## 3.6 Organisational Alignment

Tubatse’s strategic alignment the past 4 years were aimed at creating a culture through its vision, mission, intent and values. The company aimed at entrenching the vision through how they acted and communicated. The benevolent intent was aimed at creating a platform for the employees to start believing that they are not there purely for their own wellbeing, but to contribute in making a difference in the communities and the world around them. The slogan adopted for 2012 was “LET’S MAKE IT HAPPEN”. The company aims to build on their vision and intent through value driven leadership and action. The company leadership believes that every individual within the company needs to be responsible for ensuring that they “**walk the talk**”.



### **3.7 Conclusion**

The international selling price of chrome and profit margin in this industry is very low compared to other commodities such as gold and platinum, therefore employee committed is of utmost important to ensure that the organisation is competitive and sustainable. The leadership realises that 2012 and beyond will be extreme tough in the ferrochrome industry due to limited spending in the world due to financial uncertainties in many countries. Only the dedicated and most committed companies will survive therefore they need to ensure that:

- All employee attitudes are aligned with the vision, mission, intent and values. It should be one of involvement, commitment, discipline and a drive for improvement. This will guarantee the company's success.
- All employees have the means and ability to do tasks in order to grow them as individuals within the work place. This includes creating and enabling environment and putting in simple and integrated systems.
- Empower employees through assigning and delegating responsibility and keeping them accountable for their actions.



## **Chapter 4**

### **Research Methodology and Results**

#### **4.1 Introduction**

The purpose of this chapter is to present the empirical results of this study and explain the research method and technique used to obtain the information that is presented. The reliability and validity of the study will also be discussed. The research methodology will describe the questionnaire that was used and how the data was collected. The statistical results will be discussed and the framework used in the questionnaire is validated by means of factor analysis and tested for reliability by using Cronbach Alpha coefficients. The empirical results will also be presented per department and for the company.

#### **4.2 Research methodology**

The purpose of the questionnaire that was used in this study was aimed at measuring the employee-brand relationship in Tubatse. The initial aim was to distribute the questionnaire to all employees; however the questionnaire was only available in English and the possibility did exist that some B-band employees could misinterpret the terminology and statements because they were not fully fluent in English. After discussions with several supervisors they indicated that some B-band employees will have difficulty understanding the language and terminology in the questionnaire. Each supervisor then only distributed the questionnaire to the employees that they believed will have the capability of understanding the language and terminology used.



The original Rotterdam Organisational Identification Test (ROIT) questionnaire attempted to measure organisational identification and its hypothesized antecedents (Zobel 2000:20). The complete ROIT questionnaire consists of 225 Likert statements to which the respondents have to indicate their degree of agreement or disagreement on a five point scales (Van Riel 1997:347). Only 62 statements from the original ROIT questionnaire was used in the survey as obtained from Zobel (2000:45). All statements were answered on a 5-point Likert scale. For statement 1 to 74, a **1** indicates that the respondent **strongly disagrees** with the statement and **5** means that the respondent **strongly agrees** with the statement. With statement 75 to 84, a **1** indicates that the statement is **not important** for the respondent and **5** means that the statement is **very important** for the respondent.

Statement 1 to 10 and 11 to 20 are basically the same, the only difference is that statement 1 to 10 measures the organisational identification at department level and statement 11 to 20 measures the organisational identification at the company level. From these 10 statements, 5 were obtained from the original ROIT questionnaire and 5 were obtained from Mael and Ashforth's identification questionnaire (Zobel 2000: 19). Statement 21 to 24 refers to how the respondent's perceive the external prestige of the company as seen by the public, communities and other employees from other companies. Statement 25 to 32 refers to whether respondents are satisfied with their specific job and the company. Statement 33 to 50. Statement 33 to 50 refers to the organisation culture both in their specific department and company-wide. Statement 51 to 57 refers to the internal communication climate and statement 58 to 62 to communication policies. Statement 63 to 84 was obtained from a survey that was done by Nurmela (2009:70). Question 63 to 74 measures whether the employees know what Tubatse's vision, mission, values and image are, therefore what the company stands for. Statement 75 to 84 measures whether the employees cares about the company. The conceptual framework that was used to measure the employee-brand relationship can be seen in Figure 4.1.



The five point Likert scale can be converted to a percentage format to enhance the interpretation of the results as follows (Bischoff & Bishoff (2002, 9)):

Likert Scale	Percentage
1	0
2	25
3	50
4	75
5	100





Figure 4.1 Conceptual framework used to measure employee-brand relationship in the mining industry



### 4.3 Reliability and Validity

Nurmela (2009, 46) noted that that Saunders *et al* indicated that to reduce the possibility of getting biased or misleading or wrong research results, it is necessary to put particular emphases reliability and validity. Both these terms indicate trustworthiness, with the reliability test indicating how consistently the measuring instrument measures whatever concept it is measuring, whereas the validity test indicating how well the instrument that is developed measures the particular concept it is supposed to measure (Sekaran according to Nurmela (2009,46)).

According to Thanasegaran (2008, 35) *reliability* is the degree to which measures are free from error and therefore it will yield consistent result. If the measurement procedure that was used assigns consistently the same scores to objects with equal values, the instrument can be considered to be reliable therefore *reliability* involves the consistency or reproducibility of test scores. Reliability estimates will change with different population samples and as a function of the error involved. Thompson as noted by Thanasegaran (2008, 35) indicated that reliability estimates are a function of the test scores yielded from an instrument, not the test itself. Zigmund as noted by Thanasegaran (2008, 35) indicated that there are two dimensions that underlie the reliability concept and it is repeatability (or stability over time) and internal consistency (or homogeneity of the measure). Thanasegaran (2008, 36) indicated *repeatability* can be measured with the test-retest method whereby the same measure is administrated to the same respondents at two different points in time and then comparing the scores. A good reliability measure will produce very similar scores. *Internal Consistency* can be measured using either the split-half method alternate-form method or Cronbach's alpha method. The most widely used measure is the Cronbach's coefficient alpha. The Cronbach's alpha is a reliability coefficient that measures inter-item reliability or the degree of internal consistency/homogeneity between variables measuring one construct/concept therefore the degree to which different items measures the same variable attains consistent results.

Malhotra as noted by Thanasegaran (2008, 36) indicated that these coefficients varies between 0 to 1 and that a value of 0.6 or less generally indicates



unsatisfactory internal consistency reliability. The closer the Cronbach's alpha reliability coefficient is to 1, the greater the internal consistency of the items on the scale. Nunnally and Bernstein as noted by Thanasegaran (2008, 36) indicated that in social sciences that an acceptable reliability estimates range from 0.7 to 0.8. George and Mallery as noted by Salim (2011, 45) provided the following rules of thumb with regards to the Cronbach alpha coefficient ( $\alpha$ ):  $\alpha > 0.9$  – Excellent,  $\alpha > 0.8$  – Good,  $\alpha > 0.7$  – Acceptable,  $\alpha > 0.6$  – Questionable,  $\alpha > 0.5$  – Poor and  $\alpha < 0.5$  – Unacceptable. A low Cronbach alpha coefficient only indicates that the factor will be less likely to present itself if the study is to be repeated when subjected to a different application setting however a lower Cronbach alpha coefficient can be regarded as significant especially if negative scores are present within the factor (Field as noted by Salim (2011:47))

Validity is an indication of whether the findings that was made are really what they appear to be about, therefore if the theoretical and operational definitions are consistent, are the assumptions real and logical, is the research population logically chosen, and are the data collected and interpreted coherently (Saunders *et al* as noted by Nurmela (2009, 46)). Gregory as noted by Thanasegaran (2008, 37) defined validity as the extent to which a specific test or instrument measures what it claims to measure. According to Crocker & Algina and Gregory as mentioned by Thanasegaran (2008, 37) any testing instrument can reliable measure something other than the supposed construct but an unreliable measure cannot be valid, therefore any valid instrument must by definition be reliable, but a reliable instrument may not necessarily be valid.

The validity of any questionnaire or measuring instrument can be determined by using factor analysis. Barth (2008, 43) indicated that factor analysis is a statistical method that researchers can use to reduce the dimensions of a variable set of highly correlated data into a smaller subset of factors that are themselves linear composites of the original variables, therefore it is a data reduction technique. The factors that will be generated by the analysis are orthogonal to one another, but they still contain most of the information from the original variable set. The number of factors that will be retained depends on the dimensionality of the original data and the ability of the



researcher to interpret the resulting factors. Variables with factor loadings less than 0.4 will be ignored.

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and the Bartlett test of sphericity were used to determine whether applying factor analysis to the study was appropriate. According to Krishnan and Hari (2011, 38) a general rule of thumb is that the KMO value should be higher than 0.5 for a satisfactory factor analysis to proceed and the Bartlett test of sphericity will indicate the relationship or correlations between the variables with a p-value < 0.05 indicating that it make sense to continue with factor analysis.

## 4.4 Results

### 4.4.1 Demographic information

The demographic information is summarised in the from table 4.1 to 4.8. A total of 400 questionnaires were distributed and 291 were returned. Only 214 questionnaires were valid with no missing information. From table 4.1 it can be seen that the majority of the respondents were male, but it is expected since 85% of the company's employees is male. The mining industry in general is dominated by males.

Table 4.1 Gender of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	30	14.0	14.0	14.0
	Male	184	86.0	86.0	100.0
	Total	214	100.0	100.0	



It is evident from table 4.2 that the majority of respondents were blacks (68.7%) and whites (28.5%).

