

IMPLEMENTING A MARKETING STRATEGY
BASED ON SOCIETAL CONTRIBUTION: A
CRITICAL INVESTIGATION IN THE
CO-OPERATIVE CONTEXT.

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ABSTRACT

Increasing numbers of co-operatives are recognising the opportunity to gain competitive advantage by emphasising their ethical values, linked to societal contribution, in their marketing strategy. They refer to this strategic approach as a co-operative advantage. However, implementation can be challenging. One such example, the UK-based Co-operative Bank, became well known for its ethical stance and later for its downfall when it lost sight of its co-operative ethos. This doctoral study sought to investigate how co-operatives can embed their distinctive values in the organisation, and in doing so influence employee behaviours, to deliver a 'Marketing our Co-operative Advantage' (MOCA) strategy.

The research philosophy is based on critical realism. This approach seeks to investigate the circumstances and conditions that need to be in place within the co-operative organisation for MOCA implementation to happen. In-depth interviews were undertaken with senior managers in co-operatives in the UK, Canada and the US, international co-operative commentators, and managers at three levels in a single UK-based co-operative.

This research study found that employee understanding of the MOCA strategy is crucial to implementation behaviours. This understanding is influenced by: internal communication of the MOCA strategy; employee trust in leaders' and managers' commitment to the MOCA strategy; and processes and benchmarks that are evidently linked to MOCA strategy implementation. Unless these are in place, a MOCA strategy cannot be delivered.

This research study makes four contributions to theory and practice. Firstly, by considering a marketing strategy based on societal contribution, this research study offers a new, and contemporary,

perspective on the internal causes that potentially influence, hinder and enable marketing implementation behaviours. Secondly, based on the extant literature, a tentative framework is presented that explains the internal mechanisms that potentially cause marketing strategy implementation in an investor-owned business. Thirdly, analysis and synthesis of the empirical data gathered in this research study addresses a number of calls in the extant literature. Finally, the adoption of a critical realism ontology is extended from existing research into external marketing relationships to internal structures and human actions.

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1 CHAPTER ONE: INTRODUCTION

This thesis seeks to investigate what internal mechanisms potentially cause the implementation of a “Marketing our Co-operative Advantage” (MOCA) strategy, and to explain what needs to be in place within a co-operative organisation to enable implementation. A MOCA strategy is a marketing strategy that builds on the co-operative ethos. This ethos focuses on the community and societal contribution aspects of a co-operative’s purpose and value set. It is seen by co-operatives as a distinctive competitive advantage that cannot be copied by non-co-operatives (usually investor-owned) in the market place. Many co-operatives incorporate a MOCA orientation as part of their marketing strategy. In identifying the internal conditions required, this research study seeks to provide guidance to co-operative leaders and managers on the implementation of a marketing strategy based on MOCA. In addition, this research study contributes to the literature in the marketing strategy implementation domain and, in particular, where the strategy is based on values linked to societal contribution.

A marketing strategy, such as MOCA, is defined by Varadarajan, (2010) as an *“integrated pattern of decisions that specify its crucial choices concerning products, markets, marketing activities and marketing resources in the creation, communication and/or delivery of products that offer value to customers in exchanges with the organization”* (p.119). The implementation of that strategy is concerned firstly with the behaviour of the organisation with its customers and all other stakeholders, and secondly with the strategic role of the marketing function and the management of the internal boundaries that it spans (Varadarajan, 2010). A co-operative’s ethos influences how these decisions are made, and fulfilled, to ensure this distinctiveness is part of the value delivered to customers and other

stakeholders. This research study investigates how the competences that enable the making of these decisions, in relation to a MOCA strategy are developed, and the specialised knowledge and skills required are identified.

As part of delivering an organisation's strategy and in meeting its specific objectives, the traditional role of the marketing function has been to focus on facilitating the exchange of goods between the organisation and its customer. However, accompanying recognition that the whole organisation is responsible for customer satisfaction, the value of the marketing function has increasingly been questioned and in many firms downsized (e.g. Webster, 1992; Day, 1994; Piercy, 1998). As a result, marketing's role has evolved to become one of identifying and developing core competences that offer competitive advantage, and positioning them as value propositions to create distinctiveness for the organisation and to offer value to its customer (e.g. Achol and Kotler, 2012; Moorman and Day, 2016). To do this requires a cross-boundary emphasis on the building of internal relationships, with the purpose of sharing and integrating the knowledge and skills required for the delivery of the organisation's objectives (Varadarajan, 2010).

Societal contribution and concern for their community and future generations are core elements in the co-operative ethos and shape its identity. However, co-operatives are not alone and many other business organisations have also declared a commitment to responsible business practices and governance (e.g. Maignan and Ferrell, 2004; Mishra and Modi, 2016). The literature offers two theoretical perspectives for understanding how this is to be managed. On one hand, the decision to direct resources to social causes is seen as a cost that, although it could reduce shareholder wealth, is required in order to satisfy stakeholders' expectations. On the other, an engagement with social causes generates positive

associations amongst all stakeholders, and therefore reduces other costs and can enhance cash flows (Mishra and Modi, 2016).

These issues concern all functions in the organisation, including finance, HR and operations, however both perspectives relate to the image of the firm in the eyes of its customers and other stakeholders. They therefore crucially depend on the management of the organisation's marketing capabilities and competencies as they impact on the organisation's identity (Hildebrand, Sen and Bhattacharya, 2011; Powell, 2011). Marketing's role is to support relationships between everyone in the organisation to ensure they understand the "*crucial choices*" (see Varadarajan 2010 above) to be made in order to deliver the marketing strategy (Ballantyne, 1997). This organisational-wide approach (as emphasised by Drucker, 1974) includes the internal supporting capabilities and processes as well as those employees who are market-based and closer to the customer and other stakeholders (Fahy et al., 2006).

Currently, and despite some - albeit limited - research having been undertaken, the issues and challenges of organisation-wide (i.e. where all employees have responsibility for the delivery of the organisation's products) implementation of the marketing strategy, are still poorly understood. In addition, the research that considers marketing concepts in the context of a societal contribution agenda is limited. Critical examination of the literature suggests that none consider the implementation of a values-based marketing strategy in the context of co-operatives. This research study contributes to filling this gap in knowledge.

This chapter starts by outlining the challenges to MOCA implementation and the researcher's interest in the topic. The following two parts provide a background précis of current interest in marketing strategies based on societal contribution, and the challenges to the management of marketing strategy implementation.

The fourth part presents the research study's aims and objectives. These are followed by an introduction to the study's methodological approach and the chapter ends with an outline of the thesis structure.

1.1 Marketing our Co-operative Advantage (MOCA): the challenge of implementation.

In recent years, co-operatives have observed a growing interest - amongst stakeholders and potential customers - in their mutual structure, and community base, as indicators of trust, concern for society's well-being, and the future health of a range of stakeholders (Novkovic, 2006; Webb et al., 2006; McKinsey, 2012; Mills and Davies, 2013). As a result, increasing numbers of co-operatives are choosing to emphasise their identity based on their values and contribution to the communities and society in which they sit, and are adopting what they have named a Marketing our Co-operative Advantage (MOCA) approach as a part of their marketing strategy. This approach is supported by the International Co-operative Alliance (ICA), the body that represents the co-operative movement internationally. However, many co-operatives have faced challenges in developing the internal competences and expertise to deliver the MOCA strategy (Spear, 2000; Webb et al., 2005; Novkovic, 2006; Bernardi and Koppa, 2011; Borzaga et al., 2014; Calderwood and Freathy, 2014).

The researcher's interest in co-operatives was triggered when she was asked to run a 2-day workshop on retail marketing at the Co-operative College in the UK. Following that, St Mary's University in Halifax, Canada, invited her to teach a module called "Marketing our Co-operative Advantage" on their on-line Masters programme designed for co-operative managers. From working with these students, it became apparent that although most represented co-

operatives that wanted to commit to pursuing a MOCA strategy, there were many barriers to its implementation within their organisations.

The very limited academic literature related to this topic recognises that the implementation of a MOCA strategy has been, and continues to be, problematic. Thus, there are calls for research to improve understanding of the challenges. The main concerns raised in the extant literature are:

- the crucial importance of a consistent management culture that incorporates the co-operatives' values (Borzaga et al., 2014; Calderwood and Freathy, 2014);
- that management place less importance, than directors do, on the co-operative ethos (Novkovic, 2006);
- an unwillingness, or a lack of competence, within co-operatives themselves to consciously communicate their co-operative values and purpose (Spear, 2000; Bernardi and Koppa, 2011);
- a recognition that MOCA is a complex message and difficult to communicate effectively in a way that influences decision-making within the co-operative (Webb et al., 2005; Bernardi and Koppa, 2011).

These concerns are discussed in Chapter Two: Literature Review.

It is important to briefly outline the boundaries of this research study. This study is not designed to consider the formulation of a MOCA strategy, or to make judgements about the suitability of one. It does not scrutinize the marketing strategy's impact outside the organisation, nor judge its success in meeting the co-operative's strategic objectives or purpose.

This research study focuses on the internal organisational factors that, although hidden from the external observer, have the potential

to cause the implementation of a MOCA strategy. As insiders with a strategic overview, co-operative leaders, managers and commentators have knowledge and experience of the mechanisms within co-operatives that are hindering or enabling implementation, and how these could or should be adapted to improve MOCA delivery. Therefore interviews were undertaken to hear their insights and views.

1.2 A marketing strategy based on societal contribution

The societal contribution approach to formulating a marketing strategy is not exclusive to co-operatives; it is also of interest to other organisational types. Increasing numbers of non-co-operative organisations have become sensitive about how their business activities impact on a broad range of stakeholders in society and - like co-operatives - many face challenges in the implementation of a marketing strategy based on a societal contribution ethos (Hildebrand, Sen and Bhattacharya, 2011; Kotler, 2011; Powell, 2011; Mishra and Modi, 2016). Growing numbers of businesses are producing annual codes of ethics and/ or sustainability reports to demonstrate and communicate their contribution to protecting our environment, supporting communities and considering a range of stakeholders, including future generations (e.g. Maignan and Ferrell, 2004). This reflects growing consumer awareness of sustainable business issues and concerns that the brands with which they interact are seen to be considering their impact on society, beyond the traditional transactional retail-consumer dyad (Porter and Kramer, 2011; Hildebrand, Sen and Bhattacharya, 2011; Crane et al., 2014). Although there are calls for government regulation, many companies see this as a marketplace opportunity, and good business sense,

and are therefore working to make this a core part of their strategy (Earley, 2016).

Firms that see societal contribution as a means of achieving competitive advantage are characterised by their ability to understand the potential of combining growth and sustainability, form collaborations, and use technology to achieve scale and reach (Business and Sustainable Development Commission, 2017). One such example is Unilever whose CEO, Paul Polman, claims that sales of their “*sustainable living*” brands (defined as those that have integrated sustainability into their purpose and products) are growing 30% faster than the rest of the company (Earley, 2016).

Many organisations have declared their willingness to make these changes (see e.g. Porter and Kramer, 2011; Hildebrand, Sen and Bhattacharya, 2011; Powell, 2011). However, a lack of tangible action, in the domains both of societal contribution and consideration of a range of stakeholders, is causing consumers - particularly so-called “*millennials*” - to lack trust in business (Corporate Citizenship, 2016). This is a movement that has only recently gathered momentum and authority, and the Business and Sustainable Development Commission (2017) calls for improved understanding of organisational implementation to build customer trust in this area.

Although some recent academic literature reflects this zeitgeist, this appears to focus on the formation of marketing strategies based on ethical principles and/or societal contribution, rather than the internal issues around implementation. There are differing approaches. For example, Porter and Kramer (2011) maintain that a company should only engage in societal contribution projects where they recognise an opportunity to expand the marketplace, and/or decrease costs, in addition to making a contribution. Crane et al. (2014) contest this approach, arguing that societal contribution should simply be an add-on with no expectation of business growth. To support this, their

paper highlights what they see as the problematic nature of *“maintaining both social and financial goals, even where this is the expressed purpose of the initial mission”* (Crane et al., 2014, p.136).

The connection of social contribution and goals with the business strategy is crucial to both concepts, and therefore their integration into the marketing strategy is vital. However, the construct of societal and/or ethical contribution is not well defined, and neither is the degree to which businesses and their employees can change their behaviours (Maignan and Ferrell, 2004; Morsing, 2006). Although there is limited research in this area, the challenge of aligning multiple corporate identities, and the question of how employee behaviours are to be influenced to implement such a marketing strategy, is recognised in the academic literature (e.g. Powell, 2011; Hildebrand, Sen and Bhattacharya, 2011; O’ Cass, Ngo and Siahtiri, 2012). This concern demonstrates the necessity for organisations to develop more universally acceptable processes for responsible marketing management (Varey, 2010).

1.3 Marketing strategy implementation: the challenge for management

Before attempting to address the problems of implementing a marketing strategy based on a societal contribution ethos, it is important to consider what is known about the organisational capabilities required for mainstream marketing delivery. This is a well-debated area of knowledge. There appears to be consensus that implementation should not be seen as an automatic consequence of marketing strategy formulation, and that organisations need to pay attention to developing the capabilities required for implementation (e.g. Greyser, 1997; Piercy, 1998; Thorpe and Morgan, 2007). In the following quote, Dobni (2003)

argues that this is likely to be a challenge for organisations: “*The current challenge for marketing management lies in implementing marketing strategy rather than formulating it*” (p.43).

In mapping marketing’s theoretical tools and methodologies, Achol and Kotler (2012) describe an evolution in thought about what marketing strategy is expected to achieve, and who is responsible for its implementation. In this, marketing activity has moved on from being seen mainly as a sales and advertising function, to a set of standards and processes that require the involvement of all parts of the organisation. In this interpretation, marketing becomes everyone’s job and is the responsibility of all parts of the organisation (e.g. McKenna, 1991; Greyser, 1997; Moorman and Rust, 1999; Balmer, 2011). This shift to an organisation-wide approach has created an opportunity for the marketing function to play a valuable role in developing employees’ and management’s marketing skills to strengthen the organisation-customer connection (Moorman and Rust, 1999). However, addressing this opportunity requires internal communication and commitment across all functions and recognition that the interconnected nature of all parts of the organisation must cut across traditional internal boundaries (Piercy, 1998). Writing nearly two decades later, Moorman and Day (2016) find that developing these capabilities remains problematic.

Successful marketing strategy implementation requires a common sense of purpose and identity to inspire and unify employees (Mitchell, 2002; Balmer, 2011). The reasons that this research area has received such little attention, particularly from an organisational-wide perspective, are vague. This may be because the focus of research has historically been on marketing strategy formulation, rather than what Bourgeois and Brodwin (1984) referred to as the “elusive” aspect of implementation. Before that, in the 1970s, Drucker (1974) emphasised the responsibility of the whole

organisation in the delivery of the marketing strategy and the creation of customer satisfaction. It seems that although the marketing field is arguably presumed to focus on the firm's connection with its customers and other external stakeholders, researchers appear to restrict themselves to aspects of the supply chain, and customer behaviour (Maignan and Ferrell, 2004); they prioritise quantitative modelling, and this makes for a narrow approach (Reibstein, Day and Wind, 2009; Powell, 2011). As a result, issues that are concerned with the whole organisation, such as strategic marketing implementation, would appear to have received much less attention.

If employees do not have an emotional connection to the goods and services offered by the organisation, they may undermine the expectations that the marketing communications are designed to create in the market place. Such behaviours may arise because employees simply do not understand what the organisation has promised its customers and/or other stakeholders, and they therefore work at cross-purposes. Alternatively, it may be that employees do not actually believe in the brand image and feel disengaged or, worse, hostile towards the company, and its institutional identity. In these cases, when employees do not care about or believe in the brand, they feel demotivated and their loyalty to the firm decreases (Mitchell, 2002; Balmer, 2011). Without the appropriate knowledge and willingness to adapt, employee behaviour can be a significant barrier to effective implementation (e.g. Morsing, 2006; Powell, 2011; O' Cass, Ngo and Siahtiri, 2012).

As many firms have sought to increase their marketing alignment across the whole organisation, they have simultaneously downsized their marketing function and, as a result, reduced its strategic influence. Consequently, organisations have a poor understanding of what needs to be in place internally to implement their marketing strategy (Greyser, 1997; Piercy, 1998). Moorman and Day (2016)

conceptually emphasise this shortfall, arguing that future research needs to focus on how firms should be organised for excellence in marketing delivery. Following Cespedes and Piercy (1996), such research would require an explanation of what is going on, or needs to go on, inside the organisation to support implementation. In addition, such research should focus on creating a climate for appropriate implementation behaviours (Mitchell, 2002; Dobni, 2003). Consistent with Drucker (1974), these issues need to be considered from an organisation-wide viewpoint. Not only is there a need for academic knowledge to be developed in this area, but also for implementation of the marketing strategy to be better understood in practice. This doctoral thesis aims to contribute to filling the knowledge gap. It aims to do so in the context of a marketing strategy based on societal contribution and taking an organisation-wide perspective. The distinctive theoretical contribution of this doctoral study stems from its development of a guiding framework based on previous conceptualisations of marketing strategy implementation, and adapting that by drawing on qualitative data in context of co-operatives. Accordingly, this research study aims to reduce the knowledge gaps outlined above and to provide guidance to managers. Such research is called for in the academic literature, e.g. Cespedes and Piercy (1996), Maignan and Ferrell (2004), Morsing (2006), Reibstein, Day and Wind (2009), O' Cass, Ngo and Siahtiri (2012), and Moorman and Day (2016).

1.4 Research aims and objectives

In response to calls for further research in this area, particularly from Cespedes and Piercy (1996) and more recently from Moorman and Day (2016), this research study aims to investigate the mechanisms inside the co-operative that potentially cause MOCA implementation

behaviours to occur. It does not aim to predict what may happen as an automatic causation, nor describe how something appears.

A framework developed from the existing academic literature guides the process of data gathering and analysis. Given this aim, the following research objectives are derived to answer it:

- To critically review the academic literature about the internal organisational mechanisms that potentially cause marketing strategy implementation, and to develop a related tentative conceptual framework.
- To gather empirical data from within co-operatives, to enable the framework to be adapted. Two tranches of interviews inform two rounds of framework building, resulting in a framework that guides MOCA implementation.
- To consider the implications for marketing theory and practice.

Consistent with the research objectives a comprehensive conceptual framework was developed that would contribute to marketing strategy implementation knowledge and provide guidance to co-operative leadership in the management of MOCA strategy implementation.

1.5 The methodological approach

In order to undertake this research study into MOCA implementation, the related literature was reviewed and synthesised, to inform data collection within the co-operative context. The commitment that many co-operatives have to a MOCA strategy creates a circumstance where a number of different organisations share a common platform for a major part of their marketing strategy. This

offers an opportunity to obtain insights from senior co-operative managers in a range of industry sectors and organisation size. The perspective of senior co-operative managers is crucial as they have an overview of the whole organisation, and more junior managers have day-to-day experience of managing the implementation challenges. This is discussed in more depth in Chapter Three.

The mechanisms that hinder and/ or enable MOCA implementation are not visible from outside the organisation; therefore non-participant observations would have been inappropriate. Quantitative surveys would also have been inappropriate given the lack of current knowledge available on this topic. A grounded theory approach could have been a possibility, however, it was considered inappropriate to limit the attention paid to existing theories, even though they are based on non-co-operative data. Sufficient literature exists to provide a foundation for the interview discussion, and a template for the analysis of these data. Documents are available that explain the value of a MOCA strategy in providing competitive advantage, and in some cases how it can be delivered (e.g. Webb et al., 2005, 2006); these are to support co-operative practitioners. These writings are discussed in the literature review; however, their focus is more on supporting a MOCA strategy, rather than evaluating approaches to MOCA implementation. In addition, internal communications such as staff and member magazines, internal and store-based display boards, which promote the 'Co-operative Advantage' and the related co-operative identity around societal contribution, are available in some co-operatives. Although these communications offer no critique of a MOCA strategy or its implementation, they are recognised and discussed in the interview data as a means of internal communication. Due to the reasons outlined above and the limitations of time and resources, this research study seeks the views of co-operative commentators, senior, middle and junior managers, only. It does not seek to analyse the content of internal communication documents.

This research study aims to investigate not only what happens in co-operatives to deliver MOCA, but also to hear the participants' perceptions of how MOCA delivery could be more effective (i.e. to critique MOCA implementation). This requires a methodological theory that embraces a 'critical' element, which seeks to understand how management practices are developed and that systems can and, sometimes, should be changed (Duberley, Johnson and Cassell, 2012).

Much of marketing research currently focuses on analytical skills and reductionist methods. However, it's important to recognise that, as management is complex, studying it requires differing perspectives and therefore such a restrictive positivist approach is unsuitable (Reibstein, Day and Wind, 2009). Reibstein, Day and Wind (2009) express concern about what they see as a growing number of academic marketing subgroups subscribing to *"the prevailing paradigm of reductionist, narrowly specified, and fragmented research ... [which] ...cannot address the multi-functional and interconnected problems of managers"* (p.1), and believe that such an approach fails to address management requirements. Researchers need to consider the managerial implications of their work, engage with a broad range of stakeholder groups, and use the most appropriate methods to obtain valid insights into their research questions (Maignan and Ferrell, 2004; Hughes, Tapp and Hughes, 2008). They must also support greater synergies between marketing and other disciplines, in particular those grounded in organisational behaviours and management (Reibstein, Day and Wind, 2009; Varey, 2010; Powell, 2011).

Given this discussion, an ontology based on critical realism was adopted. This approach moves away from reductionism and seeks to investigate what structures, and conditions, need to be in place for a phenomenon, e.g. the implementation of a MOCA strategy, to

occur. That is, why is it happening, or not happening? To find out what is beyond what can be seen from the external image of an organisation, requires going deeper into its context and reality (e.g. Sayer, 2000). Critical realists are interested in the structures and the related constructs, which need to be in place for an event, e.g. implementation, to happen. Although the event or happening can be observed, the structures and mechanisms that enable it are hidden (see e.g. Hughes, Tapp and Hughes, 2008). Therefore, this research seeks to go behind the observable, to understand what mechanisms and circumstances in a co-operative enable or hinder MOCA implementation. It seeks expert perspectives from senior, middle and junior co-operative managers and international co-operative commentators. Although these offered critical perspectives, gathering the views of front line employees may have offered a further critical view; however due to the constraints of time and other resources it was felt that sufficient empirical data could be obtained from the managers interviewed and this enabled boundaries to this research study (Saunders and Lewis, 2012). In this way, stronger insights into the factors that hinder or enable MOCA strategy implementation will be formed. This ontology is discussed further in Chapter Three: Methodology. Although this research study is concerned with the potential causes of the implementation of a MOCA strategy, it is anticipated that the findings may be of value to other types of organisations with societal credentials similar to co-operatives.

1.6 Structure of the thesis

The thesis consists of seven chapters. Following this introductory chapter, Chapter Two evaluates existing scholarship and contextualises the research study. It identifies key themes from a critical analysis of 26 papers that have taken an organisation-wide

perspective of marketing strategy implementation. These themes are critiqued further and form the foundation to the tentative framework designed to guide the implementation of a marketing strategy.

Chapter Three explains and justifies the research design adopted for this research study. The philosophical and epistemological approach (namely critical realism) that informs the choice of methods is discussed. A rationale for the research strategy, data collection, methods of analysis, and the related ethical considerations, are also detailed.

Chapter Four presents, analyses and synthesises interview data from nine senior managers in co-operatives in Canada, US and the UK, which choose to implement a 'Marketing our Co-operative Advantage' (MOCA) strategy, and two international commentators. This is the first of two chapters that presents the interview findings. It concludes with three overlapping constructs that inform the analysis of the data presented in Chapter Five.

In order to deepen understanding, Chapter Five presents and analyses the interview data from a single exemplar co-operative. This includes six interviews with managers at unit, middle, and senior level in a single organisation that is implementing a MOCA strategy. This analysis informs the formulation of a framework that contributes to marketing theory, and guides practice in MOCA strategy delivery.

Following these rounds of framework building, Chapter Six discusses the empirical findings and their relationship to previous research. In addition, it presents guidance to co-operative leadership on what mechanisms potentially cause MOCA implementation.

Finally, Chapter Seven draws out the main conclusions of the study and its contribution, and considers the implications for theory and practice. That is followed by a discussion about this research study's limitations, and the future research opportunities that are created.

The chapter concludes with the researcher's reflection on her personal learning during this doctoral journey.

2 CHAPTER TWO: LITERATURE REVIEW

This research study is designed to contribute to the marketing strategy implementation knowledge domain. The introductory chapter outlines the increasing interest in the formulation and implementation of marketing strategies that are based on societal contribution. In addition, it explains the underdeveloped nature of this knowledge area, and – as emphasised by Alvesson and Sandberg (2011) – the importance of contributing to filling this gap. The literature recognises that many co-operatives have failed to address the organisational challenges of implementing a 'Marketing our Co-operative Advantage' (MOCA) strategy.

This chapter reviews the existing literature, and to do so draws on co-operative, marketing and management research. This review describes and evaluates current research in order to inform this investigation into the potential causes of MOCA implementation. This review's contribution is three-fold:

- to describe the MOCA context, and evaluate the related writings;
- to provide a synthesis of significant research findings in relation to implementation of a marketing strategy in order to form a tentative framework; and
- to summarise the research gaps identified.

There are five parts to this chapter. The first explains the approach taken in reviewing the literature. The next part describes and evaluates current co-operative literature and, in doing so, explains the background to the development of a MOCA strategy, and what is known about the problems of implementation. Accepting that opportunities exist for cross-fertilization of ideas between co-ops and

non-co-operatives (Mazzarol, Simmons and Mamouni Limnios, 2011), the third part synthesises 28 studies that advise management on the organisation-wide implementation of the marketing strategy. All of them assume an investor-owned firm perspective. Four mechanisms emerged which – according to the literature – must be in place for marketing strategy implementation. In the fourth part of this chapter, each of these mechanisms is investigated in depth by reviewing its related specialist literature. This leads to the development of a tentative conceptual framework, as outlined in the final and fifth part of this chapter.

2.1 Approach to literature review

This research study seeks to address a problem that has already been identified (see Chapter One), therefore the purpose of this review is to describe and classify current relevant literature. In doing so, it maps the territory of what is known about the organisational mechanisms that potentially generate the implementation of a MOCA strategy. The review draws on a range of literature streams: co-operative, marketing and management, in order to understand what is already known about the causes of the phenomenon that is MOCA implementation. Inevitably, and as advised by Alvesson and Sandberg (2011), the review draws judiciously from a wide range of information.

In this review, Business Source Complete was searched. For the part of the review related to MOCA, the search terms in general related to “*co-operative advantage*” linked with “*marketing*”, and this was supplemented with material drawn from text books and the International Co-operative Alliance (ICA) website and related links. To find the significant studies in the following part, i.e. the literature

that takes an organisational-wide approach to implementation, the terms “*marketing strategy*” and “*implementation*” were used. From the 28 suitable studies (see Table 4), three under-pinning theoretical foundations were identified, and four core constructs - mechanisms that need to be in place for an organisation to implement a marketing strategy - emerged from that review. In the next part (see 2.4), the literature on each of these constructs is reviewed. This is in order to obtain an understanding of knowledge, and knowledge gaps, in the mechanisms and actions related to marketing strategy implementation. Search terms that related to each of the four mechanisms were used, e.g. “*management commitment*” and “*marketing strategy*” were phrases used in the same search. This probing reflects a critical realist approach to building theory (Okoli, 2015). Additionally, older articles referenced in more recent papers were followed up. Having read each article a judgement was made as to its relevance to the research aim and its inclusion in this review (Alvesson and Sandberg, 2011).

The framework that results from the literature review is based on prior research in the context of investor-owned firms, not the co-operative/ MOCA context. The tentative framework therefore offers no view as to whether it can be generalised to MOCA implementation. In addition, this framework is descriptive, and lacks causal mechanisms or clearly specified connections between concepts. It provides a starting point - what Alvesson and Sandberg (2011) refer to as illumination - to investigate further, by gathering empirical data, the conditions that need to be in place in a co-operative for MOCA implementation to happen. This contextualisation enables the discussion of such mechanisms, and in so doing the framework provides a foundation for the development of an explanatory theory (Shapira, 2011; Okoli, 2015).

2.2 The co-operative context and the MOCA strategy

This part of the literature review explains what a co-operative is, what a MOCA strategy is, and what is known about the challenges to its implementation. The reasons that co-operatives may decide to pursue a MOCA strategy and the challenges faced in implementation are briefly outlined in Chapter One. Many, but not all, co-operatives choose to make MOCA a part of their overall marketing strategy. Academic research in co-operatives has identified gaps in knowledge relating to the implementation of a MOCA strategy. Where co-operatives are committed to MOCA implementation, this provides the opportunity to examine the implementation of a common marketing strategy in a number of organisations with similar structure and shared values. In doing so, a picture of good practice can be built. This requires an overview perspective of the whole co-operative, its objectives and its strategic approach; this is mainly the domain of senior management and leadership.

2.2.1 Definition of Co-operatives: Values and Ethos

2012 was declared the International Year of Co-operatives, when the United Nations General Assembly recognised the contribution co-operatives make to socio-economic development, particularly through their impact on poverty reduction, employment generation and social integration. According to the International Co-operative Alliance (ICA), over one billion people around the world were members of a co-operative in 2012 (Mills and Davies, 2013).

As mutually owned enterprises, co-operatives are part of a family of businesses sitting alongside building societies, mutual insurers, and employee owned businesses. Although they are sometimes confused with social enterprises, co-operatives are differentiated by

their commitment to an ethos based on a set of internationally agreed values and principles. There is consensus within the co-operative movement that it is these values that make a co-operative distinctive, and give it its identity (Somerville, 2007; Atherton et al., 2012). Some have argued that not only do the values listed by the ICA appear similar to those adopted by other kinds of organisation such as investor-owned firms, but they also offer insufficient guidance as to the organisational behaviours required to identify co-operatives. It is this argument that calls for principles rather than values to define the co-operative identity and its difference (Somerville, 2007; Birchall, 2011). On its website, the ICA lists the co-operative principles as follows (<https://www.ica.coop/en/whats-co-op/co-operative-identity-values-principles>):

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Co-operation among Co-operatives
7. Concern for Community

On the other hand, the co-operative principles could be seen as a social construct, that is an individual's or a group's perception that is constructed through cultural or social practice (Atherton et al., 2012; Birchall, 2014). The ICA recognises this, and accepts that the principles can be revised in the future or adapted for certain co-operative sectors or types; and therefore sees them only as a guide to practice (Atherton et al., 2012). For the ICA, it is the values that make co-operatives distinctive, and inform the co-operative ethos, and as such are the foundation for a MOCA strategy (Spear, 2000). As part of their ethos, all co-operatives commit to putting their values into practice, and the seven co-operative principles provide agreed guidelines to do this. The ICA summarises the ethos, and the values on which it is based, thus:

*“Co-operatives are based on the values of **self-help, self-responsibility, democracy, equality, equity** and **solidarity**. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others” (<https://ica.coop/en/whats-co-op/co-operative-identity-values-principles>).*

The ICA have emphasised the values by emboldening them in the statement above. Table 1 below identifies the actions related to each of the values.

Table 1: Co-operative values and related actions and explanation

Values	Related actions and explanation
Self-help	In co-operatives people help each other whilst helping themselves by working together for mutual benefit.
Self-responsibility	Individuals within co-operatives act responsibly and play a full part in the organisation.
Democracy	A co-operative will be structured so that members have control over the organisation.
Equality	Each member will have equal rights and benefits.
Equity	Members will be treated justly and fairly.
Solidarity	Members will support each other and other co-operatives.

Source: adapted from Spear (2000) and Atherton et al. (2012).

Although the actions listed in Table 1 above, are core to the implementation of a MOCA strategy, co-operatives have found that developing the capabilities to make this part of a marketing strategy, has been problematic (Spear, 2000; Novkovic, 2006).