Table 4.2 Race of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Black	147	68.7	68.7	68.7
	Coloured	5	2.3	2.3	71.0
	Other	1	.5	.5	71.5
	White	61	28.5	28.5	100.0
	Total	214	100.0	100.0	

From the respondents, 51.9% were between the ages of 18 and 35 and 83.6% below the age 45 (see table 4.3). This indicates that the population sample was relatively young.

Table 4.3 Age of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 - 25	31	14.5	14.5	14.5
	26 - 35	80	37.4	37.4	51.9
	36 - 45	68	31.8	31.8	83.6
	46 - 55	27	12.6	12.6	96.3
	Older than 55	8	3.7	3.7	100.0
	Total	214	100.0	100.0	

The qualifications of the respondents varied with the majority of the respondents being qualified maintenance artisans or tradesmen (table 4.4). Due to the nature of a mining company there are both skilled and unskilled labour required therefore skills levels may varies significantly. Also the questionnaire where only distributed to employee who their supervisor deemed to be fluent in English and the majority of



these employees are on the C-band (table 4.5) and operating in a maintenance environment (table 4.6).

Table 4.4 Highest Qualification of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Certificate	48	22.5	22.5	23.8
	Diploma	38	17.8	17.8	40.2
	Degree	4	1.9	1.9	42.1
	Grade 12	38	17.8	17.8	59.8
	Other	12	5.6	5.6	65.4
	Post graduate	5	2.3	2.3	67.8
	Trade Test	69	32.2	32.2	100.0
	Total	214	100.0	100.0	

Table 4.5 Grading of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	B	55	25.7	25.7	25.7
	C	139	65.0	65.0	90.7
	D	20	9.3	9.3	100.0
	Total	214	100.0	100.0	

Table 4.6 Main activities (section) of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Maintenance	129	60.3	60.3	60.3
	Non operational	28	13.1	13.1	73.4
	Production	57	26.6	26.6	100.0
	Total	214	100.0	100.0	



It can be seen that that 32.7% of the respondents have less than 2 years services which is also the highest single percentage in table 4.7 and 57.5% have equalled to or less than 5 years' service with the company. The highest turnover of personnel is normally experienced on the skilled levels (C- and D-bands). Table 4.8 gives an indication of the number of valid responses received per department.

Table 4.7 Years of service of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0 - 2	70	32.7	32.7	32.7
	3 - 5	53	24.8	24.8	57.5
	6 - 10	57	26.6	26.6	84.1
	11 - 15	13	6.1	6.1	90.2
	16 - 20	8	3.7	3.7	93.9
	21 - 25	6	2.8	2.8	96.7
	Longer than 25	7	3.3	3.3	100.0
	Total	214	100.0	100.0	

Table 4.8 Department of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Admin	10	4.7	4.7	4.7
	CRP	5	2.3	2.3	7.0
	East Plant	41	19.2	19.2	26.2
	HR	8	3.7	3.7	29.9
	Engineering	27	12.6	12.6	42.5
	Logistics	64	29.9	29.9	72.4
	PSP	33	15.4	15.4	87.9
	SHEQ	2	.9	.9	88.8
	West Plant	24	11.2	11.2	100.0
	Total	214	100.0	100.0	

The department with the lowest participation was the SHEQ department; therefore there department results may not be reliable.



#### 4.4.2 Employee – brand relationship concepts

The following criteria were used in analysing the results:

- a) The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy should be higher than 0.5 and the Bartlett significance score should be less than 0.05 indicating that factor analysis will be satisfactory for analysing the data.
- b) Data must have factor loadings of higher than 0.4 to be considered. If data loads onto more than one factor the highest factor loading value will be used.
- c) Factors with a Cronbach alpha coefficient,  $\alpha < 0.6$  will be ignored.

The mean values calculated using the Likert scale for all the factors identified by the factor analysis was interpreted as follows:

Mean value	Percentage	Remark
< 3.6	< 60%	Dissatisfaction / Low level of identification
3.6 - 4	60 – 75%	Satisfaction / Satisfactory level of identification
> 4	> 75%	Very satisfied / Excellent identification

##### 4.4.2.1 Identification with Department

###### a) KMO and Bartlett's Test

The KMO score is 0.846 that is higher than the required minimum of 0.5 and the Bartlett's score is 0.000 that is much less than the required maximum of 0.05. These scores indicate that the data is suitable for factor analysis.



Table 4.9 KMO and Bartlett's Test –  
Identification with department

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.846
Bartlett's Test of Sphericity	Approx. Chi-Square	682.285
	df	45
	Sig.	.000

## b) Factor analysis

The factor analysis of the “*identification of department*” questions indicates that there are two separate factors within this concept. There are only one question DPRIDE that loads on both factors but DPRIDE are ignored for factor 2 due to the higher loading on factor 1. All the questions have favourable factor loadings that exceed 0.4. The cumulative variance explained by the two factors is 54.22%.

Table 4.10 Factor analysis – Identification with department

	Factor			
	1	2		
DOPINION	.758		I am very interested in what others think about my department.	DOPINION
DWE	.716		When I talk about this department, I usually say “we” rather than “they”.	DWE
DPRAISE	.706		When someone praises my department, it feels like a personal compliment.	DPRAISE
DAGREE	.522		I often agree with my colleagues on how to deal with things in my department.	DAGREE
DSUCCESS	.466		The department’s successes are my successes.	DSUCCESS
DPRIDE	.435	.315	I am proud of working in this department.	DPRIDE
DCRITIC	.408		When someone criticises my	DCRITIC



			department, it feels like a personal insult.	
DPSGOALS		.737	I have enough freedom to achieve my personal goals (e.g. concerning my career) in this department.	DPSGOALS
DRESPECT		.648	In my department I get the respect I deserve.	DRESPECT
DBACK		.434	People in my department really back me.	DBACK

### c) Reliability of results

From the table below it is clear that the 2 factors did return reliability coefficients that were satisfactory. These values are above the required 0.6 level of reliability.

Table 4.11 Reliability of the factors – Identification with department

		Cronbach Alpha
Factor 1	Ownership	.817
Factor 2	Respect & Goals	.706

### d) Results obtained from questionnaire

The results obtained in table 4.12 were calculated as follows:

- i) Ownership = Mean (DOPINION, DWE, DPRAISE, DAGREE, DSUCCESS, DPRIDE, DCRITIC) and
- ii) Respect & Goals = Mean (DPSGOALS, DRESPECT, DBACK).



Table 4.12 Results obtained from analysing data – Identification with department

Factor	Admin	CRP	East Plant	HR	Engineering	Logistics	PSP	SHEQ	West Plant	Tubatse
Ownership	3.94	3.69	4.04	4.18	4.29	3.75	4.03	4.14	3.97	3.97
Respect & Goals	3.30	3.20	3.72	3.67	3.94	3.50	3.72	4.00	3.50	3.63

The overall score of employees taking ownership for their departments and identifying with them for Tubatse was satisfactory, with the Engineering department that had the highest score for taking ownership. With reference to the overall score for Tubatse with regards to Respect and Goals, employees is of the opinion that they just receiving a satisfactory level of respect. With reference to the individual departments Admin, CRP and Logistics employees indicating that they do not receive satisfactory level of respect and do not have the opportunity to achieve personal goals. The Engineering department have the highest score with regards to Respect and Goals.

#### 4.4.2.2 Identification with Tubatse

##### a) KMO and Bartlett's Test

The Identification with Tubatse KMO and Bartlett scores is summarized in table 4.13 below. The KMO score is higher than the minimum required 0.5 with a value of 0.928, with the Bartlett score at a satisfactory level of 0.000. These scores indicate that the data is suitable for factor analysis.



Table 4.13 KMO and Bartlett's Test – Identification with Tubatse

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.928
Bartlett's Test of Sphericity	Approx. Chi-Square	1081.413
	df	45
	Sig.	.000

## b) Factor analysis

There are two factors extracted from the factor analysis and all the questions in each factor have a factor loading of higher than 0.4. However the question CPRIDE loaded on both factors but was ignored for factor 1 since the higher loading was on factor 2. The total variance explained with the two factors below in table 4.14 is 65.26%.

Table 4.14 Factor analysis – Identification with Tubatse

	Factor			
	1	2		
CPRAISE	.880		When someone praises Tubatse, it feels like a personal compliment.	CPRAISE
CWE	.792		When I talk about Tubatse, I usually say “we” rather than “they”	CWE
COPINION	.735		I am very interested in what others think about Tubatse.	COPINION
CSUCCESS	.639		Tubatse’s successes are my successes.	CSUCCESS
CCRITIC	.552		When someone criticises Tubatse, it feels like a personal insult.	CCRITIC
CRESPECT		.727	At Tubatse I get the respect I deserve.	CRESPECT
CPSGOALS		.718	I have enough freedom to achieve my personal goals (e.g. concerning my career) at Tubatse.	CPSGOALS
CAGREE		.554	I often agree with my colleagues on how to deal with things at Tubatse.	CAGREE
CBACK		.554	People at Tubatse really back me.	CBACK
CPRIDE	.419	.481	I am proud of working for Tubatse.	CPRIDE



**c) Reliability of results**

It can be seen from table 4.15 below that the 2 factors did return reliability coefficients that were satisfactory and above the required 0.6 level of reliability.

Table 4.15 Reliability of the factors – Identification with Tubatse

		Cronbach Alpha
Factor 1	MAID	.877
Factor 2	ROIT	.830

**d) Results obtained from questionnaire**

The results obtained in table 4.16 were calculated as follows:

- i) MAID = Mean (CPRAISE, CWE, COPINION, CSUCCESS, CCRITIC) and
- ii) ROIT = Mean (CRESPECT, CPSGOALS, CAGREE, CBACK, CPRIDE)

Table 4.16 Results obtained from analysing data – Identification with Tubatse

Factor	Admin	CRP	East Plant	HR	Engineering	Logistics	PSP	SHEQ	West Plant	Tubatse
MAID	3.72	3.92	3.88	4.05	4.05	3.78	4.01	4.10	3.88	3.88
ROIT	3.23	3.56	3.76	3.75	3.95	3.64	3.77	4.10	3.70	3.70



With regards to the two identification models used, it is evident that the employees in general are able to identify with Tubatse. The SHEQ department have the highest score in both the models however this result is skewed due to only 2 valid response received from the department. The Admin and CRP are the only two departments that did not received satisfactory levels in both the models with the Engineering department having the highest score in both models.

#### **4.4.2.3 External prestige**

##### **a) KMO and Bartlett's Test**

From table 4.17 below it can be seen that the KMO score is 0.781 that is higher than the required minimum of 0.5 and the Bartlett's score is 0.000 that is much less than the required maximum of 0.05. These scores indicate that the data is suitable for factor analysis.

Table 4.17 KMO and Bartlett's Test – External prestige

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.781
Bartlett's Test of Sphericity	Approx. Chi-Square	479.920
	df	6
	Sig.	.000

##### **b) Factor analysis**

All the questions below in table 4.18 loaded onto one factor with factor loadings of above 0.4. The total variance that is explained by this one factor is 72.340%.



Table 4.18 Factor analysis – Identification with External prestige

	Factor		
	1		
EXPLALL	.892	Tubatse is perceived as an example for other companies in general.	EXPLALL
EXPLIND	.869	Tubatse is perceived as an example for other companies in the ferrochrome industry.	EXPLIND
ATTREMPPL	.805	Tubatse is perceived as an attractive employer.	ATTREMPPL
PUBREPUT	.609	Tubatse has a good reputation with the public /communities /other companies.	PUBREPUT

**c) Reliability of results**

The *External prestige* factor had a satisfactory reliability coefficient of 0.87 (table 4.19) that was above the required 0.6 level of reliability.

Table 4.19 Reliability of the factors – External prestige

		Cronbach Alpha
Factor 1	External Prestige	.870

**d) Results obtained from questionnaire**

The results obtained in table 4.20 were calculated as follows:

- i. Prestige = Mean = (EXPLALL, EXPLIND, ATTREMPPL, PUBREPUT)



Table 4.20 Results obtained from analysing data – External prestige

Factor	Admin	CRP	East Plant	HR	Engineering	Logistics	PSP	SHEQ	West Plant	Tubatse
Prestige	3.78	3.60	3.87	3.88	4.09	3.69	3.83	4.25	3.71	3.82

The employees at Tubatse perceive the company in general as a satisfactory company to work for, with the Engineering department employees having the highest opinion of the company.

#### 4.4.2.4 Satisfaction with job and company

##### a) KMO and Bartlett's Test

The Satisfaction with job and company KMO and Bartlett scores is summarized in table 4.21 below. The KMO score is higher than the minimum required 0.5 with a value of 0.702, with the Bartlett score at a satisfactory level of 0.000. These scores indicate that the data is suitable for factor analysis.

Table 4.21 KMO and Bartlett's Test – Satisfaction with job and company

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.702
Bartlett's Test of Sphericity	Approx. Chi-Square	290.706
	df	28
	Sig.	.000



**b) Factor analysis**

The factor analysis performed on the questions below in table 4.22 loaded onto three different factors. The question LEAVE did not load on any of the factors and will be ignored. CREDJOB loaded on factors 1 and 3, with the higher loading on 1. The total variance explained with the factors below in table 4.22 is 61.99%.

Table 4.22 Factor analysis – Satisfaction with job and company

	Factor				
	1	2	3		
TELLEMP	.770			I tell all my friends and acquaintances that Tubatse is an excellent company to work for.	TELLEMP
ENJOYJOB	.681			I enjoy doing my job.	ENJOYJOB
XTRAEFF	.630			I am willing to put in extra effort in order to help Tubatse be successful.	XTRAEFF
CREDJOB	.444		.323	Whenever I do my job well, I get credit for it.	CREDJOB
LEAVE				As soon as I can somewhat improve my position (in terms of salary, atmosphere at work, career opportunities, etc.) I will be gone.	LEAVE
WORKCOND		.767		The working conditions in my job could be better.	WORKCOND
PREFOTHW		.443		I would prefer to do other work.	PREFOTHW
JOBSTATIS			.568	I am very satisfied with my job.	JOBSTATIS



**c) Reliability of results**

Table 4.23 Reliability of the factors – Satisfaction with job and company

		Cronbach Alpha
Factor 1	Enjoyment	0.524
Factor 2	Work Condition	
Factor 3	Satisfaction	Requires two variables

**d) Results obtained from questionnaire**

The results obtained in table 4.24 were calculated as follows:

- i. Enjoyment = Mean (TELLEMPL, ENJOYJOB, XTRAEFF, CREDJOB),
- ii. Work Condition = Mean (WORKCOND, PREFOTHW) and
- iii. Satisfaction = Mean (JOBSTATIS)

Table 4.24 Results from analysing data – Satisfaction with job and company

Factor	Admin	CRP	East Plant	HR	Engineering	Logistics	PSP	SHEQ	West Plant	Tubatse
Enjoyment	3.55	3.55	3.92	4.38	4.27	3.76	4.13	4.00	3.70	3.92
Work Condition	3.40	3.90	3.37	3.13	2.96	3.56	3.80	3.00	3.46	3.46
Satisfaction	3.60	3.40	4.17	4.25	4.19	3.67	4.03	4.50	3.25	4.09

The employees at Tubatse in general are very satisfied with their jobs and are satisfied with the joy they receive from it, with the HR department having the highest



scores. The low scores for the work condition is good since if respondents were in agreement with these statements it would reflect negatively on the company or department. Engineering have the lowest score with regards to work condition.

#### **4.4.2.5 Internal Communication**

##### **a) KMO and Bartlett's Test**

The KMO score is 0.780 that is higher than the required minimum of 0.5 and the Bartlett's score is 0.000 that is much less than the required maximum of 0.05. These scores indicate that the data is suitable for factor analysis.

Table 4.25 KMO and Bartlett's Test – Internal Communication

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.780
Bartlett's Test of Sphericity	Approx. Chi-Square	568.166
	df	21
	Sig.	.000

##### **b) Factor analysis**

The factor analysis performed on the Internal Communication section identified 2 factors. It was only the RESPONSE questions that had a factor loading of below 0.4 and this question will be ignored for factor 2. The total variance explained is 66.08%.



Table 4.26 Factor analysis – Internal Communication

	Factor			
	1	2		
SUGGSUP	.944		My supervisor is open to my suggestions.	SUGGSUP
TRUTHSUP	.847		When my supervisor tells me something. I trust that he is being open and honest with me	TRUTHSUP
SAYCOUNT	.591		What I say counts.	SAYCOUNT
TRUTHCOL	.438		When my colleagues tell me something. I trust that they are telling the truth.	TRUTHCOL
SUGGMGT		.882	Our general manager/ managers are willing to listen to our suggestions.	SUGGMGT
TRUTHPER		.755	When the general manager / the management of Tubatse tell us about our job performance, I trust that they are telling the truth.	TRUTHPER
RESPONSE		.393	When I ask a Tubatse colleague outside this company a question, I usually receive an immediate reply.	RESPONSE

**c) Reliability of results**

From table 4.27 below it is clear that the 2 factors did return reliability coefficients that were satisfactory and these values are above the required 0.6 level of reliability.

Table 4.27 Reliability of the factors – Internal Communication

		Cronbach Alpha
Factor 1	Direct Communication	.810
Factor 2	Indirect Communication	.800



**d) Results obtained from questionnaire**

The results obtained in table 4.28 were calculated as follows:

- i. Direct Communication (middle management and colleagues) = Mean (SUGGSUP, TRUTHSUP, SAYCOUNT, THRUTHCOL) and
- ii. Indirect Communication (senior management) = Means (SUGGMGT, TRUTHPER).

Table 4.28 Results obtained from analysing data – External prestige

Factor	Admin	CRP	East Plant	HR	Engineering	Logistics	PSP	SHEQ	West Plant	Tubatse
Direct Communication	3.30	3.05	3.56	3.50	3.82	3.42	3.59	4.00	3.38	3.51
Indirect Communication	3.60	4.00	3.62	3.50	3.96	3.21	3.80	4.00	3.13	3.52

The employees at Tubatse are in general dissatisfied with the direct and indirect communication. The SHEQ department have the highest value but these results are skewed due to only 2 respondents that provided valid responses. Engineering is the only department that have satisfactory values for both factors.



#### 4.4.2.6 Communication policy

##### a) KMO and Bartlett's Test

From table 4.29 below it can be seen that the KMO score is 0.653 that is higher than the required minimum of 0.5 and the Bartlett's score is 0.000 that is much less than the required maximum of 0.05. These scores indicate that the data is suitable for factor analysis.

Table 4.29 KMO and Bartlett's Test – Communication policy

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.653
Bartlett's Test of Sphericity	Approx. Chi-Square	97.446
	df	10
	Sig.	.000

##### b) Factor analysis

The results displayed in table 4.30 indicates that the questions load onto two factors, however factor 2 will be ignored because of the factor loadings of the questions are below 0.4.