2.2.2 Ownership model

The co-operative model has been overshadowed within traditional research literature by dominant mainstream discussions that focus only on investor-owned firms. As explained above, co-operatives base their purpose on the ethical values of honesty, openness, social responsibility and caring for others. As co-operatives base their purpose on societal contribution, some research has placed them within the social economy or third sector. However, co-operatives do not see themselves as social enterprises and the term co-operative, or mutual, has posed problems in delineating a business classification (Mazzarol, Simmons and Mamouni Limnios, 2011). As a result there is a tendency to side-line co-operatives implying that conventional theories and explanations are not applicable (Bernardi and Koppa, 2011). This has led to a limited foundation on which to undertake research in relation to the co-operative model. Mazzarol, Simmons and Mamouni Limnios (2011) believe that because co-operatives differ from investor-owned firms, government enterprises, and not-for-profit organisations, they warrant their own research stream and to be given their own distinctive voice. Similarly, the ICA calls for clarity as to how co-operatives are defined and distinguished so that the sector can create “*a powerful sense of shared identity*” (Mills and Davies, 2013, p.20) and an identifiable co-operative brand that differentiates this form of business.

The ability of co-operatives to offer both an economic and social benefit makes it an interesting field of research, and researching

within this context offers the potential for cross-fertilization between business models, with the co-operative difference - based on its values - providing much that can guide other organisational types (Mazzarol, Simmons and Mamouni Limnios, 2011). This is particularly the case where businesses aspire to develop identities based on ethical values or social contribution (Allemand, Brullebaut, and Raimbault, 2014). In recent years, the co-operative movement has been especially focussed on identifying and promoting the values-based aspects of its business practice. Bernardi and Koppa (2011) describe this as a focus on:

“... conceiving and communicating itself as a more transparent supplier of goods and services, a more responsible business partner, and a better place to work” (p.32).

Co-operatives are owned and democratically controlled by their members on the basis of a one-member, one-vote principle. They prioritise member, community and societal needs, over the financial value of equity holdings (see e.g. Somerville, 2007; Atherton, 2012; Webb and Cheney, 2014). The differences in ownership and objectives between co-operatives and investor-owned firms are summarised in Table 2:

Table 2: Differences in ownership and objectives between co-operatives and investor-owned firms

	Co-operative	Investor-owned Firm
Ownership	Owned by members who want to interact with the business to serve a personal or community need.	Owned by shareholders for financial benefit
Objectives	Uses a multiple bottom line that focuses on member values, community needs and the generation of a surplus to sustain the co-operative business.	Single bottom line, that is focused on profits

Source: adapted from Somerville (2007), Atherton (2012), and Webb and Cheney (2014).

There are, essentially, two types of co-operative mutual ownership (see Table 3): consumer/ customer-owned and producer /worker owned. In both, internal stakeholders are members and/or employees (Somerville, 2007).

In consumer/ customer-owned co-operatives, members engage with the business as a customer or patron. For some, to be a customer one has to be a member, e.g. utilities (e.g. The Phone Co-op in the UK), insurance (e.g. The Co-operators in Canada), and credit unions (financial co-operatives). For others, e.g. Co-op Retail, members and non-members can shop there; however, members may receive additional benefits, such as discount vouchers and the opportunity to co-opt as a member representative on the board (Mazzarol,

Simmons and Mamouni Limnios 2011). Employees are usually encouraged to become members, but there is no obligation to do so.

A producer /worker owned co-operative is owned by those who produce the goods and services. One example is an agricultural co-operative where the farmers are members as primary producers and the co-operative serves its members by adding value to the farmers' goods, e.g. processing their milk and selling into retail as branded dairy products, examples include Cabot Creamery in the USA, Gay Lea in Canada. However, in this case, only the farm businesses are members and, as non-farmers, employees in the processing units are not in a position to become members. In some co-operatives these employees can invest by purchasing a small stake in the business. In order to limit potential pressure from such investors to force demutualisation, the size of this stake is likely to be restricted, and not include voting rights (Mazzarol, Simmons and Mamouni Limnios, 2011; Webb and Cheney, 2014). Similarly some worker-owned co-operatives are owned and managed by all the workers and, as such, all are members of the co-operative (these tend to be small co-operatives).

For both types of co-operative ownership structure, external stakeholders include the broader community served by the co-operative, supply chain entities, and government and industry regulatory bodies (e.g. Somerville, 2007; Mazzarol, Simmons and Mamouni Limnios, 2011; Birchall, 2014; Webb and Cheney, 2014).

Table 3: Types of co-operative ownership

Member-ownership type	Industry sector	Internal stakeholders	External stakeholders
Consumer/customer-owned	Retailing, insurance, housing, utilities, education, credit unions.	Consumer-members. Employees (often, but not universally, members).	The broader community/society. Non-member customer. Suppliers.
Producer/worker owned	Primary production, e.g. farming, retailer owned wholesale, shared services for self-employed	Producer/worker-members. Employees who are not owners.	Government/regulatory bodies.

Source: adapted from Somerville (2007); Birchall (2014); Webb and Cheney (2014).

In addition, there are co-operative apex organizations, whose purpose is to unite, promote, support and develop co-operatives within a specific sector (Monni, Novelli and Pera, 2016; Voinea, 2016). Examples include: Co-operatives UK, which sees itself as the network for Britain's thousands of co-operatives; the Scottish Agricultural Organisation Society (SAOS) which provides agricultural co-operatives with a range of development and consultancy services focusing on co-operative and collaborative strategies, structures and management; Touchstone Energy which is a USA-based co-operative federation composed of more than 750 local, consumer-owned utility co-operatives; and a Canadian insurance co-operative owned by 43 member co-operatives and credit unions, called The Co-operators.

2.2.3 Co-operatives: bringing commerce and societal contribution together

Co-operatives can be established for a variety of purposes ranging from primarily economic to primarily societal, and reflect the nature of the benefits that members seek to obtain. This is central to attracting and retaining members. For example, agricultural co-operatives usually enhance farmers' access to markets, as well as reduce costs by bulk purchasing and pooling resources. In addition to these economic benefits, farmers can gain access to specialist information, alongside the community building benefits and other opportunities that may flow from co-operative activities (LeBlanc and Nguyen, 2001; Mazzarol, Simmons and Mamouni Limnios, 2011).

This combination of societal and economic benefits, which are not usually obtained from other forms of enterprise, has been referred to as 'co-operative value' (LeBlanc and Nguyen, 2001), and/ or 'member value proposition' (MVP) (e.g. Birchall and Simmons, 2004; Mazzarol, Simmons and Mamouni Limnios, 2011). In order to combine these benefits in a way that enables the enterprise to build its co-operative advantage, the members' value proposition must be well defined. To do this, the co-operative needs to understand how this proposition is created within the business, and is understood by members (Spear, 2000; Birchall and Simmons, 2004). The following section includes examples of co-operative mission statements (see 2.2.4). It is essential that the co-operative members are the key decision-makers on how any surplus is to be distributed (Birchall, 2014). Such decisions seek to find a balance between sustaining the enterprise, meeting members' needs and benefiting the wider community and society (Somerville, 2007). The co-operative ethos points to a role in supporting societal contribution programmes. Therefore, although there may be an economic reason for any

initiatives, big or small (e.g. from local community events to the provision of utilities), there will also be - above all - a reason linked to societal benefits for doing so (Monni, Novelli and Pera, 2016). As a co-operative's economic activities are essential for maintaining its autonomy, it must aim to achieve a financial surplus. However, different perspectives have differing emphasises. Somerville (2007) contends that it is erroneous to claim that financial surplus is a co-operative's primary purpose. He argues that it is the co-operative's values that inform its role in its community and shapes its identity, and therefore cannot and should not be ignored. For Mazzarol, Simmons and Mamouni Limnios (2011), a co-operative should be seen primarily as having an economic purpose, albeit alongside making a contribution to society. This latter emphasis prioritises financial outcomes, while recognising an obligation to contribute to society; whereas the former sees finance only as a means to deliver on the co-operative's values and ethos in its community. Both may fulfil Porter and Kramer's (2011) definition of shared value; however they do so with different approaches.

Birchall (2011) suggests that although basing co-operative identity on its values has played a valuable role in enhancing its profile internationally, there is the potential to alienate stakeholders by promoting high ethical standards of business practice and then not living up to those standards. This can create an inbuilt tension between the business and the association of individuals. If ownership becomes perceived as more valuable than the benefits of access to member services, pressure to de-mutualise could develop and therefore damage long-term sustainability. To address this, a balance has to be struck between the interests of the co-operative as a whole and its relationship with each of its members. Managing this duality is important in maintaining member commitment (Birchall and Simmon, 2004; Birchall, 2011; Mazzarol, Simmons and Mamouni Limnios, 2011). Similarly, increasing recognition of the competitive

advantages offered by the co-operative difference has highlighted the internal tensions between the commercial and ideological agendas. This is an historic challenge for co-operatives, and reflects Crane et al.'s (2014) argument that maintaining both financial and societal or community based goals is problematic. Addressing these tensions calls for strong governance, leadership and management, as well as an emphasis on a specialist, high quality and adaptable governance code (Somerville, 2007; Birchall, 2014; Allemand, Brullebaut and Raimbault, 2014).

2.2.4 The co-operative advantage: a growing emphasis

In the increasingly deregulated markets in Europe and the North America during the second half of the twentieth century, co-operatives sought to compete more effectively with conventional businesses. A central feature of these changes has been the adoption of attitudes and practices more akin to those of investor-owned firms, and this approach has not served the co-operative movement well (Spear, 2000; Webb and Cheney, 2014). It has led to a loss of competitiveness, declining market share resulting in the closure of many co-operatives, and a sense of isolation within co-operative management and leadership teams (Spear, 2000; Calderwood and Freathy, 2014).

The idea that co-operatives had a unique selling proposition gained traction in the 1990s, after a Gallup poll found that the general population in the USA perceived co-operatives and credit unions to be more trustworthy, than other organisations. These responses showed recognition of, and respect for, co-operatives' community and environmental aims as well as their values of honesty, openness, fairness and caring for others (Webb et al., 2005). Co-operatives began to recognise that the environment had evolved to

one in which customers and other stakeholders had a developing interest in social inclusion, societal contribution and concern for future generations, and that their difference from investor-owned firms, presented an opportunity for competitive advantage (Webb et al., 2006; Birchall, 2014).

A similar evolution of pro-co-operative public opinion was occurring in the Canadian environment. In a 2012 survey, 83% of respondents claimed they would choose a business described as local with member-owner profit sharing (i.e. describing, but not naming it as a co-operative) over a national chain store. In addition, there was a perception that co-operatives support community values and local economies, treat their employees better than other businesses do, are more likely to sell locally-produced products, and have environmentally sustainable practices (Abacus Data, 2012). At the same time, the UK movement was realising that although many customers and staff identified with co-operative values, they did not perceive these to be embedded in co-operatives' product offers (Calderwood and Freathy, 2014).

This new business environment that places greater emphasis on social and ethical responsibility, offers innate sources of competitive advantage (Webb et al., 2006; Birchall, 2014). In addition, the ethos can contribute to building trust in the co-operative amongst all stakeholders: members, customers, employees, local community, and other businesses in the value chain (see Spear, 2000; Somerville, 2007). The evolution of this philosophy is reflected in the change of emphasis in the UK's Co-op Commission reports. The 1958 report tended to recommend to co-operative societies that they should become more like contemporary investor-owned firms, whereas the 2001 report recommended that they focus on being the best of themselves; i.e. co-operative societies trading on the advantage they have over mainstream businesses (Yeo, 2002). This trend has been intensified by the global economic crisis - around

2008 - that caused a further loss of public trust in businesses (McKinsey, 2012). Many co-operative have recognised an opportunity for competitive advantage and re-interpreted the ICA values statement (see 2.2.1) to inform their own vision, mission and/or purpose statements and to reflect the essence of the ICA statement.

For example, a UK-based retail co-operative society, Midcounties' Co-operative (2018), has declared its purpose as:

"To be a successful consumer co-operative working towards creating a better, fairer world and to enhance the lives of our colleagues, members, customers, and the communities we serve."

The US-based grocery retailer, Seward Community Co-op (2018) states:

"Seward Co-op will sustain a healthy community that has: equitable economic relationships; positive environment impacts; inclusive, socially responsible practices"

A Canadian dairy co-operative (Gay Lea Foods Co-operative, 2018) states the following, and then goes on to list the seven co-operative principles (as listed in 2.2.1 above):

"We do things differently here. From our farms and production facilities, to our distribution networks and employees, we lead with the co-operative inspired values and principles upon which our co-operative was founded in 1958. These principles, originally created in England in 1884, are the foundation of our co-operative identity".

The Co-operators is an insurance co-operative based in Canada. Its vision statement is (The Co-operators, 2018):

"At The Co-operators, we strive to align everything we do with the core principles of economic, environmental and social sustainability, in ways that advance the financial security and resiliency of Canadians and their communities".

A Canadian-based credit union - Vancity - has articulated a more extensive vision, and offers more detail than many other such

statements as to how it will embed the co-operative values (Vancouver City Savings Credit Union, 2018):

“At Vancity, our vision is to redefine wealth.

Our vision requires us to think differently about wealth—to re-envision prosperity as something we can only achieve if we are surrounded by and connected to a vibrant, healthy community that is sustainable for the long term.

While the traditional banking model focuses on increasing short-term profits for the benefit of shareholders, our vision focuses on meeting the long-term needs of our members and their communities.

Our vision calls on us to measure success in terms of how we contribute to the well-being of our members and their communities—not just financial well-being, but social and environmental well-being as well.

Our goal is to create positive member and community impact through all our operations—from how we make money to how we spend and invest it. We’re committed to finding new and better ways to use all our resources, people and capital to create large-scale positive impacts.

This way of doing business differentiates us from traditional financial institutions. By redefining wealth, we are measuring our success in terms of the health and vitality of the community as a whole.

By holding ourselves to higher standards of innovation, co-operation and accountability, we’re helping to build a wealthier future for all”.

All the above examples are from the co-operatives’ respective websites and it appears that some have chosen to emphasise the ICA values more than others. Despite such commitments in vision, mission and purpose statements, many co-operatives have often failed to act on this apparent market opportunity. This may have been due to a lack of willingness, and/or competence, among the co-operators themselves to consciously communicate their co-operative ethos internally as well as externally and as a result their publics have often misunderstood, or were ignorant of, the model and its values (Spear, 2000; Bernardi and Koppa, 2011). However, there are examples of co-operatives that have built a competitive strategy on the co-operative difference. One such high profile case has been

that of the Co-operative Bank in the UK. The bank based its strategies on a clearly articulated purpose that was built around the co-operative movement's values (Harvey, 1995). This strategy returned the bank to profitability for several years, and in 2002 it was ranked in the Sunday Times top 100 British employers (Davis, 2016). It is worth noting that, in 2013, the Co-operative Bank got into serious trouble (see e.g. Augar, 2013). The blame for this catastrophe fell on a leadership that had over-focussed on growth, lacked banking experience, and had lost sight of what co-operatives stood for (Davis, 2016). As Augar (2013) comments, the Co-op Bank was playing a '*high stakes game*', in order to compete, but because of its mutual ownership it had no need to do so.

2.2.5 The implementation of a marketing strategy based on the co-operative advantage

The increasingly ethical, societal and environmentally conscious market place has prompted the co-operative movement to re-think its image in the eyes of its publics and stakeholders and to embrace opportunities presented by the 'co-operative advantage' (e.g. Spear, 2000; Hallsworth and Bell, 2003; Brown, 2006; Calderwood and Freathy, 2014). MOCA is based on a belief that there are opportunities for co-operatives to expand if their marketing reflects their pride, not only in the particular products they sold, but in who they are as co-operatives (Webb et al., 2005). This thinking is summarised by Brown (2006, p.2) as:

"... to survive and thrive in the future, co-operatives will have to develop communications strategies, including marketing strategies, that explore and stress their advantages as co-operatives".

While the implementation of a MOCA strategy calls for the external promotion of the co-operative's community and societal contribution, it places more emphasis on internal communication of the co-operative values as distinguishing characteristics and embedding them into the whole organisation's behaviours (e.g. Webb et al., 2005; Whyatt and Reboud, 2014).