Table 4.30 Factor analysis – Communication policy

	Factor			
	1	2		
INFORMAL	.639		You often learn about information that concerns you and your job via informal sources.	INFORMAL
INFCONY	.614		You will get more information about Tubatse during conversations with colleagues rather from the management.	INFCONY
UPTODATE	.609		Official sources of information most often give information that is no longer up to date.	UPTODATE
INVDECM		.392	Employees should have be involved to a greater extent in the decision making process.	INVDECM
SAYDECM		.391	At Tubatse employees have sufficient opportunity to have their say on decisions.	SAYDECM

**c) Reliability of results**

Factor 1 did return a reliability coefficient that was satisfactory and the value is 0.649 that is above the required 0.6 level of reliability.

Table 4.31 Reliability of the factors – Communication policy

		Cronbach Alpha
Factor 1	Communication policy	.649



#### d) Results obtained from questionnaire

The results displayed in Table 4.32 were obtained through the following calculation:

- i. Communication Policy = Mean (INFORMAL, INFCONY, UPTODATE)

A low value for the Communication policy is good, because if the respondents where in agreements with these questions it would have indicated that the communication policy was out dated and not providing adequate and up to date information, however the employees in general indicated in Table 4.28 that they feel the communication is unsatisfactory.

Table 4.32 Results obtained from analysing data –

Factor	Admin	CRP	East Plant	HR	Engineering	Logistics	PSP	SHEQ	West Plant	Tubatse
Communication Policy	3.17	2.53	2.94	2.79	2.94	3.29	3.05	2.83	3.08	3.05

#### 4.4.2.7 Do they know the brand

##### a) KMO and Bartlett's Test

From table 4.33 below it can be seen that the KMO score is 0.888 that is higher than the required minimum of 0.5 and the Bartlett's score is 0.000 that is much less than



the required maximum of 0.05. These scores indicate that the data is suitable for factor analysis.

Table 4.33 KMO and Bartlett's Test – Do they know the brand

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.888
Bartlett's Test of Sphericity	Approx. Chi-Square	1700.202
	df	66
	Sig.	0.000

## b) Factor analysis

All the questions for the *Do they know the brand* loaded onto two factors, with all the factor loadings exceeding 0.4. The total variance explained with the two factors below in table 4.34 is 66.215%.

Table 4.34 Factor analysis – Do they know the brand

	Factor			
	1	2		
MISSION	.944		I have a clear understanding of what the company mission is.	MISSION
VALUES	.911		I have a clear understanding of what the company values are.	VALUES
VISION	.892		I have a clear understanding of what the company vision is.	VISION
VMVREF	.778		Tubatse's vision, mission and values are reflected in my everyday work.	VMVREF
SEEN	.770		I understood how Tubatse wants to be seen by customers, competitors and media.	SEEN
DIFF	.691		I know what makes Tubatse different from its competitors.	DIFF
PROMISE	.689		I know what I, as an employee, have to do in order to deliver on Tubatse product promise.	PROMISE
NEEDS	.546		I know what customer needs Tubatse is fulfilling with its products and services.	NEEDS
VISUAL	.503		I think that Tubatse transmits a	VISUAL



			constant visual image through its facilities, advertising, and communication material.	
SATISFY	.497		I know what I, as an employee, have to do in order to satisfy customers' needs and expectations.	SATISFY
PROSERVE		.826	I have a clear idea of how the customers feel about Tubatse's products and services.	PROSERVE
CUSLIKE		.775	I know what Tubatse's customers are like.	CUSLIKE

**c) Reliability of results**

The two factors identified through the factor analysis provided reliability coefficients that were respectively 0.929 and 0.833, both these values very above the required 0.6 level.

Table 4.35 Reliability of the factors – Do they know the brand

		Cronbach Alpha
Factor 1	Employee	.929
Factor 2	Customers	.833

**d) Results obtained from questionnaire**

The results obtained in table 4.36 were calculated as follows:

- i. Employee Knowledge of Brand = Mean (MISSION, VALUES, VISION, VMVREF, SEEN, DIFF, PROMISE, NEEDS, VISUAL, SATISFY) and
- ii. Employee Knowledge of Customer = Mean (PROSERVE, CUSLIKE)



The employees in general feel that they know what the company stands for and that they live the company's vision, mission and values; however they don't know who the customers of the company are. The Engineering and HR departments have the highest score with regards to knowledge of the company however all the employees in all the departments don't have a clear understanding of who the customers of the company are. This result is expected because mining company's employees are relatively far removed from the end customer.

Table 4.36 Results obtained from analysing data – Do they know the brand

Factor	Admin	CRP	East Plant	HR	Engineering	Logistics	PSP	SHEQ	West Plant	Tubatse
Employee Knowledge of Brand	4.11	3.32	3.85	4.14	4.14	3.88	3.92	3.90	3.85	3.91
Employee Knowledge of Customer	2.75	2.90	3.41	3.56	3.36	3.60	3.00	3.00	2.75	3.35

#### 4.4.2.8 Do they Care?

##### a) KMO and Bartlett's Test

The Do they care KMO and Bartlett scores is summarized in table 4.37 below. The KMO score is higher than the minimum required 0.5 with a value of 0.930, with the Bartlett score at a satisfactory level of 0.000. These scores indicate that the data is suitable for factor analysis.



Table 4.37 KMO and Bartlett's Test – Do they Care?

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.930
Bartlett's Test of Sphericity	Approx. Chi-Square	1291.770
	df	45
	Sig.	.000

## b) Factor analysis

All the questions in this section loaded onto one factor with factor loadings exceeding 0.4. The total variance explained is 62.43%.

Table 4.38 Factor analysis – Do they care?

	Factor 1		
IMLEVMV	.818	Implementing the company mission, vision, and values in my everyday work.	IMLEVMV
COMVMV	.805	A common, company-wide, understanding of the company mission, vision, and values.	COMVMV
TEXPECTME	.780	Tubatse's expectations of me as an employee.	TEXPECTME
CONVIS	.774	A constant visual implementation of the company facilities, advertising, and communication material.	CONVIS
SUPER	.772	Superiority of the company I work for compared to its competitors.	SUPER
PERATTI	.769	Customers' perceptions of and attitudes towards Tubatse.	PERATTI
CEXPECTME	.749	Customers' expectation of me as an employee.	CEXPECTME
OFFER	.747	The offer of products and services of the company I work for.	OFFER
KNOWCUS	.738	Knowing who the customers are.	KNOWCUS
OPINION	.674	Other people's opinion of the company I work for.	OPINION



**c) Reliability of results**

The factor identified in table 4.39 provided a reliability coefficient of 0.934 (table 4.39). This value is satisfactory and above the minimum required level of 0.6.

Table 4.39 Reliability of the factors – Do they Care

		Cronbach Alpha
Factor 1	Do they care	.934

**d) Results obtained from questionnaire**

The result obtained in table 4.40 was calculated as follows:

- i. Caring = Mean (IMLEVMV, COMVMV, TEXPECTME, CONVIS, SUPER, PERATTI, CEXPECTME, OFFER, KNOWCUS, OPINION)

The employees at Tubatse in general care about the company, with the HR department having the highest score. All the departments received a satisfactory result with 4 departments having scores higher than 4 (very satisfied).

Table 4.40 Results obtained from analysing data – Do they care

Factor	Admin	CRP	East Plant	HR	Engineering	Logistics	PSP	SHEQ	West Plant	Tubatse
Caring	4.20	3.8	3.97	4.39	4.08	3.79	4.12	3.95	3.68	3.95



#### 4.4.2.9 Organisational Culture

##### a) KMO and Bartlett's Test

The KMO score is 0.785 for Organisational Culture as can be seen in table 4.41 below, that is higher than the required minimum of 0.5 and the Bartlett's score is 0.000 that is much less than the required maximum of 0.05. These scores indicate that the data is suitable for factor analysis.

Table 4.41 KMO and Bartlett's Test – Organisational Culture?

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.785
Bartlett's Test of Sphericity	Approx. Chi-Square	1262.084
	df	153
	Sig.	.000

##### b) Factor analysis

The factor analysis of the *Organisational Culture* influence indicated that there are 4 factors within this one influence. JOBDESCR loaded on both factors 1 and 2, with the highest loading of factor 1; therefore it is ignored for factor 2. JOBNPERS loaded both on factor 2 and 4, with the highest loading on 2; therefore it is ignored for factor 4. ONTIME and WHATNHOLD have negative factor loadings but it is due to the fact that if the respondent strongly agrees with these questions it provides a highly negative response.



Table 4.42 Factor analysis – Organisational Culture

	Factors					
	1	2	3	4		
INNOVCC	.799				Tubatse have a culture that encourages innovation and achievement	INNOVCC
DEVELOPP	.723				Tubatse have good development opportunities for employees	DEVELOPP
NEWHOME	.716				At Tubatse new colleagues soon feel at home.	NEWHOME
ACHREW	.709				Achievements are rewarded at Tubatse.	ACHREW
RULES	.657				Sticking to the rules is rewarded at Tubatse.	RULES
BOSSEXPL	.648				The behaviour of my boss is an example for me.	BOSSEXPL
ATMDEP	.635				The atmosphere in my department is excellent.	ATMDEP
TALKFREE	.565				At Tubatse you can talk about everything.	TALKFREE
JOBDESCR	.546	.470			To perform a task you need a clear description of your job.	JOBDESCR
SLOWIMPL		.743			Implementing new ideas takes too much time at Tubatse.	SLOWIMPL
FRICTION		.658			Friction and opposition are commonplace at Tubatse.	FRICTION
ATMOBJ		.635			The atmosphere within Tubatse makes it difficult to raise objections concerning decisions made by superiors.	ATMOBJ
UNEQOPP		.493			Not everyone has equal chances to climb the ladder at Tubatse.	UNEQOPP
JOBNPERS		.405		-.370	At Tubatse the job I am doing gets more attention than my person.	JOBNPERS
TALKSUP			.940		I can talk about everything with my boss.	TALKSUP
LEADERST			.933		The style of leadership at Tubatse suits me fine.	LEADERST
ONTIME				-.820	To be late for a meeting is not taken seriously.	ONTIME
WHATNHOLD				-.582	At Tubatse judgements are based on what you achieve and not how you achieve it.	WHATNHOLD



### c) Reliability of results

The factors 1 to 3 obtained by the factor analysis of *Organisational Culture* provided reliability coefficients that were above the minimum requirement of 0.6 and therefore satisfactory.

Table 4.43 Reliability of the factors – Organisational Culture

		Cronbach Alpha
Factor 1	Management behaviour	.856
Factor 2	Climate	.678
Factor 3	Leadership style	.877
Factor 4	Perceptions	.279

Although the reliability coefficient of factor 4 is low at 0.279 it can still be seen as significant because of the fact that all its factor loadings have negative scores (Field as noted by Salim (2011, 47)).

### d) Results obtained from questionnaire

The results obtained in table 4.44 were calculated as follows:

- i. Management Behaviour = Mean (INNOVCC, DEVELOPP, NEWHOME, ACHREW, RULES, BOSSEXPL, ATMDEP, TALKFREE, JOBDESCR),
- ii. Climate = Mean (SLOWIMPL, FRICTION, ATM OBJ, UNEQOPP, JOBNPERS),
- iii. Leadership Style = Mean (TALKSUP, LEADERST) and
- iv. Perception = Mean (ONTIME, WHATNHOLD).



Table 4.44 Results obtained from analysing data – Organisational Culture

Factor	Admin	CRP	East Plant	HR	Engineering	Logistics	PSP	SHEQ	West Plant	Tubatse
Management Behaviour	3.18	3.05	3.60	3.44	3.80	3.50	3.54	3.83	3.31	3.52
Climate	3.08	3.36	3.05	3.25	2.78	3.42	3.22	2.80	3.27	3.20
Leadership Style	3.25	2.90	3.33	3.69	3.63	3.54	3.33	3.50	3.17	3.41
Perception	2.80	2.90	2.77	2.69	2.56	2.95	2.77	3.00	2.92	2.82

High scores for Management behaviour and Leadership style would be good results, and low scores for Climate and perception would be good since high scores in these areas will be negative. The employees in general at Tubatse are not satisfied with the Management behaviour and leadership style. The Engineering department is the only department that received satisfactory results in both the Management behaviour and leadership style. All the departments and Tubatse in general had a low score with regards to climate and perception.

#### 4.4.2.10 Commitment

##### a) KMO and Bartlett's Test

The Commitment KMO score is 0.540 that is higher than the required minimum of 0.5 and the Bartlett's score is 0.000 that is much less than the required maximum of 0.05. These scores indicate that the data is suitable for factor analysis.



Table 4.45 KMO and Bartlett's Test – Commitment

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.540
Bartlett's Test of Sphericity	Approx. Chi-Square	72.890
	df	3
	Sig.	.000

## b) Factor analysis

The factor analysis indicated one factor, with only LEAVE having a negative factor loading. However this is attributed to the fact that if the respondent agrees with the question it is a negative response. The total variance explained is 53.69%.

Table 4.46 Factor analysis – Commitment

	Factor 1		
TELLEMP	.818	I tell all my friends and acquaintances that Tubatse is an excellent company to work for.	TELLEMP
XTRAEFF	.627	I am willing to put in extra effort in order to help Tubatse be successful.	XTRAEFF
LEAVE	-.238	As soon as I can somewhat improve my position (in terms of salary, atmosphere at work, career opportunities, etc.) I will be gone.	LEAVE

## c) Reliability of results

The reliability coefficient for the Commitment factor is above the satisfactory level of 0.6 as can be seen in table 4.47.



Table 4.47 Reliability of the factors – Commitment

		Cronbach Alpha
Factor 1	Commitment	.674

**d) Results obtained from questionnaire**

The results obtained in table 4.48 were calculated as follows:

- i. Commitment = Mean (TELLEMPPL, XTRAEFF)

It can be seen from table 4.48 that Tubatse have very committed employees, with the HR department having the highest commitment.

Table 4.48 Results obtained from analysing data – Commitment

Factor	Admin	CRP	East Plant	HR	Engineering	Logistics	PSP	SHEQ	West Plant	Tubatse
Commitment	4.00	4.00	3.95	4.56	4.38	3.94	4.12	4.25	3.90	4.05



## 4.5 Conclusion

Figure 4.2 provides an overview of all the results obtained for Tubatse. There are several factors that are above the satisfactory value level of 3.6.

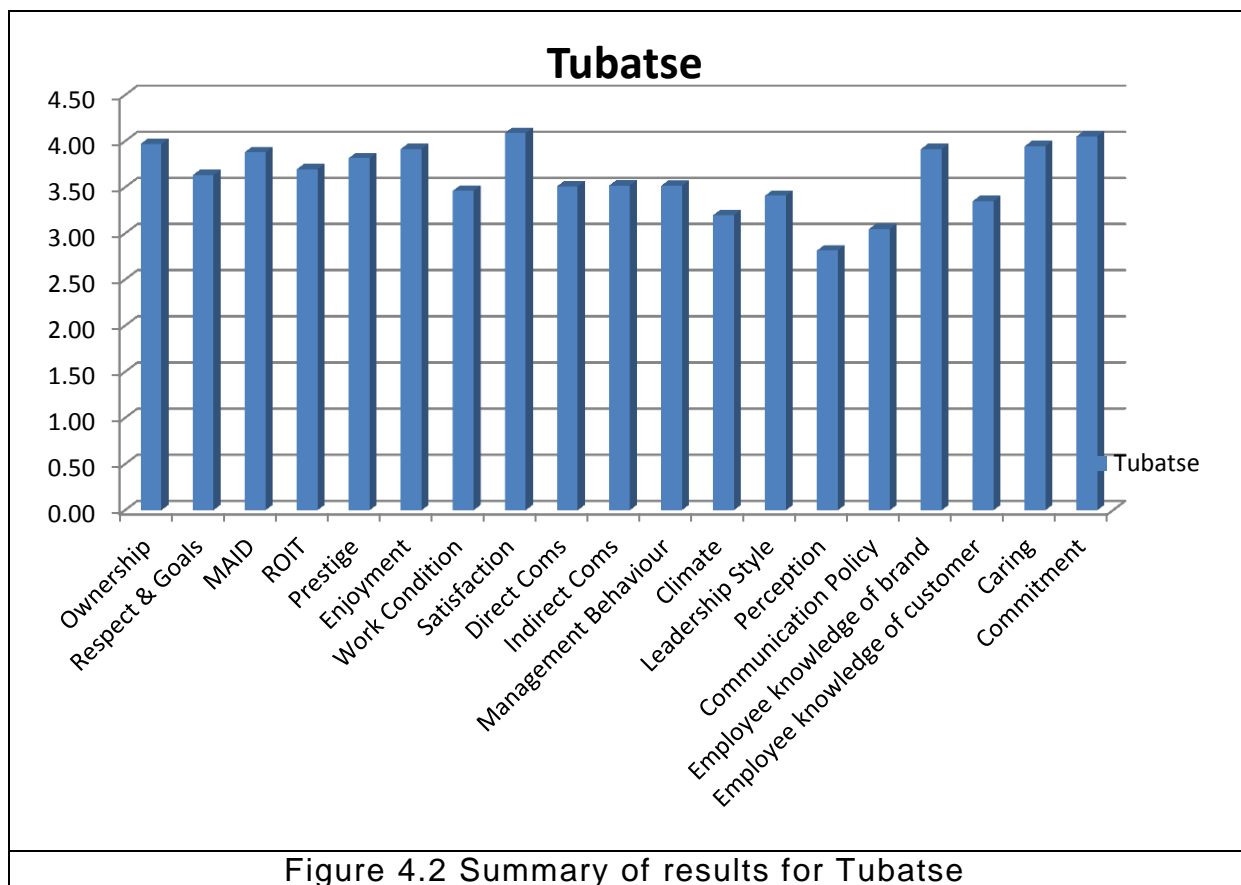


Figure 4.2 Summary of results for Tubatse

The conceptual framework that was used as indicated in figure 4.1 have more factors than was anticipated. The employees at Tubatse scored very high scores for Satisfaction (4.09) and Commitment (4.05) indicating that they are in general very committed and satisfied with their jobs.



## Chapter 5

### Conclusion and Recommendations

#### 5.1 Introduction

The purpose of this chapter is to give a summary of the findings and their relation with regards to the relevant theory. Conclusions (including the reliability and validity of the study), recommendations and areas for further study will be made and discussed. After the statistical analysis the conceptual framework for the questionnaire was amended, and it will be discussed.

#### 5.2 Conclusions

##### 5.2.1 Reliability and Validity

There are two dimensions that underlie the *reliability* concept namely repeatability and internal consistency. *Repeatability* can be determined by administering the same test or questionnaire to the same respondents at two different points in time and then comparing the scores and *internal consistency* can be measured using the Cronbach's alpha method. Any testing instrument can reliably measure something other than the supposed construct but an unreliable measure cannot be *valid*, therefore any valid instrument must by definition be reliable. The validity of any questionnaire or measuring instrument can be determined by using factor analysis.

It was evident that the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and the Bartlett test of sphericity were suitable measures to indicate that factor analysis was a valid and appropriate statistical tool to analyse the data as obtained



from the questionnaire. However repeatability could not be established because it would have required that the questionnaire had to be distributed again and then the results compared. The data that was obtained from the study was reliable as indicated by the Cronbach alpha coefficients.