Although increasing numbers of co-operatives see this as a way of aligning a marketing strategy with what they stand for and offering competitive advantage, many are failing to develop the capability to implement a MOCA strategy (Spear, 2000; Birchall, 2014; Whyatt and Reboud, 2014). The research that addresses the possible causes for this within the co-operative is scarce. One of the potential challenges is where a leadership team not only lacks acquaintance with the co-operative values, but also lacks any understanding of how to apply them in practice (Novkovic, 2006). More worryingly, Novkovic (2006) found that, her survey respondents who were management placed much less importance on the values and principles than the directors (who represent member-owners) did. Webb et al. (2006, p.5) recognise this problem and warn against a failure to deliver MOCA, summarised thus:

"If a co-operative moves away from its co-operative structure and focuses only on profits, it abandons its cooperative advantage. When a credit union decides to act just like a bank, when an electric cooperative acts like a for-profit utility company, when a farmer-owned cooperative acts without concern for the farmers' interests, they have lost their co-operative advantage."

If leaders do not take responsibility for aligning all aspects of the operations with the co-operative values, the co-operative advantage is lost (Webb et al., 2005). The challenge for co-operatives has therefore become one of being relevant to their markets and other stakeholders, while retaining their core ideology that is based on a non-negotiable set of values (Calderwood and Freathy, 2014).

Achieving this is difficult and complex, and requires the development of a consistent management culture, and employee behaviours, that incorporate the co-operative values across the organisation (Whyatt and Reboud, 2014), and reverses the widespread practice of acting like investor-owned firms (Borzaga et al., 2014). To deliver a MOCA strategy, managers and leaders need to encourage the development of a clear ethical stance that emphasises community and societal needs over the maximisation of economic goals, is centred on the co-operative advantage, and is understood throughout the organisation (Brown, 2006). By recognising their distinctive potential, and taking an organisation-wide view (i.e. all levels and functions), they can more fully reassert their advantage as co-operatives (Spear, 2000; Webb et al., 2005).

Interestingly, it is not only academic researchers who have identified a lack of understanding of how to respond to the challenge of MOCA implementation. On 15th July 2015, the editorial of the UK's Co-operative News led with *"Let's market our co-operative advantage"* and went on to comment on the lack of awareness or understanding in co-operatives about how to do this. Murray (2015) calls for much more focus on MOCA, and concludes with:

"We need our co-op marketing experts to come together, regularly, to figure out what works best for them, their co-ops and customer/members, pooling this knowledge to promote the co-operative difference in an on-going, relevant way".

With this challenge in mind, the need for better theorisation of the implementation of marketing strategies based on societal contribution in co-operatives is emphasised. Thus, this chapter now moves on to consider the pertinent academic scholarship.

2.3 Marketing strategy implementation: theoretical foundations

The area of academic knowledge that encompasses marketing strategy implementation is under developed. Therefore, in order to develop a tentative framework to guide the investigation into MOCA implementation, this section (2.3) starts by listing key papers that consider marketing strategy implementation from an organisation-wide perspective (i.e. the whole organisation). These papers were selected because they provide guidance to leadership and management on the implementation of a marketing strategy. The purpose of this initial analysis is to identify the core themes that inform delivery of the product so that it offers value to the customer (see Varadarajan, 2010), in order to provide a foundation for a further investigation of the literature and a framework created. A review of these papers demonstrates that each builds on one of three theoretical perspectives, as follows:

- Internal relationships and networks;
- Marketing orientation;
- Management's decision-making approach to implementation planning.

Searches show that since 1995, 28 published studies have taken an organisation-wide management perspective when examining aspects of marketing strategy implementation (See Table 4). An appraisal of that research enables the identification of the theories that under-pin marketing strategy implementation. An exploration of each of the three areas, has led to the identification of four mechanisms that are important for the implementation of a marketing strategy. Therefore the studies in Table 4 provide a starting point from which to further investigate the research literature to develop deeper insights into, and improved understanding of, the delivery of a marketing strategy,

albeit in the context of investor-owned firms. This further investigation (see section 2.4), which focused on four constructs, reviewed the knowledge in both the management and the marketing literature.

Table 4 summarises each study's research aim, recommendations and basis of support. The first column shows to what extent the authors' claims are underpinned by empirical data. The second column describes the paper's research aim and theoretical approach taken. The third column summarises the papers' organisational-wide recommendations for implementation of the marketing strategy. These recommendations contribute to a picture of the conditions and circumstances (i.e. the powers, structures and capabilities, as explored in a critical realist ontological approach) that need to be in place for marketing strategy implementation. Almost half of these papers are conceptual and aim to articulate the role of one of the theoretical underpinnings in marketing strategy implementation. Where empirical data sets have been collected, there is a mix of survey, interview and case study, and the issues surrounding implementation are explored from the perspective of managers and marketing managers. It is worth noting that only one of these papers (i.e. Powell, 2011) considers the implementation of a marketing strategy that is based on societal contribution, and none consider implementation in the co-operative context. Publications that discussed the value of a marketing strategy based on societal contribution were rejected where they did not consider issues relating to the implementation of a marketing strategy.

2.3.1 Marketing strategy implementation as the responsibility of the whole organisation

The criteria for inclusion of a paper in Table 4, relate to how much guidance it provides to management on the internal mechanisms that cause the marketing strategy to be delivered, and are discussed in depth in the following section (2.4). Interestingly, of these 28 papers, 11 are conceptual, and this may indicate a 'coming of age' in research into the causal mechanisms that enable marketing strategy delivery. Although some studies have considered only a narrow aspect of internal mechanisms (especially those taking a quantitative approach to empirical data gathering), they have done so from a management perspective. It is also interesting to note that, although it was not a reason for selection, these papers draw on three foundational marketing strategies. This aspect is discussed briefly in Sections 2.3.2, 2.3.3 and 2.3.4.

Studies that research implementation for strategies not linked specifically to marketing were rejected, as they may have distorted understanding. Such work was considered to be outside the boundaries of this literature review. Categorising the extant knowledge in this way is recommended by Wallace and Wray (2016) and follows the example provided by van Raaij and Stoelhorst (2008).

Table 4: Studies that consider marketing strategy implementation from an organisation-wide management perspective

Author(s), date and basis of support.	Research objectives and theoretical approach.	Recommendations on the conditions and circumstances (i.e. powers, structures and capabilities) that need to be in place for marketing strategy implementation (MSI).
Piercy and Cravens (1995). Conceptual paper	Aims to build a management agenda for the organisation of MSI, and proposes a network form of marketing organisation made up of internal relationships.	MSI requires the following organisational-wide dimensions to be in place: shaping key decision making, managing the customer interface for competitive advantage, developing market orientation and capabilities, and processing information to develop marketing influence in the company. This requires a revised management decision-making agenda to develop structures and capabilities in a 'reformed corporation', and to maintain networks within (and outside) the organisation.
Ahmed and Rafiq (1995). Single case study (using primary data and secondary sources) in financial services.	Assumes that internal marketing (IM) has a role in MSI, but its operationalization is unclear, and aims to present an alternative IM conceptual framework that offers guidance to managers in MSI.	Develops a 3-stage MSI process, to, i) ensure current and future competences align with external market opportunities, ii) establish internal segmentation and positioning, iii) create a longitudinal mechanism for monitoring the change process. Advocates the internal use of marketing techniques for MSI, but emphasises that IM programmes should be run

		by cross-organisational task forces (not solely by the marketing function), and develop internal employee relationships, to overcome MSI barriers.
Simkin (1996) Conceptual paper	Examines management's role in planning for marketing implementation.	Calls for: management understanding of the market place and marketing strategy formulation; sound market intelligence; leadership support; internal communications. Implementation requires a range of personnel to be involved.
Cespedes and Piercy (1996). Conceptual paper	Investigates the challenges by reviewing MSI from a decision-making process perspective, and drawing on strategic management and organisation behaviour literature.	Identifies the following as MSI enablers: employee participation in and contribution to marketing strategy formulation; leaders' strategic understanding; cross-functional liaison units; a culture of organisational learning, with training and career development programmes; and an IM framework. Finds MSI barriers to be organisational inertia and myopia, active resistance to change, politicising, ineffective information flows and flawed measurement systems. Recommends that marketing strategy formulation and implementation processes should not be separated.
Ballantyne (1997). Single longitudinal case study	Reports on an internal relationship development process that aimed to improve	Finds that managers must prioritise the sharing of marketing strategy knowledge internally, and understand the value and vulnerabilities of internal

(retail bank).	MSI by sharing knowledge internally.	networks as a means of discovering, transferring and embedding new knowledge. Identifies “ <i>dominant IM modes</i> ” in relationship development for internal networks, which are key to knowledge sharing. These are named; energizing, code-breaking, border-crossing, path-finding and routinizing.
Piercy (1998a), Conceptual paper	Argues that the downsizing of marketing function and the loss of its strategic influence, have damaged organisational MSI abilities	Sees MSI as an operational process, and not something for which the marketing function is solely responsible. The organisation must ensure that the required skills, behaviours and processes are in place for MSI. Management must understand marketing in order to make decisions about which capabilities, systems and structures fit with the new marketing strategies and which are obsolete.
Piercy (1998b), Conceptual paper	Investigates the management decision-making approach to the implementation of a relationship marketing strategy	Warns against inappropriate corporate culture, complacency around market expectations, insufficient resources and/ or capabilities, poor measurement systems, internal politics. Argues for a process-based approach; the management of “ <i>structural, process, cultural and human characteristics</i> ” to balance employee and customer interests; and strong links between marketing and HR.

Noble and Mokwa (1999). A survey (486 usable responses) of 'mid- level marketing managers' in two different organisations	To develop a model of the key factors which influence the success of MSI, from a managerial decision-making perspective.	To commit to the marketing strategy, mid-level marketing managers desire a profound understanding of it, its significance to the organisation and its fit with the organization's broader vision. This commitment is a pre-requisite for MSI success. Internally, managers must communicate: the strategic vision, the link between the vision and the strategies proposed, and their importance to the organisation. Calls for on-going dialogue between middle and senior management during both formulation and implementation.
Harris (2000). Exploratory in-depth case study, followed by postal survey.	Undertakes a holistic review of the structural, strategic and systems related organizational barriers to marketing orientation	Harris finds that the structural and systems-related barriers impede marketing orientation implementation in large retailers. He argues for more research on the linkages between these organisational obstacles and marketing orientation, and their impact on MSI performance.
Dibb and Simkin (2000). Conceptual paper	To explore the facilitation of MSI by building internal relationships	Finds that MSI requires: understanding MS purpose and propositions; involvement of non-marketers; adequate resources and communication channels re marketing information; prioritization of internal and external target audiences; awareness of employees' expectations, abilities and comprehension; feedback, monitoring and progress

		management; and realism regarding operational abilities for MSI. To facilitate MSI strong internal relationships should be built between colleagues, functions and departments, i.e. a relationship marketing approach applied internally.
Claycomb, Germain and Droge (2000). 200 self-administered questionnaires from US-based manufacturers	Investigates the effects of industrial firms' formal strategic marketing planning processes on organisational configuration and structure, exchange patterns, and performance	Finds that where a firm develops a formal, written strategic marketing plan and mission, it is more likely to use integrative committees and mechanisms, specialization, decentralized decision making in some areas, and formal performance measurement (both internal and benchmarking).
Sashittal and Jassawalla (2001). Interviews with 50 SME managers in industrial organisations.	Develops framework and propositions around management decision-making for MSI, in SMEs	Finds that: i) day to day adaptations of the MS are defining features of the MSI process; ii) the nature and extent of these improvisations determine MSI success, and iii) it is the interaction of the MS and MSI that shapes the "<i>market behaviours of the firm</i>" (p.51). The success of this emergent activity (that is MSI) depends on: management competences and behaviours, internal structures and processes as reality checks (builds on Sashittal and Jassawalla, 1998).

Dobni and Luffman (2000) 256 returned questionnaires from US high tech companies.	Defines marketing orientation as a culture that influences how employees think and act and explores internal relationships.	Finds that marketing orientation types can be profiled and that management must work to align internal relationships, culture and decisions with appropriate profiles, in order to provide a context for the implementation of specific marketing strategies.
Simkin (2002). Interviews with and questionnaires from personnel in 50 organisations	Identifies barriers to marketing plan implementation and offers a "training agenda"	Barriers are: inadequate internal communication of the plan, lack of commitment to the plan from line managers, silo-ism and petty politics, a reactive (not proactive) operating culture. Recommends that management are trained to understand the complexity of marketing plan implementation and to adapt/change their perceptions and practices (draws on IM and RM principles).
Ahmed, Rafiq, and Saad, (2003) Data analysis of 111 usable questionnaires from senior executives in Malaysian companies across a range of sectors.	Evaluates and adapts an internal marketing framework to guide MSI. Builds on Harris (2000) work.	Finds 10 internal marketing factors that can be controlled in order to influence employees so that they are motivated to implement the marketing strategy. Recommends use of the 10 factors to guide the development of organisational competences and market orientation. MSI requires "<i>top management support, inter-functional coordination and business process support</i>" (p1233).

Ballantyne (2003) Conceptual paper	Explores the pattern of knowledge exchange within internal networks and relationships. Calls for a relationship-mediated approach to internal marketing for MSI.	Builds on Ballantyne (1997) and shows that: knowledge exchange patterns within organisations are hierarchical, inter-functional and networked. Describes a structure of relationship development based knowledge exchanges that contribute to MSI, and require inter-functional coordination and overcoming internal rigidity as vital for MSI. Needs organisations to ensure sustainable patterns of knowledge renewal and exchange. The marketing function's role will be collaborative (rather than directing).
Chimhanzi and Morgan (2005). 230 usable questionnaires were received from the marketing managers in 230 medium to large (with over 100 personnel) European service based firms.	Examines the relationship between the HR and marketing functions, in order to understand its impact on MSI effectiveness.	Finds that: informal integration; connectedness; senior management support and interpersonal communication influence relationship effectiveness; and joint reward systems and written communication play a role in reducing inter-functional conflict. These psycho-social outcomes impact on MSI behaviours. Recommends that managers improve dialogue and coordination between HR and marketing, in ways that lead to effective internal relationships and reduced cross-functional conflict, and see MSI as a set of processes, rather than the responsibility of functions, to enable improved MSI (builds on Chimhanzi, 2004).

Thorpe and Morgan (2007) 115 postal questionnaires from mid-level marketing managers in European service based businesses.	To understand the nature of MSI from a mid-level marketing manager decision-making perspective.	Finds that firms which display an MSI style akin to Bourgeois and Brodwin's (1984) 'Change' style implement MS more effectively than firms displaying either a Collaborative or Cultural style. Argues that clear top down direction and rigid organisational structure leads to more effective MSI than informal structures with team working cultures.
Dibb, Simkin, and Wilson (2008) Review of published evidence and analysis of 3 case study organisations	To develop a diagnostic and treatment tool to guide managers through the marketing planning and implementation process.	Barriers to MSI: limited senior management commitment; lack of progress audits and performance measures; insufficient recognition that 'roll out' requires people and time resources; weak communication within and between functions; inadequate updating of market information. It is vital that organisations attend to the linkages between; their infrastructure, the development of marketing strategy and the directing, implementing and controlling of marketing activities.
Van Raaij and Stoelhorst (2008) Conceptual paper	Develops guidance for managers on the implementation of market orientation (MO)	Enable MO implementation by: reducing centralisation; redesigning processes for employees to be rewarded for appropriate behaviours, norms and values; and developing competences and committed leadership.