### **5.2.2 Questionnaire**

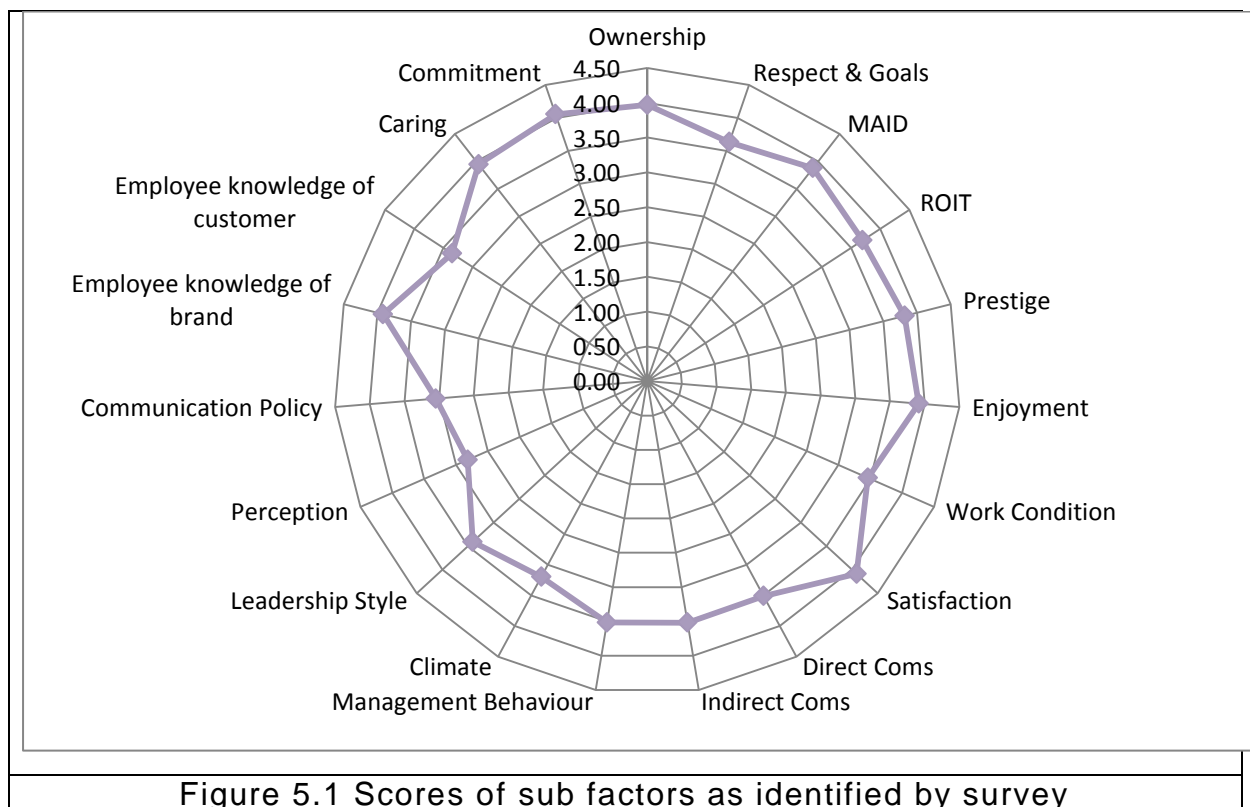
The original Rotterdam Organisational Identification Test (ROIT) questionnaire had 225 Likert statements that attempted to measure organisational identification and its hypothesized antecedents however a modified version of the questionnaire was used as was obtained in the literature. The questionnaire revealed several sub factors within each concept that was studied. The conceptual framework was then modified as can be seen in figure 5.2. The questionnaire was also only available in English. The initial aim was to distribute the questionnaire to all employees but not all employees are fluent in English and the possibility did exist that the terminology and statements could be misinterpreted by lower level employees therefore the questionnaire was only distributed to selected employees.

### **5.2.3 Results**

This survey enabled the detection of weaknesses with regards to departmental and organisational identification, perceived organisational prestige, job and company satisfaction, organisational culture, employee communication, commitment, employee knowledge with regards to the company and whether the employees cares. Several sub factors (see figure 5.1) was identified that can either create or prevent a supportive attitude towards the company as a whole or towards only a part of the company. It is evident from the literature that the behaviour of the employees (including management) has a direct effect on an organisation's corporate identity and image therefore it is important that employees must be able to identify with the company ideals, values and goals. The survey used however, cannot reveal the nature of the corporate identity of a specific company but can only provide



information about the consequences of a given corporate identity. The central point of the survey was the identification of employees with their organisation. Tubatse had relative



The highest score for Tubatse was with regards to commitment (4.05) and job satisfaction (4.09). The company must give attention to its communication policy (3.05) as well as the climate (3.20) that is created by its leadership style (3.41) and the management behaviour (3.52). All these scores were below the satisfactory level of 3.6. All these influences have been confirmed by statistical analysis to be valid influences. Some elements of the factors were dualistic in nature while others loaded only onto one particular factor. The factors that was identify were based on the author's interpretation. Some departmental results also do not give a true reflection, due to limited valid response received such as the SHEQ department (2 responses) and CRP (5 responses).



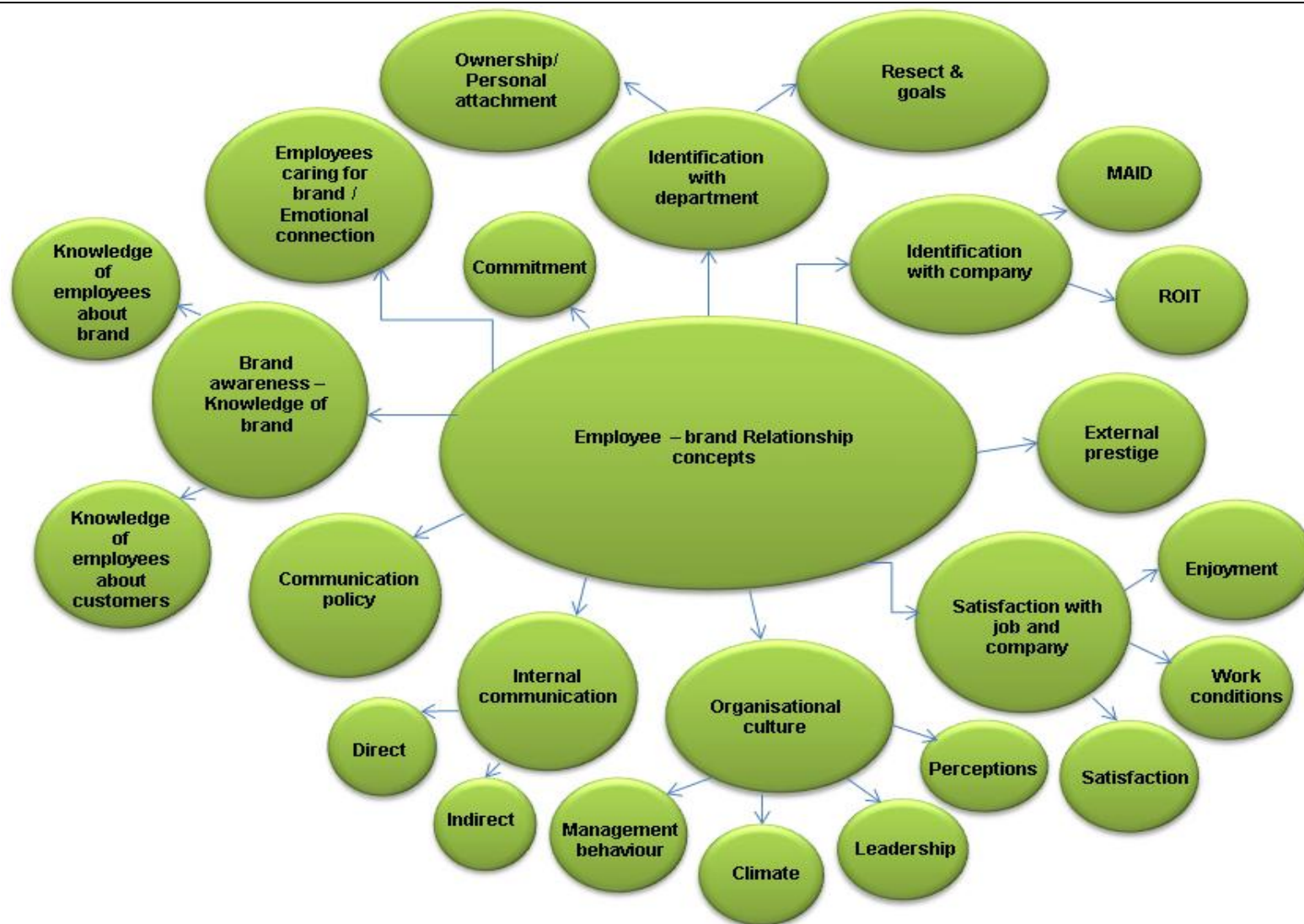


Figure 5.2 Revised conceptual framework for employee brand relationship including sub factors (influences)



## 5.3 Recommendations

### 5.3.1 Questionnaire

Only 214 valid responses were received from the 293 questionnaires that were completed. It is evident from Table 5.1 that the majority of the employees are in the B-band (semi-skilled) with only 9.45% valid responses that were received. These employees are all fluent in Sepedi with English being their second language. With regards to the C-band (skilled and semi-skilled) the dominant languages are Afrikaans and Sepedi. It is recommended that to improve the response rate the questionnaire should be translated into the language in which the employees are fluent.