Vasconcelos (2008) Conceptual paper	Assumes that MSI requires a happy work-force, and argues that the IM concept has a role in changing mind-sets.	Calls on management to: i) prioritise employees' satisfaction at work, ii) develop jobs as 'products' that are meaningful and the rewards are not only material, and iii) create an environment in which employers and employees share the same goals and performance objectives.
Ngo and O' Cass (2009) Questionnaire survey of business executives in Vietnam	Assumes that the leveraging of a firm's resources is an essential precondition for securing its competitive position in the marketplace and for creating customer value.	This research examines the role of operant resource-based capabilities (i.e. skills and knowledge) as antecedents to a firm's value offering. The findings show that firms seeking to create a superior value offering for customers should invest in and nurture operant resources-based capabilities.
Wieseke et al. (2009) Uses hierarchical linear modelling analysis with sales people and marketing managers	Adopts a social identity perspective and proposes that internal marketing is a process which requires employees to have a sense of oneness with the organisation.	Finds that where leaders and managers display organisational identification, employees are more likely to identify with the organisation and its marketing strategy. This lays the foundation for delivering effective internal marketing.
Morgan, Vorhies, and Mason (2009) Mail survey data from 230 questionnaires sent to senior marketing executives in US firms	Draws on resources-based and dynamic capabilities theory to examine the influence of a market orientation approach on marketing capabilities.	Finds that market orientation has a positive effect on marketing capabilities, in deploying resources for MSI. Calls for more research on <i>"how such capabilities are developed and how they help to build as well as deploy a firm's market knowledge resource"</i> (p.917).

Gounaris, Vassilikopoulou, and Chatzipanagiotou (2010) 127 postal questionnaires from financial services providers and their customers.	Investigates the relationship between marketing orientation and internal marketing orientation and their joint impact on customer satisfaction.	Argues that marketing orientation does not improve customer satisfaction unless it is supported by internal marketing orientation. This improves the value perceived by employees, and has a positive impact on MSI. Calls for managers to be conscious of the right balance between a company's external and internal orientation, and for greater integration between HR and marketing functions.
Powell (2011) Conceptual	Explicitly taking an internal organisational perspective, this paper aims to consider the connection between ethical corporate marketing, identity and corporate social responsibility.	Considers the internal relationship between these areas, and recommends that management seek to align corporate and employee ethical identities, but recognises that achieving this is problematic as employees are likely to hide their true feelings in order to do their job. Calls for further research on employee perspectives, in order to guide management actions.
O' Cass, Ngo and Siahtiri, (2012) Survey of senior executives in Australian firms (300 responses).	Examines the relationship between marketing planning, marketing orientation and "customer centric performance" to understand what mechanisms develop marketing capabilities.	Finds that both MO and marketing capabilities are required to work together internally to build an effective interface with the customer. This study builds on Ngo and O' Cass's (2009) questionnaire survey of business executives in Vietnam, which finds that firms seeking to create a superior value offering for customers should invest in and nurture operant resources- based capabilities, and that they are advised to prioritise innovation-based rather than

		market-based capabilities.
Moorman and Day (2016)	Reviews 25 years of publications to examine the impact of 'capabilities, configuration, culture and human capital' on the organisation of marketing, and firm-wide marketing orientation.	Finds that the integration of these four elements in a networked organisational structure is crucial for marketing excellence, and therefore the superior ability to improve customer value, financial and societal outcomes. Calls for further research into marketing activities to better understand how marketing strategies are delivered.

All the studies summarised in Table 4 offer a starting point for further review of literature that may inform marketing strategy implementation. They recognise that marketing strategy implementation is an organisation-wide responsibility, and it is interesting to note that analysis of this literature demonstrates that each of the studies is underlined by one (although there is some overlap) of three theoretical foundations, as follows:

- Internal relationships and networks;
- Marketing orientation;
- Management's decision-making approach to implementation planning.

In order to identify areas in the existing literature for further investigation, each of these three theoretical foundations is discussed in the following sections. As a result, four key mechanisms emerged, and these formed a starting point for the development of a tentative framework (see Section 2.4). This framework guided empirical data collection and analysis in this research study (see Chapters Four and Five). Some publications have contributed to the following discussion because they have offered a critique of one or

more of the three foundational theoretical themes. However, they were not included in Table 4 as a decision was made that, although very informative, these publications do not guide managers and leaders sufficiently in the implementation of the marketing strategy, in the context of an implementation for which all employees are responsible. These studies have therefore contributed to the identification of the four emergent mechanisms that potentially cause marketing strategy implementation that are discussed further (in Section 2.4). For example, Mudie (2000, 2003) questions the legitimacy of an internal marketing approach, but does not offer further guidance to management. In addition, although there is widespread discussion in the extant literature about corporate social responsibility (CSR) only Powell (2011) explores the value of incorporating corporate social responsibility in marketing strategy implementation (see Table 4); however Hildebrand, Sen and Bhattacharya (2011) offer a valuable review of corporate social responsibility's impact on the marketing strategy, but do not specifically consider implementation. The growth of interest in service-dominant logic has generated a number of publications that build on Vargo and Lusch's (2004) paper. Service-dominant logic's emphasis on the value to marketing of 'operant resources', i.e. the organisation's structure, skills, capabilities and knowledge, recognises that a marketing function can have a role inside all areas in an organisation to support implementation of its marketing strategy. However, little guidance is provided as to how to operationalize this approach across the whole organisation. Subsequent studies, e.g. Madhavaram and Hunt (2008), and Vargo and Lusch (2017) contribute to knowledge in this area by broadening the service-dominant logic framework, but do not further inform practitioners about marketing strategy implementation. These papers are listed and summarised in Table 5. It is of interest to note that of the seven papers included, six are conceptual; this may indicate that exploration of this topic is still in its infancy.

Table 5: Publications that add to this discussion

Author(s), date and basis of support.	Research objectives and theoretical approach.	Findings and recommendations in relation to marketing strategy.
Mudie (2000) Conceptual paper	Questions the legitimacy of viewing employees as internal customers.	Concludes that internal marketing needs to be “ <i>problematized</i> ” to a far greater extent than has hitherto been the case.
Mudie (2003) Conceptual paper	Explores the idea of internal customer, the employee, and contrasts this with the ‘traditional’ customer.	Concludes that the internal marketing concept, i.e. marketing to employees is inappropriate within the organisational context, and therefore will not achieve its aims.
Vargo and Lusch (2004) Conceptual paper	Explores the evolution of marketing thinking and the corresponding shift in the perspective of scholars, practitioners and educators.	Brings together marketing perspectives to for a new, service-dominant, logic for marketing (S-D). Emphasises ‘operant resources’, i.e. skills and knowledge in the organisation to support marketing activities.
Madhavaram and Hunt (2008) Conceptual paper	Drawing on the S-D logic, this study develops a hierarchy of operant resources, and identifies the implications for marketing strategy formulation.	Identifies some potential research avenues for marketing strategy. Discusses the implications for practitioners, researchers and educators.
Voola and O’Cass (2010) 189 usable surveys from	Takes a resource-based approach, to investigate relationships within marketing strategies	Argues for marketing strategies to highlight a marketing orientation approach, and to develop capability in this area.

senior managers	to gain competitive advantage.	
Hildebrand, Sen and Bhattacharya (2011) Conceptual paper	To better understand corporate social responsibility (CSR) in the context of corporate marketing strategies.	Finds CSR to be valuable in bringing together internal and external corporate identities (leading to key organisational benefits).
Vargo and Lusch (2017) Conceptual paper	To review theoretical contributions to service dominant logic, and identify areas for further research within a broader macro-marketing framework	Emphasises the core role of customer/ firm co-creation to deliver the marketing strategy. Calls for further research in: ethics, economics environment and societal sustainability.

To summarise, the following text briefly considers these three foundational themes as they occur in the papers selected for their value in guiding management in the implementation of a marketing strategy (see Table 4). These themes are:

- Internal relationships and networks;
- Marketing orientation;
- Management's decision-making approach to implementation planning.

In addition, the text (see Sections 2.3.2, 2.3.4, and 2.3.5) considers further literature that aids understanding of the issues.

2.3.2 Internal relationships and networks

The internal marketing concept was developed to guide organisational communications with front line employees, in order to

achieve consistent service quality (e.g. Ballantyne, 1997, 2003; Ahmed, Rafiq and Saad, 2003). Building on internal marketing theories, internal relationships and networks aim to create communication and collaboration between functions (e.g. Ballantyne, 1997).

Internal marketing's notion of the employee as customer, calls for the internal application of the marketing mix. However, in his conceptual paper, Mudie (2003) criticises internal marketing as too difficult to operationalize in a manner that influences employee actions, and in his view the internal marketing concept is *"inappropriate for employees given what is known of organisational life and the employees' place within it"* (p.1261). Although neither Mudie (2003) nor Balmer (2011) offers alternative guidance, each recognises that there is an element of morality in trying to persuade employees to think in a certain way. Mudie (2000) sees internal marketing as a means for management to help employees reflect on their value-based assumptions and to identify with the organisation and the related marketing strategy.

Vasconcelos (2008) identifies a role for internal marketing in facilitating the development of work, and the work place, so that it not only aligns with the organisation's identity, but also has meaning for employees. In this way, employees' self-identification can be aligned with the organisation and the marketing strategy, and the organisation avoids a manipulative and exploitative culture. Internal marketing can be a means to change employee mind-sets, build happiness, and rewarding jobs, and therefore be much more than the *"simple exchange between employers and employees"* (p.1246) as presented by early internal marketing studies (Vasconcelos, 2008). The implementation of a marketing strategy based on societal contribution - as in MOCA - may offer an opportunity to engage employees in this way, and in turn strengthen employee commitment

not only to the organisation, but also to the marketing strategy and its delivery.

Recognising the weaknesses in internal marketing outlined above, other writers have attempted to broaden the concept, to consider the development of internal relationships (Dibb and Simkin, 2000; Chimhanzi, 2004; Chimhanzi and Morgan, 2005) and network theory (Piercy and Cravens, 1995; Ballantyne, 1997, 2003) as mechanisms for the implementation of a marketing strategy. These studies see collaborative working relationships between functions - in particular marketing and human resource (HR) - as crucial to achieving effective marketing strategy implementation (Ballantyne, 1997; Ahmed, Rafiq and Saad, 2003; Chimhanzi, 2004; Chimhanzi and Morgan, 2005; Vasconcelos, 2008; Gounaris, Vassilikopoulou, and Chatzipanagiotou, 2010). Dibb and Simkin (2000) call for management to commit to developing these internal relationships by applying relationship-marketing principles as a means of aligning the organisation's internal processes and resources, with marketing strategy delivery.

Despite the work discussed above no universally agreed internal marketing conceptual framework has been developed (Ballantyne, 2003; Mudie, 2003). There is little evidence of further broadening of the internal marketing concept in the last decade or so. The reasons for this are unclear, however, it may be that there is an acceptance of the challenges in operationalizing internal marketing as a means to deliver the marketing strategy. Ideas based on internal marketing have evolved to focus more on employee value-sets, internal organisational relationships, and collaboration between functions, as key to implementing a marketing strategy. Management commitment to the development of such capabilities is seen as crucial to investment in marketing strategy implementation.

2.3.3 Marketing orientation

Past studies on marketing strategy implementation (see Table 4) recognise the vital role that marketing orientation plays in its success (e.g. Piercy, 1998b; Dobni and Luffman, 2000; Harris, 2000; van Raaij and Stoelhorst, 2008). This is because a marketing orientation approach requires employees to be involved in making changes to internal policies and procedures that are linked to marketing performance, and therefore internal collaboration is key to shaping organisational behaviours (Ballantyne, 1997, 2003; Ahmed, Rafiq and Saad, 2003; van Raaij and Stoelhorst, 2008). To be successful, an orientation approach brings together the capabilities, structure, culture and employee actions to deliver the marketing strategy (Moorman and Day, 2016). This requires management and leadership commitment to ensuring resources are available (Noble and Mokwa, 1999), and that employees identify with the organisation's purpose (Vasconcelos, 2008; Powell, 2011; Wieseke et al., 2009).

There is consensus that appropriate employee behaviours are vital to marketing delivery, however, there is debate as to whether and how much internal communication, or organisational culture, influences those behaviours (van Raaij and Stoelhorst, 2008). More recent research that focuses on marketing strategy implementation, emphasises the importance of managing marketing orientation as a competency that complements other elements of implementation activity, such as internal networks and relationships to aid communication and collaboration, and the development of internal marketing capabilities (Dobni and Luffman, 2000; Ngo and O' Cass, 2009; O' Cass, Ngo and Siahtiri, 2012, Moorman and Day, 2016). This approach draws on the resource-based view of the organisation, and requires investment in developing capabilities and related business processes (Voola and O' Cass, 2010). Gounaris, Vassilikopoulou, and Chatzipanagiotou (2010) see internal marketing

as a means to bring these elements together and they adapt the internal marketing concept to become internal marketing orientation. In their study, they emphasise the importance to customer satisfaction of integrating marketing with other functions, enabling the firm to offer value simultaneously to employees, other stakeholders, and customers, and this approach relies on a strong market-orientated culture (Gounaris, Vassilikopoulou and Chatzipanagiotou, 2010), which in turn aids the building of implementation capabilities (O' Cass, Ngo and Siahtiri, (2012). This approach reflects the co-operatives' value offering to include a range of stakeholders (e.g. members, customers, employees, local community) and therefore could inform both internal and external MOCA communication. To be truly market oriented requires an emphasis on customer as co-creator (Madhavaram and Hunt, 2008); this mirrors the role of co-operative member as customer and reflects one of the foundational propositions of service-dominant logic (see e.g. Vargo and Lusch, 2004).

Drawing on previous studies, van Raaij and Stoelhorst (2008) offer their "*lessons from the literature*" (p.1265) to develop capabilities and minimise performance gaps in the implementation of marketing orientation. These are:

- Organisation structure: reduction of centralisation and hierarchical levels, and increase inter-functional coordination.
- Redesign business processes for value creation and delivery, involve customers in this and empower employees with customer contact.
- Use information technology creatively to enable value creation, and store market information in accessible ICT systems.
- Performance to be measured and incentive programmes reward appropriate behaviour, and "*feedback should be used*

to instil a culture of interdepartmental connectedness”
(p.1285).

- Leadership should emphasise the importance of this orientation and be seen to be embracing it themselves with their participation and support. “*An unbroken circuit of passionate, sincere, unified, and committed leadership from top levels to local managers*” (p.1285) must be ensured.
- Management should diagnose the value system and develop a desired list of behaviours and top-down programmes to create new norms. They should confront negative behaviours, and foster positive organisational communication.
- Recruitment, selection and training should focus on building a workforce with market-oriented skills; future ability needs should be anticipated and a mix of experiential learning and education establish market oriented behaviours and competences.

This list provides managers with guidance as to where to focus their attention to improve the marketing orientation of their firm. However, it does not answer questions about how such capabilities are developed, and how they help to build and organise a co-operative’s knowledge of its market-place and align this with a MOCA strategy’s implementation (Morgan, Vorhies and Mason, 2009). To meet this need, van Raaij and Stoelhorst (2008) call for research that explains the “*causal path from market intelligence to marketing orientation performance*” (p.1286). This too is a challenge for co-operatives as they recognise the market benefits of MOCA implementation, but appear to face challenges in building and co-ordinating MOCA-orientation capabilities (e.g. Webb et al., 2005; Novkovic, 2006; Borzaga et al., 2014; Calderwood and Freathy, 2014).

Harris (2000) argues for research on the linkages between these organisational obstacles and marketing orientation, and their impact

on implementation performance. He emphasises that this should be qualitative; in his words: *“the complex nature of this organisational phenomenon clearly dictates the adoption of an exploratory qualitative research design”* (Harris, 2000, p.619) to provide a deeper understanding of these issues. It appears to be accepted that a marketing orientation has a positive impact on marketing strategy implementation behaviours, however there are calls for research on the capabilities required to support it.

2.3.4 Management’s decision-making approach to implementation planning

The management decision-making approach focuses on discussion around how much marketing strategy implementation should be a fixed plan, or allowed to emerge in response to changing external conditions, and how to develop the capabilities required. This underpinning concept highlights the importance of suitable processes and operational resources being in place. In addition, it calls for senior management understanding of both the market place and the organisation’s resources (e.g. Piercy and Cravens, 1995; Simkin, 1996, 2002). For Dibb, Simkin and Wilson (2008) the lack of such a plan is in itself a barrier to implementation, as this is seen as a framework for implementing and controlling the marketing strategy. A key benefit of a formal plan is the support provided by the integration of specialist committees to enable cross-functional collaboration, decentralised employee decision-making, and performance measurement and benchmarking; these competencies are associated with competitive advantage (Claycomb, Germain and Droge, 2000).

However, others express concern about fixed implementation routines that may rarely be challenged and call for management

decision-making that appropriately balances a fixed plan for marketing delivery while allowing activities to emerge on a day-to-day basis (Cespedes and Piercy, 1996; Sashittal and Jassawalla, 1998, 2001). To do this, managers must not only be committed to the marketing strategy, but also understand its required deliverables and be able to communicate them internally and across all organisational functions (e.g. Noble and Mokwa, 1999; Sashittal and Jassawalla, 2001; Van Raaij and Stoelhorst, 2008; Vasconcelos, 2008; Balmer, 2011). Interestingly, some empirical research undertaken in this area, in the past decade, has sought the views of a mix of marketing and non-marketing managers (e.g. Gounaris, Vassilikopoulou, and Chatzipanagiotou, 2010; O' Cass, Ngo and Siahtiri, 2012). This approach appears to acknowledge a broadening of responsibility for the implementation of a marketing strategy, beyond simply that of the marketing team. It also reflects a downsizing of the marketing function, where managers and leaders must identify the capabilities, systems and structures required for implementation, and ensure other personnel – i.e. non-marketing – in the organisation put these in place (Piercy, 1998; Morgan, Vorhies and Mason, 2009). This latter approach reflects recent literature that recognises that marketing strategy implementation is hindered if the employees' value set and self-identity is not aligned with that of the organisation (Hildebrand, Sen and Bhattacharya, 2011; Vargo and Lusch, 2017). Where they have been identified in the literature, each of these capabilities, systems and structures is discussed in Section 2.4 of this chapter. However, there is little research not only on how these mechanisms are developed, but also how they may aid the building of internal competencies and processes that enable firms to *"configure and deploy their resources to reflect the needs of the market environment"* (Morgan, Vorhies and Mason, 2009, p.917).

Co-operatives are aware of market interest in their values based identity (e.g. Spear, 2000; Hallsworth and Bell, 2003; Webb et al.,

2005; Brown, 2006; Calderwood and Freathy, 2014). They recognise that implementation is problematic and they need guidance in building and deploying their resources if they are to commit to a MOCA strategy.

2.3.5 The emergence of four constructs that guide further review of the literature

Although they do not form discreet categories, common themes that offer guidance on what organisational mechanisms potentially cause marketing strategy implementation to occur, have emerged from the above discussion. These themes inform four core constructs that offer a starting point for a further review of the existing literature and the subsequent development of a framework to guide marketing strategy implementation (see Section 2.4). These constructs are:

- Cross-functional collaboration and communication;
- Management commitment to the marketing strategy;
- Employee identification with the organisation and related marketing strategy;
- Competences and business processes.

Having identified these constructs as potential mechanisms, the next step in this literature review is to discuss existing literature that informs knowledge in each of these four areas. Accordingly, this review explores the more focused writing in those areas to find out more about what is already known and that informs the development of a theoretical framework to guide marketing strategy implementation. It draws on literature from both management and marketing domains.

2.4 Marketing strategy implementation: developing a tentative conceptualisation

In following section, the literature relating to each of these four constructs is reviewed, in order to understand what is known about how they potentially cause marketing strategy implementation. This knowledge in each area informs the development of a tentative framework that guides empirical data gathering in the context of co-operatives and MOCA implementation.

2.4.1 Cross-functional coordination/ collaboration for marketing strategy implementation

An organisation-wide coordination of actions is fundamental to a successful implementation of the marketing strategy. Inter-functional collaboration plays a crucial role and facilitates information exchange. It also builds social structures, team working, mutual trust, internal consensus and cooperation, all of which positively influence desired implementation behaviours. Silo-ism, petty politics within and between functions creates conflict and behaviours that damage marketing delivery. Many writers consider inter-functional coordination and collaboration as vital for marketing strategy implementation. They see this as a means to facilitate the flow of information about customer needs and offer the creation of networks, teams and liaison groups as means to develop inter-functional working (e.g. Kohli and Jaworski, 1990; Narver and Slater, 1990; Cespedes and Piercy, 1996; Ahmed, Rafiq and Saad, 2003; Dibb, Simkin and Wilson, 2008; van Raaij and Stoelhorst, 2008). A number of authors (Ballantyne, 1997; Piercy, 1998; Simkin, 2002; Ahmed, Rafiq and Saad, 2003; Chimhanzi, 2004; Chimhanzi and Morgan,

2005) emphasise, in particular, the importance of close working relationships between the HR and marketing functions.

Research on the factors that influence cross-functional coordination and collaboration in the delivery of the marketing strategy, is limited. However, what there is can be broadly grouped under four themes: Social cohesion and super-ordinate identity; joint reward programmes; internal communication of shared values/goals; and understanding of the challenges faced by other functions. Each is discussed in turn.

2.4.1.1 Internal communication of shared values/goals

Both formal and informal networks are important to internal communication about the implementation of the marketing strategy (Piercy, 2010; Moses, 2011). Knowledge exchange and social integration can be improved by organisational learning opportunities such as workshops and group sessions (Ballantyne, 2003). Other approaches to improve knowledge sharing across functions include: transferring employees to a different function for a limited period of time, and the use of mixed career paths and job rotation (Piercy, 2010). These findings may help to address the failure in internal communication of MOCA values that Novkovic (2006) found in her research study.

2.4.1.2 Social cohesion and super-ordinate identity

A shared sense of identity across the organisation supports good cross-functional relationships within the firm and management plays a crucial role here; they must show passion for the firm's values, ensure everyone is aware of the strategic vision, and demonstrate a hands-on approach (van Raaij and Stoelhorst, 2008; Wieseke et al., 2009). The involvement of functional line managers in strategy

formulation helps their understanding of the difficulties faced by other functions, and gives a sense of strategy ownership and therefore greater commitment to its goals and the avoidance of petty politics (Cespedes and Piercy, 1996; Simkin, 2002; Piercy, 2010). This may offer some guidance for addressing the tensions between activists and the commercial elements, that co-operatives face (Somerville, 2007; Birchall, 2014; Allemand, Brullebaut, and Raimbault, 2014), and emphasises the importance of mid-management's role in sharing identity and values across these boundaries. MOCA implementation offers co-operatives an opportunity to optimise this cohesion around a set of values. Wieseke et al. (2009) argue for more research on the causal link between this 'identity-orientation' and marketing strategy implementation performance.

Formal and informal social events, alongside committee-type structures have been suggested as a means to develop social cohesion and exchanges of information (e.g. Claycomb, Germain and Droge, 2000; Chimhanzi, 2004; Nakata and Im, 2010). Social cohesion is in essence the strength of a group's inter-personal ties to one another and based on social links that foster integration (Gummesson, 1991). These links are built on frequent communications and interactions, as well as regular participation in group-activities. Such linkages develop emotional bonding within groups; break down barriers; and help to overcome silo mentalities and the related petty politic attitudes (Nakata and Im, 2010).

A corollary of social cohesion is super-ordinate identity; which Nakata and Im, (2010) define as "*the cognitive perception of oneness with others*" (p.558). This is the extent that members identify with the group, commit to overarching goals, and feel they have a stake in collective success or failure (Nakata and Im, 2010; Piercy, 2010). In this circumstance, employees put aside functional interests in favour of strong group identity, and information flows are more open, unimpeded and frequent. In the co-operative context, it must be

recognised that of MOCA is a complex message, and although its effective communication is crucial to facilitating behaviour changes, this is challenging (Webb et al., 2005; Bernardi and Koppa, 2011).

2.4.1.3 Joint rewards' programmes

With a market-based reward programme in place, all employees are recognised for advancing the firm's understanding and fulfilment of customers' needs. Where this is offered to all workers regardless of functional home, disparate areas of the firm are pulled together towards the same goals (Jaworski and Kohli, 1993, Nakata and Im, 2010). The use of performance-based rewards as a means of motivating employees to align behaviours to organisational goals is well established in the literature (e.g. Piercy, 2010). These rewards can be either financial or broader measures of esteem, or both; the latter can be powerful influences on cross-functional working behaviours as employees seek recognition and esteem from their jobs (Piercy, 2010).

2.4.1.4 Knowledge of the challenges faced by other functions

The creation of cross-functional teams to work together on process or product developments has been proposed as a means of improving decision-making and understanding of the challenges faced by other functions in marketing implementation (e.g. Piercy and Cravens, 1995; Cespedes and Piercy, 1996; Vargo and Lusch, 2004). However, this type of resource integration is complex (Hilton, Hughes and Chalcraft, 2012) and poor management of these teams could lead to unproductive conflict and chaos (Nakata and Im, 2010; Moses, 2011). Where planning for implementation is insufficient, projects suffer from over-lapping command chains and ambiguous responsibilities; these can create conflict and limit cooperation (Norburn et al., 1995; Nakata and Im, 2010). If top management is perceived as prepared to accept risks as part and parcel of normal

business practice, teams and their members will be more motivated to collaborate to reduce the likelihood of failure (Nakata and Im, 2010; Moorman and Day, 2018). This emphasises the importance of knowledge of other parts of the organisation, as a means to help check the potential for internal conflicts. Although the co-operative literature identifies a number of areas that could benefit from the development of this capability, these are not between functions, but stakeholder groups, e.g. activists and commercial, governance and front-line service delivery (Somerville, 2007; Allemand, Brullebaut, and Raimbault, 2014; Birchall, 2014).

2.4.2 Management commitment to implementation of the marketing strategy

Management support is crucial in influencing others at all levels to collaborate across the organisation to implement the marketing strategy. As Norburn et al., (1995) put it: *“top managers, who ignore ... those responsible for implementation, do so at their peril”* (p.228). Senior and mid-level managers have to be seen to be embracing the marketing strategy themselves, and demonstrating genuine commitment to it by participating in its implementation (Wieseke et al., 2009; Rosier, Morgan and Cadogan, 2010). This is crucial because management commitment positively influences employee behaviours and therefore the delivery of a marketing strategy (e.g. Simkin, 2002; Ahmed, Rafiq and Saad, 2003; van Raaji and Stoelhorst, 2008). As mid-level managers are a crucial link in effective communications between top management and employees, they play a critical role in not only promoting delivery but also reducing any negative behaviour that are linked to resistance to a new marketing strategy (Noble and Mokwa, 1999; Simkin, 2002; Rosier, Morgan and Cadogan, 2010). Birchall's (2014) study found that co-operatives need further guidance in linking their governance

to MOCA implementation. As mid-level managers are powerful facilitators in implementation, co-operatives may need to work harder at developing and ensuring their collective understanding of the MOCA strategy. Developing this capability could be a challenge, as separate studies by Novkovic (2006) and Borzaga et al. (2014) have found a lack of management engagement with co-operative values.

It is important to recognise that Thorpe and Morgan's (2007) emphasis on the crucial importance of rigid structures contrasts with those who call for staff empowerment and trust in implementing the marketing strategy (see Piercy and Cravens, 1995; Cespedes and Piercy, 1996; van Raaij and Stoelhorst, 2008). The empirical data gathered by Mudie (2000) supports this approach and indicates that staff can be trusted and empowered, often more than their managers. However, given that Thorpe and Morgan's research sought a marketing management viewpoint, and in the context of an increasingly prevalent shift towards the downsizing of the marketing function, it may not be surprising that their data set pointed in this direction. The literature identifies three areas that are crucial to gaining mid-management commitment to marketing strategy implementation: trust in the senior management support, clarity of expectation of deliverables, and appropriate empowerment and related training.

2.4.2.1 Mid-management involvement in planning the deliverables in marketing strategy implementation

Managers will better understand what marketing strategy deliverables are expected if they are involved in the related decision-making. This opportunity to exercise their opinions on the implementation of the marketing strategy makes them more likely to be psychologically bound to its success, and more committed to the strategy (Noble and Mokwa, 1999; Rosier, Morgan and Cadogan, 2010; Barton and Ambrosini, 2013). Such engagement with the

implementation plans is supported when organisations enable openness, management flexibility and the “*opportunity to voice their ideas*” (p.453) with less emphasis on formal rules and procedures (Rosier, Morgan and Cadogan, 2010). Co-operatives need to find mechanisms to bring together those in the organisation who prioritise the co-operative values, and those whose main focus is on financial objectives (Novkovic, 2006; Somerville, 2007; Borzaga et al., 2014). Although both groups may be committed to a MOCA strategy, they may have differing views on the key deliverables.

2.4.2.2 *Trust in senior management support for the marketing strategy*

Confidence in the executive will be reduced if the necessary resources are not in place (as identified in Novkovic’s 2006 study in the co-operative context). Such resources are not just financial, but include, *interalia*, information, physical environment, equipment, and staff training (Dibb, Simkin and Wilson, 2008; Barton and Ambrosini, 2013). Top management championing the marketing strategy and high levels of trust in the executive team, both promote compliance with strategic decisions (Babakus et al., 2003). This trust and confidence is engendered when the leadership explain their decision-making so that mid-managers understand the background to the decisions. This cognition is associated with belonging and loyalty, and positively affects mid-management attitudes and other managers’ abilities to engender staff commitment (Wieseke et al., 2009; Rosier, Morgan and Cadogan, 2010).

Senior managers must ensure that the reward systems in place for marketing strategy delivery are seen to be fair, consistent and just. This sense of procedural justice has a positive impact on implementation (Babakus et al., 2003). However, marketing strategy delivery is most effective - and thrives - where middle management

evidently trust senior management and rules and regulations are not seen as excessive (Rosier, Morgan and Cadogan, 2010).

2.4.2.3 Appropriate empowerment and training in place

Although expectations of marketing strategy deliverables may be demanding, if employees know what is expected of them and by what standards they will be judged they can more readily focus on the implementation tasks (Rosier, Morgan and Cadogan, 2010). Many argue for management to demonstrate their commitment to the strategy by empowering employees to judge how best to deliver the marketing strategy, and related service recovery as circumstances differ (e.g. Piercy and Cravens, 1995; van Raaij and Stoelhorst, 2008; Zhang and Bartol, 2010). However, empowerment may be inappropriate where jobs need to be routine, or where the employee feels threatened or uncomfortable with the increased responsibility (Babakus et al., 2003). Training enables empowerment, and can be designed to develop the creative thinking necessary to handle difficult situations, such as service failures. Empowerment is closely allied to job satisfaction and commitment to the marketing strategy and vision. If top management wish to reduce resistance and gain commitment to implementation, as well as a motivation to develop creative solutions, it must find ways of empowering employees at all levels (Babakus et al., 2003; Zhang and Bartol, 2010). It is likely that co-operatives also need guidance as to the appropriate balance of empowerment and routine procedure.

2.4.3 Employee identification with the organisation and related marketing strategy

Where senior management evidently identify with the organisation's values, and the marketing strategy is aligned with those values, employees are more likely to commit to it and its implementation (e.g.

Wieseke et al., 2009; Badovick and Beatty, 1987; de Chernatony, Drury and Segal Horn, 2003; Powell, 2011; Hildebrand, Sen and Bhattacharya, 2011). Dobni (2003) defines organisational culture “as the collective *thoughts and actions of employees that manifest the strategic orientation of the firm*” (p.44). Culture therefore needs to reflect the firms values, as this influences how employees think and act and therefore must be aligned to the marketing strategy and its implementation (Dobni and Luffman, 2000; Hatch and Schultz, 2003; Moorman and day, 2016).

Changing cultures and focussing employees on the right behaviours for the implementation of the marketing strategy are challenging for management (Piercy, 1998; Sashittal and Jassawalla, 2001), and co-operatives are no exception. The marketing orientation literature offers two influencers of behaviours; the internal sharing of market intelligence, and the collective values in the organisation (van Raaij and Stoelhorst, 2008). For co-operatives, the latter is particularly crucial in MOCA implementation. Vasconcelos (2008) and Wieseke et al. (2009) both offer the internal marketing concept as a structure for developing this capability, despite the limited research that exists on the operationalisation of internal marketing.