Table 5.1 Percentage employees versus Valid Responses

	B – Band (semi-skilled)	C – Band (semi-skilled/ skilled)	D - Band
Employees	45.19 %	44.16 %	9.3 %
Valid Responses	9.45 %	23.88%	3.44%

In this particular survey the questionnaires should also have been translated into Sepedi and Afrikaans. The questionnaire had several sections with a total of 84 questions. The C- and B-band employees completed the questionnaire on average between 30 to 45 minutes, it is also recommended that the questionnaire be split into its smaller sections and the individual sections be presented for survey on several days during the morning meetings.



### **5.3.2 Results**

Each of the factors that were identified should be interpreted individually to determine its importance and influence on employee brand relationship. When the results are interpreted it must be kept in mind that some of the elements were dualistic in nature and there is a possibility that it influences two factors. It is evident that some factors identified through the analysis where Tubatse scored low can be addressed fairly quickly, whereas some may require a more long term approach. The survey had 214 valid responses and the company have 582 employees, indicating 37% of the employees provided valid responses. It is recommended that the survey be repeated on a larger scale to confirm the findings. Some departmental results also do not give a true reflection, due to limited valid response received such as the SHEQ department (2 responses) and CRP (5 responses), therefore more departmental responses is required to make the departmental results more reliable.

### **5.4 Areas for further research**

The survey that was done cannot reveal the nature of the corporate identity of a specific company but can only provide information about the consequences of a given corporate identity. It is recommended that further research must be done into a model that can reveal the nature of the corporate identity. The conceptual framework used in Figure 5.2 can then be used to determine the weaknesses and consequences of the corporate identity that was identified. Tubatse Chrome is a subsidiary of Samancor Chrome and continued research should be done by comparing the different corporate identities (including consequences) of the other subsidiaries with regards to the corporate identity that the head office would like to establish.



## **5.5 Summary**

The study was aimed at measuring the employee-brand relationship in the mining industry. The conceptual model identified several factors affecting the employee-brand relationship. Chapter one gave a brief introduction into the mining environment and outlined the objectives of the study. Chapter two is an overview of the literature with regards to branding. Chapter three provides information with regards to the case company where the survey was done. In chapter four the results of the survey as well as the research methodology is discussed including the method used to collect the data. Chapter 5 gives conclusions with regards to the study and offer recommendations as well as areas for further research.



## BIBLIOGRAPHY

ABRATT, R., BICK, G. & SISO, L. 2009. Corporate branding in South Africa. *Management Dynamics*, 18(1): 27 – 40.

ALWI, S.F.S & DA SILVA, R.V. 2008. Online corporate brand image, satisfaction and loyalty, *Brand Management*, 16(3): 119 – 144

ASCOTT-EVANS, B., HUMAN, G., SOUTER, W.G. & XABANISA, S.S. 2011. Advertising, brand knowledge and attitudinal loyalty in low-income markets: Can advertising make a difference at the 'bottom-of-the-pyramid'?, *Management Dynamics*, 20(2): 33 – 45

BABU, K.N. & MILADIAN, H. 2009. Automobile scene: Brand –Awareness, Image, and personality. *SCMS Journal of Indian Management*, 81 – 85

BALL, H., BUTTLE, H., RAYMOND, J.E. & ZHANG J. 2005. Semantic association of brand images at the implicit level: Evidence from repetition blindness. *Applied Cognitive Psychology*, 19: 1199 – 1210

BALMER, J.M.T. & VAN RIEL, C.B.M. 2007. Corporate identity: the concept, its measurement and management. *European Journal of marketing*, 31(5):310 – 355

BARTH, M.M. 2008. Deciphering Student Evaluations of Teaching: A Factor Analysis Approach, *Journal of Education for Business*, September / October, 40 – 46



BASSON, J. & GERICKE, W.A. 2007. South Africa's Ferro Alloys Industry – Present status and future outlook. (IFAPA. p. 1 – 22)  
<http://www.mintek.co.za/Pyromet/Files/2007Curr.pdf>

BEDBURY, S. 2007. Branding: turning good into great. *Management Today*, 25-28

BRAND IDENTITY GURU. 2012. Branding. Date accessed: 09 Jan 2012.  
[http://www.brandidentityguru.com/brand\\_image\\_company.htm](http://www.brandidentityguru.com/brand_image_company.htm)

BROOM, B. 2003. Stop branding about. *Journal of Marketing*, 9(4):7 – 8

BISSCHOFF, A & BISSCHOFF C. 2002. Key issues to address in applying best practices for service quality in telematics learning at the Potchefstroom University for Christian Higher Education, *Potchefstroom University for Christian Higher Education*, <http://www.col.org/pcf2/papers/bisschoff.pdf>, Date of acces: 02 September 2012.

COETZEE, J. 2009. The global talent crunch: why employer branding matters now. *Management Today*, 25(7): 9 – 12.

CROUS, J. 2008. Branding: A collective promise. *Milk & Juice*, 38 – 39

CRYSTAL, A. & SCHEFFER, J. 2008. Internal Branding as a tool for integrated organisational alignment. *Communicare*, 27(1 & 2):61 – 80

DE VOS, R., KOTZE, T., NORTH, E.J & STARK,O. 2003. The Power of Branding: Revisiting an “Old Friend”, *South African Journal of Economic and Management Sciences*, 6(1):159 – 177



DRIESENER, C. & ROMANIUK, J. 2006. Comparing methods of brand image measurement, *International Journal of Market Research*, 48(6):681 - 698

HERNIC FERROCHROME. 2012. Corporate Overview.  
<http://www.hernic.co.za/index.php?page=overview>, Date accessed 19 May 2012

HUMAN RESOURCE MANAGEMENT INTERNATIONAL DIGEST. 2007. Better than Brand X. Emerald Group Publishing Limited. Vol. 15 No. 3 pp. 12-14

KRISHNAN, A.R. & HARI, K. 2011. Factors determining customer satisfaction in consumer durable with goods: Factor analysis approach, *Asia Pacific Journal of Research in Business Management (The Journal of Sri Krishna Research & Educational Consortium)*, 2(6):32 - 46

LAWRENCE, D. 2008. Internal branding: it is everyone's responsibility.  
*Management Today Yearbook*, 24 – 25

MAEL, F. & ASHFORTH, B. E. 1992. Alumni and their alma mater: A partial test of the reformulated model of organizational identification, *Journal of Organisational Behaviour*, 13:103 – 123

MANAGEMENT STUDY GUIDE. 2008. Brand Management. Date accessed: 8 Jan 2012. <http://www.managementstudyguide.com/brand-management.htm>

Mc MANUS, D.P. 2007. Tubatse Chrome Strategic Plan. January, 61 pages



MELEWAR, T.C. & JENKINS, E. 2002. Defining the Corporate Identity Construct. *Corporate Reputation Review*, 5(1):76 – 90.

NURMELA, H. 2009. Internal branding in high technology environment: Measuring employee-brand relationship through brand identity concept, *JAMK University of Applied Sciences*, 1 - 77

RUUKKI. 2012. Strategy. <http://www.ruukki.com/About-Ruukki/Strategy> . Date accessed 19 May 2012

SALIM, S.F. 2011. An assessment of brand loyalty of banking clients. *Magister in Business Administration*, North West University, Potchefstroom Campus, 94 pages.

SAMPSON, J. 2007. Does marketing have a branding problem? *Journal of Marketing*, 24 – 25

SAMPSON, J. 2008. Marketing: the retail experience and value creation. *Journal of Marketing*, 30 – 31

THANASEGARAN, G. 2008. Reliability and Validity Issues in Research, *Integration & Dissemination*, 35 – 40.

HULT, G.T., SNOW, C.C. & KANDEMIR, D. 2003. The role of entrepreneurship in building cultural competitiveness in different organizational types. *Journal of Management*, 29(3):401 - 426.



VESSENES, P.M. 2004. The Brand Must Be The Image. *Journal of Financial Planning*, 36 – 40

WINTERS, L.C. 1986. The effect of brand advertising on company image: implications for corporate advertising. *Journal of Advertising Research*, 54 – 59

ZOBEL, P. Z. 2000, Cultural relevance of the organisational identification construct in China – the case of foreign-invested enterprises. *Universiteit Leiden - Faculteit der Letteren Sinologisch Instituut*, 1 – 65



## Appendix A – Questionnaire

### Scale

<i>1 = Strongly Disagree</i>	<i>2 = Disagree</i>	<i>3 = Neutral</i>	<i>4 = Agree</i>	<i>5 = Strongly Agree</i>
------------------------------	---------------------	--------------------	------------------	---------------------------

### Demographic information

<b>i</b>	Gender	Male				Female				
<b>ii</b>	Race	White	Black	Coloured	Indian	Other				
<b>iii</b>	Age (years)	18 - 25	26 - 35	36 - 45	46 - 55	Older then 55				
<b>iv</b>	Highest Qualification	Grade 12	Trade test	Certificate	Diploma	Degree	Post graduate	Other (specify) .....		
<b>v</b>	Years of service	0 - 2	3 - 5	6 - 10	11 - 15	16 - 20	21 - 25	Longer then 25		
<b>vi</b>	Section	Production			Maintenance			Non operational		
<b>vii</b>	Department	East Plant	West Plant	PSP	CRP	Logistics	HR	Admin	SHE Q	Engineering
<b>viii</b>	Grade	B - band		C - band		D - band		E - band		

***Please rate the extent to which you agree/disagree with the following statements by making an “X” over the appropriate number on the 1 to 5 point scale next to the statement.***

	STATEMENT	SCALE	
Identification with department.			