The academic literature agrees that organisational behaviours are a crucial element in marketing strategy implementation. However, there is debate about how marketing managers attempt to influence the organisational culture so that it in turn influences implementation behaviours. The literature offers: control systems based on bureaucracy and hierarchical structures (Thorpe and Morgan, 2007), a form of cultural control in which employees are obligated to accept a set of behavioural norms as an alternative to bureaucratic controls (Harris and Ogbonna, 2011), and employees to be trained and empowered to take decisions, and innovate, within pre-determined boundaries (e.g. de Chernatony and Cottam, 2008; van Raaij and Stoelhorst, 2008; Zhang and Bartol, 2010). Nevertheless, the

marketing strategy must be communicated internally and the culture aligned with the strategic objectives (e.g. Dobni and Luffman, 2000; Harris, 2000; Gounaris, Vassilikopoulou and Chatzipanagiotou, 2010; O' Cass, Ngo and Siahtiri, 2012).

Although co-operative based research recognises that embedding the core ideology in the organisational culture is a prerequisite for MOCA implementation behaviours (e.g. Webb et al., 2006; Borzaga et al., 2014; Calderwood and Freathy, 2014), there is very limited guidance on how to do this. In addition, the research into the factors that influence culture, and behaviours, in the delivery of the marketing strategy, is limited and has not been undertaken in the context of co-operatives, or strategies linked to societal contribution. What there is can be broadly grouped under three themes: management style in balancing control systems and empowerment; staff identification with shared organisational values, and mechanisms for the internal communication of the marketing strategy and market intelligence. Each is discussed here in turn.

2.4.3.1 A management style that balances control systems with empowerment

As outlined above, some writers argue that management style is a crucial influencer on implementation behaviours, because it influences organisational culture. This relates to factors that include levels of bureaucracy, behavioural regulation and/or control, and psychological support. The literature advocates finding an appropriate balance between behaviours based on standardised routines to deliver the marketing strategy, and those which adopt a more flexible approach to serving the marketplace (e.g. McKenna, Garcia-Lorenzo and Bridgeman, 2010; Day, 2011). The former requires behavioural norms to be part of a routine, the latter employee empowerment. No research studies were found which indicated which approach co-operatives adopt.

Bureaucracy has often been considered an effective model when standardising the operations required for marketing strategy implementation (Thorpe and Morgan, 2007). However, to adapt to rapidly changing market conditions, organisations must become more flexible, and this necessitates a management focus less on standardising processes and more on managing behaviours (McKenna, Garcia-Lorenzo and Bridgeman, 2010). It is challenging for managers to replace rules with consensus and dialogue in a way that flexibly and effectively operationalizes the marketing strategy (Piercy, 1998; Day, 2011). Harris and Ogbonna (2011) found that to address this, marketing and other managers, attempt a form of cultural control in which employees are obligated to accept a set of behavioural norms, as an alternative to bureaucratic controls. This is a deliberate management effort to ensure employees' understanding of the business purpose, so that their behaviours align with the marketing strategy (e.g. Gounaris, Vassilikopoulou, and Chatzipanagiotou, 2010). Co-operatives committing to a MOCA strategy would be expected, as a first step, to communicate the co-op purpose and identity. This is likely to rely on information provided by the ICA on the movement's values and principles (e.g. Spear 2000; Calderwood and Freathy, 2014). To influence employee behaviours, management utilise formal social events, employee need for self-esteem and social approval, and awareness of surveillance levels. Harris and Ogbonna (2011) call for more research on the effectiveness of this approach.

In a culture of fear where risk and new initiatives are discouraged, employees feel unable to adapt their actions to accommodate customer needs whilst staying true to organisational values, and therefore employees should be empowered to take decisions, and innovate, within pre-determined boundaries (e.g. de Chernatony and Cottam, 2008; van Raaij and Stoelhorst, 2008; Zhang and Bartol, 2010). Management must ensure that employees know how much

decision-making flexibility they have and what behaviours are expected of them in their roles (Punjaisri and Wilson, 2011). Although there is debate in the literature as to what levels of empowerment are considered appropriate for marketing strategy implementation; there is consensus (e.g. van Raaji and Stoelhurst 2008; Ahmed, Rafiq and Saad, 2003; Piercy and Cravens, 1995) that this will vary depending on the marketing strategy. To encourage employees to adopt in-role behaviours that are consistent with the organisation's marketing objectives, including its identity and image, management need to understand how employees feel about their work and the work environment and what employees need to serve the customer better (Vasconcelos, 2008; Lings and Greenley, 2010; Gounaris, Vassilikopoulou, and Chatzipanagiotou, 2010; Punjaisri and Wilson, 2011). There is no indication in the co-operative literature as to whether co-operatives operationalize MOCA implementation in this manner. In itself, this type of information gathering contributes to creating a climate of psychological support, open-ness, friendliness and mutual trust, respect, promise keeping, and collaboration and therefore has positive consequences for customer interaction (Gebhardt, Carpenter and Sherry, 2006; Lings and Greenley, 2010). However, having gathered this information, managers are expected to act on it, and communicate the reasoning behind those actions (Gebhardt, Carpenter and Sherry, 2006). Although as Lings and Greenley (2010) emphasise, desirable marketing behaviours should be rewarded, managers and leaders should avoid targets that are predominately financial. Instead managers should encompass a variety of hard, soft, short and long-term targets, reflecting a holistic approach to marketing strategy implementation success (de Chernatony and Cottam, 2008). It's important to include qualitative targets, as too much emphasis on quantifiable targets can lead to confusion and internal conflict about the firm's values, and therefore adversely impact on in-role behaviours (de Chernatony and Cottam, 2008).

2.4.3.2 *Employee identification with shared organisational values*

Although internal communication mechanisms can inform employees' understanding of internal culture and brand values, and guide behaviours, they are insufficient in themselves to 'win hearts and minds' and therefore to fully engage employees and change mind-sets (Vasconcelos, 2008). It is this attitude-change that is required if employees are to fully commit to the organisation's values and adapt their behaviours and actions in line with its ethos (Narver and Slater, 1990; King and Grace, 2012). Employee commitment shapes behaviours and as such is an important variable in the implementation of the marketing strategy (Morgan and Hunt, 1994; King and Grace, 2012).

If the employee considers their relationship with the organisation to be positive (Papasolomou and Vrontis, 2006), and they feel a sense of belonging, they will be prepared to go to considerable effort to achieve implementation goals (King and Grace, 2012). This awareness of collective belonging and commitment is facilitated - but not guaranteed - by the employee's comprehension of the shared organisational values. To influence behaviours, organisations must be proactive in finding mechanisms for translating those shared values in to the everyday working experience of employees (de Chernatony and Cottam, 2008). The employee's engagement with the values is emotional as well as functional, and therefore plays a significant role in the personal interaction amongst employees, and between employees and customers (Vallaster and de Chernatony, 2005; Punjaisri and Wilson, 2007). Co-operative writers recognise the challenge of engaging employees in this way, and call for research in aiding understanding of how organisational behaviour is influenced in order to contribute to MOCA implementation (Brown, 2006; Novkovic, 2006; Birchall, 2014; Borzaga et al., 2014). Such shared values are more influential when management behaviours

are based on genuine conviction and are clearly aligned with the organisation's values (e.g. de Chernatony and Segal Horn, 2003). To stimulate these behaviours requires a distinct style of leadership and management, in which both groups each see themselves as "*the standard bearers, mood setters, and moral leaders of their organizations*" (Hunt, Wood and Chonko, 1989, p.88). The absence of shared organisational values will adversely impact on implementation success (Badovick and Beatty, 1987; Wieseke et al., 2009).

Internal communication of the required company values or brand values can take place via, *inter alia*: training sessions, noticeboards, management presentations etc. However, this communication is - in itself - insufficient to influence employee behaviours (Punjaisri and Wilson, 2011). To shape future behaviour, they must be not only understood by the employee, but also internalised and accepted (King and Grace, 2012). Irrespective of how well internal communication programmes are delivered, if the employee lacks the desire to embrace these values, they are unlikely to exhibit the appropriate behaviours to implement the marketing strategy (Gounaris, Vassilikopoulou, and Chatzipanagiotou, 2010; King and Grace, 2012). Organisations should focus on recruiting employees who show themselves to be receptive to these brand and organisational values, rather than emphasising operational or technical skills; it is more challenging for managers to change staff values than to teach job related skills (de Chernatony and Segal-Horn, 2001; 2003). A corollary is that when employees are obliged to adhere to company values that are at odds with their own, job satisfaction and related performance are reduced (Powell, 2011). However as Punjaisri and Wilson (2011) ruefully point out, recruiting people whose values fit with the organisation is easier to talk about than to do.

2.4.3.3 Internal sharing of market information and intelligence

Behavioural norms and habits related to marketing strategy implementation are developed not only by management style, but also other factors such as excitement about the strategy, comprehension of how to deliver it and information about its marketplace (Morgan, Vorhies and Mason, 2009). This knowledge is essential to ensure appropriate behaviours, therefore its understanding within the organisation is vital for effective implementation (e.g. Kohli and Jaworski, 1990; Ballantyne, 2003).

Behaviours expected by management must be consistent with those expected by the customer, and ensuring that employee behaviours strengthen relationships with the selected market-place, requires on-going dialogue with stakeholders, which then informs the organisation's ability to respond flexibly (de Chernatony and Segal Horn, 2001). These expectations will have been developed by the organisation's external communications, such as advertising claims, and customers' previous experiences in interacting with the organisation (de Chernatony and Segal Horn, 2001). The challenge for management is not merely to communicate the plan for marketing strategy implementation, but also to ensure that employees understand what behaviours and actions are expected (see Dobni and Luffman, 2000; Sashittal and Jassawalla, 2001; Dobni, 2003). This requires the consistent and regular internal communication of information about the market place (Gebhardt, Carpenter and Sherry, 2006). Spear (2000) recognises that not only can co-operatives more fully reassert their 'co-operative advantage' by communicating their distinctive potential, but also that knowledge in how to do this is limited.

Brand champions can be identified with a view to enthusing core employees, transmitting excitement about the marketing strategy, and generally encouraging others to be passionate about what the

organisation stands for (Cespedes and Piercy, 1996; de Chernatony, Drury and Segal Horn, 2003). If the champion is a senior manager, this leads to greater commitment amongst employees (de Chernatony, Drury and Segal Horn, 2003). Gebhardt, Carpenter and Sherry (2006) emphasise the importance of the cross-functional nature of the enthusiasm engendered by “*cultural flame-keepers*” (p.49), who are responsible for sharing understanding of both the marketplace and the marketing strategy, across the organisation.

Many writers recommend social events as a means of achieving internal communication. These occasions provide opportunities for the development of networks and internal relationships - both between hierarchies and functions - that are routes for knowledge exchange and renewal (e.g. Ballantyne, 2003; Chimhanzi and Morgan, 2005; Sashittal and Jassawalla, 2001). Harris and Ogbonna (2011) see socialising as “*the process in which new employees learn to adopt the norms, values and behaviours that will guide them through organizational life*” (p.438). In brand terms, staff training in the brand promise - and therefore what customers are likely to expect in their interaction with the firm - should aim for a consistent relationship with customers through staff who are committed to delivering the brand promise (de Chernatony, Drury and Segal Horn, 2003). Internal communication can take other forms, from management presentations and workshops to the incorporation of symbols and artefacts that represent the organisation’s community (Hatch and Schultz, 2003; van Raaji and Stoelhorst, 2008). However, MOCA is a complex message and therefore difficult to communicate. Failure to change organisational behaviours that align with MOCA can lead to accusations of a lack of integrity within the co-operative (Bernardi and Koppa, 2011; Webb et al., 2005).

2.4.4 Competencies and Internal Processes

Research identifying the organisational resources and capabilities needed for marketing strategy implementation has been discussed earlier in this chapter. However, it is important to emphasise that their appropriateness for effective implementation, will not occur unless the organisation has the ability to leverage them to deliver customer and stakeholder value, and therefore succeed in the marketplace (Hooley et al., 2005; Moller, 2006). Moller (2006) argues that to play a key role in implementation, these processes must be transformational, and goes on to highlight the urgent need for research that guides the firm's processes and competences through which customers create value from complex offerings.

Some see the implementation of the marketing strategy as a set of processes (Piercy, 1998a and 1998b; Sashittal and Jassawalla, 2001; O' Driscoll, Carson and Gilmore, 2000). As these processes - along with organisational power structures - are established, they must take into account: team and group responsibilities, communications structures, and reward systems (Ahmed and Rafiq, 1995). Van Raaij and Stoelhorst (2008) emphasise performance measures, rewards and incentive programmes, and call for the involvement of customers in the process re-design (via feedback mechanisms). It could be argued that co-operatives, because of their member ownership structure, are well placed to manage such feedback processes. However, it appears that no co-operative-based research study has investigated this.

Implementation needs timescales, resources and performance measures to be clearly communicated along with frequent regular updating of the data in the marketing information system (Claycomb, Germain and Droge, 2000; Dibb, Simkin and Wilson, 2008). Targets should be mixed in type and clearly communicated, and linked to performance measures (de Chernatony and Cottam, 2008). There

are dangers that accepted routines go unchallenged, and when measurements and information channels become ineffective, a programme of management development is required (Piercy, 1998; Cespedes and Piercy, 1996). Decisions on which implementation competencies need to be developed depend on the strategic intent of the firm and the “*particular configuration of strategy, structure and shared values*” (O’ Driscoll, Carson and Gilmore, 2000, p.194). As co-operatives have their own distinctive strategy, structure and values, this will inform the decisions as to capabilities and competences are crucial for MOCA orientation and implementation (e.g. Morgan, Vorhies and Mason, 2009).

Therefore, three aspects of the business processes and competences required for marketing strategy implementation need to be considered. They are: competencies as inputs into the marketing strategy implementation process; processes to measure/ benchmark marketing strategy implementation competencies; and the ability to adapt marketing strategy implementation competences and develop dynamic capabilities.

2.4.4.1 Competencies as inputs into the marketing strategy implementation process

As highlighted in the marketing orientation literature, competencies and capabilities linked to the marketing strategy are crucial inputs into the organisation-wide processes needed to create value for the customer and other stakeholders (e.g. Hooley et al., 2005; Gibbert, Golfetto and Zerbini, 2006; Morgan, Vorhies and Mason, 2009). To understand these competencies and to develop implementation processes, it is vital to appreciate the supporting resources as well as those resources in direct contact with the marketplace. Fahy et al., (2006) highlight the importance of “*not only the market-based resources but also the marketing support resources that are necessary to achieve sustainable competitive advantage*” (p.154).

Examples of the former are the abilities to link with customers, to build reputation, and to innovate new products; examples of the latter are resources based on organisation-wide factors, e.g. HR management practices, the approach to systems, such as operations and financial management (Day, 1994; Hooley et al., 2005). This approach enables marketing competences to be understood in terms of: 'deepening' within the marketing function; 'broadening', referring to marketing activity which is shared and co-managed with all parts of the organisation; and thirdly 'partnering', which is essentially the ability to manage alliances, networks, and relationships between the organisation and other parties. This third marketing competence involves nurturing expertise that has a strong marketing focus (O'Driscoll, Carson and Gilmore, 2000). As these resources and capabilities are interconnected they should be placed at the heart of the firm's planning for marketing strategy implementation (Madhavaram and Hunt, 2008). Crucially, this requires an appreciation of the competences that may well be tacit or hidden (Hilton, Hughes and Chalcraft, 2012). These various implementation competencies are interdependent and, if an organisation can develop a set of unusual or particularly high quality competencies, this is likely to be a potential source of competitive advantage (Vorhies and Morgan, 2005)

Co-operatives have a structure and ethos that not only sets them apart but also offers an inimitable competitive advantage (e.g. Webb et al., 2006; Birchall, 2014). Gibbert, Golfetto and Zerbini (2006) stress that this requires strength across a range of capabilities; they call for further research to establish criteria for distinguishing which are critical for effective marketing strategy implementation, given a set of organisational resources and capabilities. A process approach and mind-set are vital in integrating the work of the different functions across the organisation, to deliver the marketing strategy. This requires a focus on the skills, and expertise of individuals and teams,

and should therefore be linked to people's career path options (O'Driscoll, Carson and Gilmore, 2000).