1	I often agree with my colleagues on how to deal with things in my department.	1	2	3	4	5	DAGREE
2	I am proud of working in this department.	1	2	3	4	5	DPRIDE
3	People in my department really back me.	1	2	3	4	5	DBACK
4	I have enough freedom to achieve my personal goals (e.g. concerning my career) in this department.	1	2	3	4	5	DPSGOALS
5	In my department I get the respect I deserve.	1	2	3	4	5	DRESPECT
6	When someone criticises my department, it feels like a personal insult.	1	2	3	4	5	DCRITIC
7	I am very interested in what others think about my department.	1	2	3	4	5	DOPINION
8	When someone praises my department, it feels like a personal compliment.	1	2	3	4	5	DPRAISE
9	When I talk about this department, I usually say “we” rather than “they”.	1	2	3	4	5	DWE
10	The department’s successes are my successes.	1	2	3	4	5	DSUCCESS
<b>Identification with Tubatse.</b>							
11	I often agree with my colleagues on how to deal with things at <b>Tubatse</b> .	1	2	3	4	5	CAGREE
12	I am proud of working for <b>Tubatse</b> .	1	2	3	4	5	CPRIDE
13	People at <b>Tubatse</b> really back me.	1	2	3	4	5	CBACK
14	I have enough freedom to achieve my personal goals (e.g. concerning my career) at <b>Tubatse</b> .	1	2	3	4	5	CPSGOALS
15	At <b>Tubatse</b> I get the respect I deserve.	1	2	3	4	5	CRESPECT
1	When someone criticises <b>Tubatse</b> , it feels like a personal	1	2	3	4	5	CCRITIC



6	insult.						
1 7	I am very interested in what others think about <b>Tubatse</b> .	1	2	3	4	5	COPINION
1 8	When someone praises <b>Tubatse</b> , it feels like a personal compliment.	1	2	3	4	5	CPRAISE
1 9	When I talk about <b>Tubatse</b> , I usually say “we” rather than “they”	1	2	3	4	5	CWE
2 0	<b>Tubatse</b> ’s successes are my successes.	1	2	3	4	5	CSUCCESS
<b>External prestige.</b>							
2 1	<b>Tubatse</b> has a good reputation with the public /communities /other companies.	1	2	3	4	5	PUBREPUT
2 2	<b>Tubatse</b> is perceived as an attractive employer.	1	2	3	4	5	ATTREMP
2 3	<b>Tubatse</b> is perceived as an example for other companies in the ferrochrome industry.	1	2	3	4	5	EXPLIND
2 4	<b>Tubatse</b> is perceived as an example for other companies in general.	1	2	3	4	5	EXPLALL
<b>Satisfaction with job and company.</b>							
2 5	I am very satisfied with my job.	1	2	3	4	5	JOBSTATIS
2 6	I would prefer to do other work.	1	2	3	4	5	PREFOTH W
2 7	The working conditions in my job could be better.	1	2	3	4	5	WORKCON D
2 8	I enjoy doing my job.	1	2	3	4	5	ENJOYJOB
2 9	Whenever I do my job well, I get credit for it.	1	2	3	4	5	CREDJOB



30	I am willing to put in extra effort in order to help <b>Tubatse</b> be successful.	1	2	3	4	5	XTRAEFF
31	I tell all my friends and acquaintances that <b>Tubatse</b> is an excellent company to work for.	1	2	3	4	5	TELLEMP
32	As soon as I can somewhat improve my position (in terms of salary, atmosphere at work, career opportunities, etc.) I will be gone.	1	2	3	4	5	LEAVE
<b>Organisational Culture.</b>							
33	At <b>Tubatse</b> judgements are based on what you achieve and not how you achieve it.	1	2	3	4	5	WHATNHOLD
34	At <b>Tubatse</b> the job I am doing gets more attention than my person.	1	2	3	4	5	JOBNPERS
35	Sticking to the rules is rewarded at <b>Tubatse</b> .	1	2	3	4	5	RULES
36	The atmosphere within <b>Tubatse</b> makes it difficult to raise objections concerning decisions made by superiors.	1	2	3	4	5	ATMOBJ
37	Not everyone has equal chances to climb the ladder at <b>Tubatse</b> .	1	2	3	4	5	UNEQOPP
38	At <b>Tubatse</b> you can talk about everything.	1	2	3	4	5	TALKFREE
39	I can talk about everything with my boss.	1	2	3	4	5	TALKSUP
40	The style of leadership at <b>Tubatse</b> suits me fine.	1	2	3	4	5	LEADERST
41	Implementing new ideas takes too much time at <b>Tubatse</b> .	1	2	3	4	5	SLOWIMPL
42	The atmosphere in my department is excellent.	1	2	3	4	5	ATMDEP
43	Friction and opposition are commonplace at <b>Tubatse</b> .	1	2	3	4	5	FRICTION



4 4	To be late for a meeting is not taken seriously.	1	2	3	4	5	ONTIME
4 5	Achievements are rewarded at <b>Tubatse</b> .	1	2	3	4	5	ACHREW
4 6	To perform a task you need a clear description of your job.	1	2	3	4	5	JOBDESCR
4 7	The behaviour of my boss is an example for me.	1	2	3	4	5	BOSSEXPL
4 8	At <b>Tubatse</b> new colleagues soon feel at home.	1	2	3	4	5	NEWHOME
4 9	<b>Tubatse</b> have a culture that encourages innovation and achievement	1	2	3	4	5	INNOVCC
5 0	<b>Tubatse</b> have good development opportunities for employees	1	2	3	4	5	DEVELOPP
<b>Internal Communication</b>							
5 1	When my colleagues tell me something. I trust that they are telling the truth.	1	2	3	4	5	TRUTHCOL
5 2	When my supervisor tells me something. I trust that he is being open and honest with me	1	2	3	4	5	TRUTHSUP
5 3	My supervisor is open to my suggestions.	1	2	3	4	5	SUGGSUP
5 4	What I say counts.	1	2	3	4	5	SAYCOUNT
5 5	When the general manager / the management of <b>Tubatse</b> tell us about our job performance, I trust that they are telling the truth.	1	2	3	4	5	TRUTHPER
5 6	Our general manager/ managers are willing to listen to our suggestions.	1	2	3	4	5	SUGGMGT
5 7	When I ask a <b>Tubatse</b> colleague outside this company a question, I usually receive an immediate reply.	1	2	3	4	5	RESPONSE



Communication policy.							
5 8	At <b>Tubatse</b> employees have sufficient opportunity to have their say on decisions.	1	2	3	4	5	SAYDECM
5 9	Employees should have be involved to a greater extent in the decision making process.	1	2	3	4	5	INVDECM
6 0	You will get more information about <b>Tubatse</b> during conversations with colleagues rather from the management.	1	2	3	4	5	INFCONY
6 1	Official sources of information most often give information that is no longer up to date.	1	2	3	4	5	UPTODATE
6 2	You often learn about information that concerns you and your job via informal sources.	1	2	3	4	5	INFORMAL
Please indicate your level of agreement with each of the following statement. If you are unsure about how to respond to a particular statement, please leave that item blank.							
6 3	I have a clear understanding of what the company mission is.	1	2	3	4	5	MISSION
6 4	I have a clear understanding of what the company vision is.	1	2	3	4	5	VISION
6 5	I have a clear understanding of what the company values are.	1	2	3	4	5	VALUES
6 6	<b>Tubatse's</b> vision, mission and values are reflected in my everyday work.	1	2	3	4	5	VMVREF
6 7	I understood how <b>Tubatse</b> wants to be seen by customers, competitors and media.	1	2	3	4	5	SEEN
6 8	I know what makes <b>Tubatse</b> different from its competitors.	1	2	3	4	5	DIFF
6 9	I know what customer needs <b>Tubatse</b> is fulfilling with its products and services.	1	2	3	4	5	NEEDS
7 0	I think that <b>Tubatse</b> transmits a constant visual image through its facilities, advertising, and communication	1	2	3	4	5	VISUAL



	material.						
7 1	I know what I, as an employee, have to do in order to deliver on <b>Tubatse</b> product promise.	1	2	3	4	5	PROMISE
7 2	I know what I, as an employee, have to do in order to satisfy customers' needs and expectations.	1	2	3	4	5	SATISFY
7 3	I have a clear idea of how the customers feel about <b>Tubatse's</b> products and services.	1	2	3	4	5	PROSERVE
7 4	I know what <b>Tubatse's</b> customers are like.	1	2	3	4	5	CUSLIKE

**How important is the following items to you as an employee? Please circle the number that best describes your opinion. If you are unsure about how to respond to a particular statement, please leave that item blank.**

		Important				Important	
7 5	A common, company-wide, understanding of the company mission, vision, and values.	1	2	3	4	5	COMVMV
7 6	Implementing the company mission, vision, and values in my everyday work.	1	2	3	4	5	IMLEVMV
7 7	Other people's opinion of the company I work for.	1	2	3	4	5	OPINION
7 8	Superiority of the company I work for compared to its competitors.	1	2	3	4	5	SUPER
7 9	The offer of products and services of the company I work for.	1	2	3	4	5	OFFER
8 0	A constant visual implementation of the company facilities, advertising, and communication material.	1	2	3	4	5	CONVIS
8 1	<b>Tubatse's</b> expectations of me as an employee.	1	2	3	4	5	TEXPECTME



8 2	Customers' expectation of me as an employee.	1	2	3	4	5	CEXPECTME
8 3	Customers' perceptions of and attitudes towards <b>Tubatse.</b>	1	2	3	4	5	PERATTI
8 4	Knowing who the customers are.	1	2	3	4	5	KNOWCUS