2.4.4.2 Processes to measure marketing strategy implementation competencies

As the gap between market demands and marketing competences continues to expand, the importance of identifying and measuring implementation activities increases (Vorhies and Morgan, 2005; Dibb, Simkin and Wilson, 2008; Day, 2011). Vorhies and Morgan (2005, p.92) offer a five-item construct of marketing strategy implementation competencies: marketing resources allocation; organising to deliver the implementation plan; translating the marketing strategy into actions; delivering the marketing strategy on time; and monitoring its performance. However, as changes in the marketplace become more complex, decisions on such benchmarks are increasingly challenging for organisations to make (Vorhies and Morgan, 2005; Day, 2011). In developing employee incentive and reward schemes, it is vital that these standards are not only clear, but also are appropriate ones for implementing the marketing strategy, as they set expectations and provide guidance for behaviours and processes (Day, 2011). The co-operative based research does not consider internal benchmarking either as an approach to planning MOCA implementation or in identifying suitable delivery measures.

Although benchmarking has the potential to be a significant learning device for identifying, building and enhancing the competencies required to deliver the marketing strategy effectively (Vorhies and Morgan, 2005; Moorman and Day, 2016), Dobni (2003) cautions management against too much focus on marketing performance measures as this can lead to inconsistent behaviours that may be out of line with the desired competitive market positioning. Vorhies and Morgan (2005) conclude that although the theory indicates that appropriate benchmarking is an important higher-order expertise,

they “*have no empirical insights into how firms can best develop and enhance such capabilities*” (p.91). Vorhies and Morgan (2005) and Moorman and Day (2016) call for more research on how to develop and enhance ‘fine-grained measures’ of marketing strategy implementation competences.

2.4.4.3 *The ability to learn, adapt marketing strategy implementation competences and develop dynamic capabilities*

Given the accelerating pace of market change, an organisation’s implementation competences need to be dynamic, and able to adapt to the changing environment (Day, 2011). This requires an acceptance of experimentation, “*openness to diverse perspectives*” and a focus on “*vigilant market learning*” (p.192) to inform marketing activities (Day, 2011). If everyone in the organisation shares the same mind-set and so responds to market challenges in the same way, this can be a barrier to adaptive delivery of the strategy. Where organisations maintain greater internal variety of capabilities, and a learning orientation, they are better able to sense and respond to their market environment (McGuinness and Morgan, 2005; Neill, McKee and Rose, 2007; Day, 2011). This requires a diversification of the talent pool, and the recruitment of people who are open-minded and not wedded to unquestioned assumptions about the competencies and processes required for marketing delivery (Neill, McKee and Rose, 2007; Day, 2011). This includes the need for competencies around adaptability that balance support for new approaches, alongside the “*necessary questioning and flexibility in the organisation*” (Cespedes and Piercy, 1996, p.152). Organisations need to be able to understand the nature of this change capability and the vital role that a learning orientation plays in influencing, managing and sustaining it, and therefore the success of implementation outcomes (McGuinness and Morgan, 2005).

To develop a learning orientation, organisations need to work continually to acquire knowledge about markets, technologies, and processes, and to disseminate this throughout the organisation (e.g. van Raaij and Stoelhorst, 2008; O' Driscoll, Carson and Gilmore, 2000). Peters et al. (2010) argue that in many instances firms collaborate to become part of a knowledge network in order to learn about their industry and use their knowledge collectively to serve their customers more effectively in a competitive environment. This reflects the way co-operatives work together to share knowledge, and in some cases facilities, often within 'apex organisations' (Monni, Novelli and Pera, 2016; Voinea, 2016), however there is no research that considers how such knowledge sharing may, or may not, support MOCA implementation.

It is important that organisations distinguish between two types of learning: adaptive and generative learning. The former focuses on issues concerning the traditional scope of an organisation's activities and often takes a training format, whereas 'generative' learning questions long-held beliefs about purpose, strategies and resources and often relies on an innovative approach and leaps of faith (Chiva, Grandio and Alegre, 2010). An organisation needs both types of learning to develop implementation competencies, and competency development can be directed at the individual, or have a more corporate focus (O' Driscoll, Carson and Gilmore, 2000; Chiva, Grandio and Alegre, 2010). Although co-operatives committing to a MOCA strategy are unlikely to question the ICA values, they may reflect on the nature of their business activity in order to maintain their ability to prioritise community needs (Atherton, 2012; Webb and Cheney, 2014). As education is part of the co-operative ethos, they regularly invest in internal training activities (e.g. Spear, 2000; Atherton, 2012).

2.5 Marketing strategy implementation: a tentative framework

As the existing literature is insufficient to guide practitioners or academics on the implementation of a marketing strategy, the development of a guiding framework started with an analysis of the papers listed in Table 4. These papers were selected because they contributed to knowledge, from an organisation-wide perspective, about the conditions and circumstances that need to be in place for the implementation of a marketing strategy to occur. Therefore, although none were sufficiently well developed to guide the actions that potentially cause implementation (see Table 4), they offered some guidance to management, and provided a starting point to identify the core constructs required to frame a full literature review. Interestingly, analysis of these papers demonstrated that they drew on one, or more, of three foundational marketing theories:

- Internal relationships and networks;
- Marketing orientation
- Management's decision-making approach to implementation planning.

These papers were reviewed (see 2.3) and having drawn on additional, related literature (see Table 5), four mechanisms emerged that could potentially cause marketing strategy implementation. This full review was required in order to develop a framework that could guide marketing strategy implementation (and potentially inform the gathering of data from co-operatives). These four themes formed constructs that informed the further review of the literature. In line with a critical realist approach, this process provided a foundation for the next step in reviewing the literature and developing a tentative framework. These four constructs are:

- Cross-functional collaboration and communication;
- Management commitment to the marketing strategy;

- Employee identification with the organisation and related marketing strategy;
- Competences and business processes.

These four constructs emerged from an initial review of literature that only considered marketing strategy implementation from an organisational-wide perspective (not just the marketing function). The literature in Table 4 was analysed and the emergent four constructs provided the basis for an in-depth review of the literature that would enable actions for marketing strategy implementation to be identified. This review was undertaken in order to consider existing scholarship, and obtain related insights, in relation to each one of these identified constructs, so that a framework could be developed. It drew on marketing as well as management literature (see discussion in Section 2.4). As a result, 13 actions that potentially cause marketing strategy implementation were identified. These actions are summarised in the list below, alongside the supporting literature (see Table 6). This intensive investigation of the literature aligns with the probing approach of a critical realist ontological approach (e.g. Sayer, 2000; Fleetwood, 2005; Mutch, Delbridge and Ventresca, 2006; Reed, 2011; Ryan et al., 2012).

There is consensus in the literature that effective implementation relies on employee behaviours, but there is extensive debate as to how to influence these behaviours. This review brings together research studies in the marketing and management literature that provide guidance to management on organisation-wide implementation of the marketing strategy.

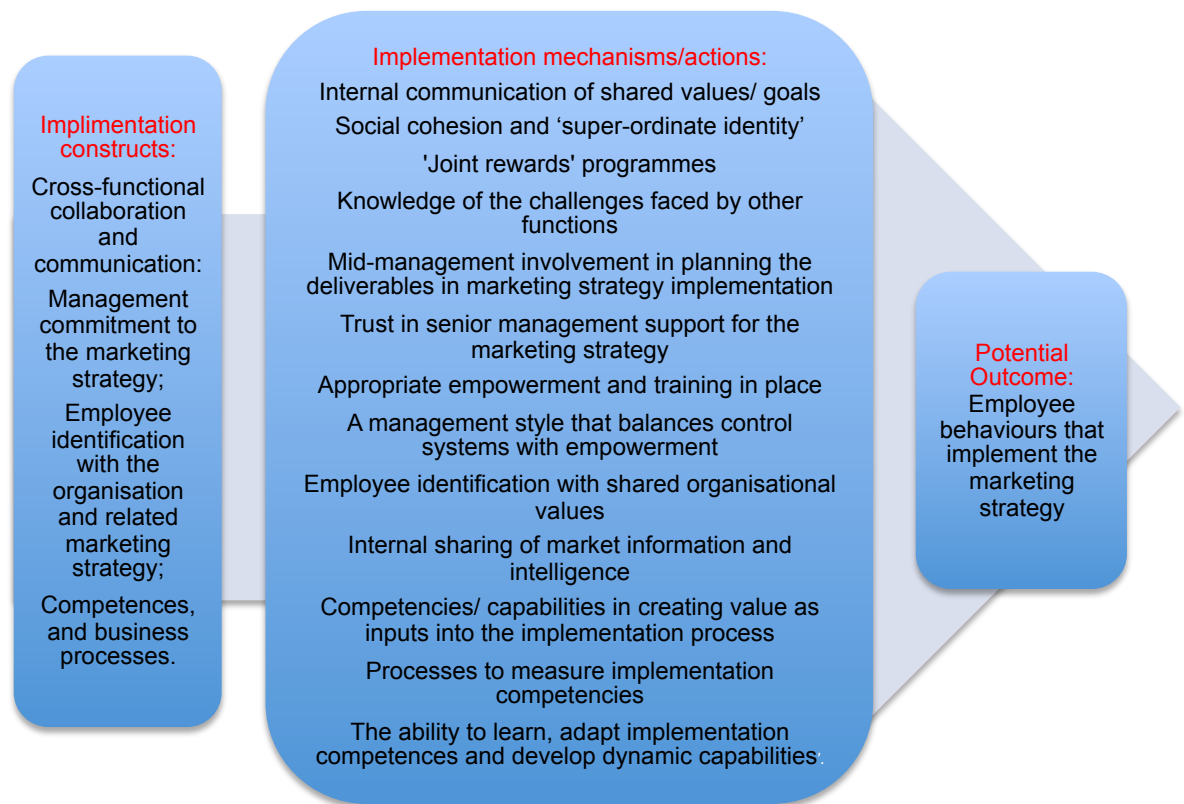
Table 6: Marketing strategy implementation mechanisms and actions

The 13 Actions	Related literature
Internal communication of shared values/ goals	Ballantyne, 2003; Piercy, 2010; Moses, 2011
Social cohesion and super-ordinate identity	Cespedes and Piercy, 1996; Simkin, 2002; van Raaij and Stoelhorst, 2008; Wieseke et al., 2009; Piercy, 2010
Joint rewards programmes	Jaworski and Kohli, 1993; Nakata and Im, 2010; Piercy, 2010
Knowledge of the challenges faced by other functions	Piercy and Cravens, 1995; Norburn et al., 1995; Cespedes and Piercy, 1996; Nakata and Im, 2010; Moses, 2011; Hilton, Hughes and Chalcraft, 2012
Mid-management involvement in planning the deliverables in marketing strategy implementation	Noble and Mokwa, 1999; Rosier, Morgan and Cadogan, 2010; Barton and Ambrosini, 2013
Trust in senior management support for the marketing strategy	Dibb, Simkin and Wilson, 2008; Babakus et al., 2003; Wieseke et al., 2009; Rosier, Morgan and Cadogan, 2010; Barton and Ambrosini, 2013
Appropriate empowerment and training in place	Piercy and Cravens, 1995; Babakus et al., 2003; van Raaij and Stoelhorst, 2008; Rosier, Morgan and Cadogan, 2010; Zhang and Bartol, 2010
A management style that balances control systems with empowerment	Piercy and Cravens, 1995; Piercy 1998; Ahmed, Rafiq and Saad 2003; Gebhardt, Carpenter and Sherry 2006; Thorpe and Morgan, 2007; de Chernatony and Cottam, 2008; van Raaij and Stoelhorst, 2008; Vasconcelos, 2008; Lings and Greenley, 2010; Gounaris, Vassilikopoulou and Chatzipanagiotou, 2010; McKenna, Garcia-Lorenzo and Bridgeman, 2010; Zhang and Bartol, 2010; Day, 2011; Harris and Ogbonna, 2011).

Employee identification with shared organisational values	Badovick and Beatty, 1987; Hunt, Wood and Chonko, 1989; Narver and Slater 1990; Morgan and Hunt, 1994; Papsolomou and Vrontis, 2006; Vasconcelos, 2008; de Chernatony and Cottam, 2008; Wieseke et al., 2009; Gounaris, Vassilikopoulou and Chatzipanagiotou, 2010; Powell, 2011; Punjaisri and Wilson, 2011; King and Grace, 2012
Internal sharing of market information and intelligence	Kohli and Jaworski, 1990; Cespedes and Piercy, 1996; Sashittal and Jassawalla 2001; Ballantyne, 2003; Hatch and Schultz 2003; de Chernatony and Segal Horn 2003; Chimhanzi and Morgan, 2005; Gebhardt, Carpenter and Sherry, 2006; van Raaij and Stoelhorst, 2008; Morgan, Vorhies and Mason, 2009; Harris and Ogbonna, 2011
Competencies and capabilities in creating value as inputs into the implementation process	Day, 1994; O' Driscoll, Carson and Gilmore, 2000; Hooley et al., 2005; Vorhies and Morgan, 2005; Gibbert, Golfetto and Zerbini 2006; Morgan, Vorhies and Mason, 2009; Hilton, Hughes and Chalcraft, 2012
Processes to measure implementation competencies	Dobni 2003; Vorhies and Morgan, 2005; Dibb, Simkin and Wilson, 2008; Day, 2011; Moorman and Day, 2016
The ability to learn, adapt implementation competences and develop dynamic capabilities.	O' Driscoll, Carson and Gilmore, 2000; McGuinness and Morgan, 2005; Neill, McKee and Rose, 2007; van Raaij and Stoelhorst, 2008; Chiva, Grandio and Alegre 2010; Peters et al., 2010; Day, 2011

Responsibility for these factors is based throughout the organisation. These inform a template that guides presentation and analyse of interview data gathered from co-operatives, about the implementation of MOCA strategy (see Diagram 1).

Diagram 1: Marketing strategy implementation: a tentative framework



2.6 Chapter summary

There is evidence that a MOCA strategy can offer co-operatives opportunities in their market place. However, this literature review finds that co-operatives have not developed the internal capabilities required to implement this marketing strategy. With the paucity of research into marketing strategy in the co-operative context, and more specifically around MOCA delivery, it is necessary to draw on existing marketing strategy literature on implementation.

The research that aims to address this knowledge gap is limited, and in order to develop a tentative framework, this review started with a

discussion of studies selected because they considered marketing strategy implementation from an organisation-wide perspective. As a result of that initial review, four areas were proposed that warrant further research. The bulk of this literature review chapter focuses on these four areas in order to better understand the mechanisms that influence employee behaviours and actions, and therefore potentially cause MOCA implementation.

The purpose of this chapter has been to critically review the literature that could inform MOCA implementation. It starts by outlining the background to the development of MOCA strategies and what is known about the internal organisational challenges of their implementation. It goes on to review 28 core studies to identify the underlying theories that inform the implementation of marketing strategy. In exploring these underlying theories further, four mechanisms that potentially cause marketing strategy implementation, emerged. In order to build a conceptual framework, these mechanisms, as constructs, informed a further and in-depth, review of the marketing and management literature, and as a result a tentative conceptual framework to guide the implementation of a marketing strategy was developed. This framework (see Diagram 1 in Section 2.5) provided a template to present and analyse the interviews with senior managers and international commentators in co-operatives. The following chapter explains how the empirical data were gathered, in order to adapt the tentative conceptualisation, to the context of a MOCA strategy.

3 CHAPTER THREE: METHODOLOGY

This doctoral study seeks to explain the organisation-wide factors that hinder and enable the implementation of a marketing strategy based on societal contribution. For that reason, the study is exploratory. It aims to investigate the causal mechanisms that result in the implementation of such a marketing strategy in the context of co-operative organisations, i.e. a Marketing our Co-operative Advantage (MOCA) strategy. Chapter Two outlines a conceptual framework that is based on existing - but non-co-operative based - research literature. Drawing on empirical findings in the co-operative context, this research study adapts and refines that framework, so that it guides MOCA implementation.

The purpose of Chapter Three is to describe and justify the research design adopted for this study. To do this, different philosophical and epistemological approaches that inform the choice of methods (see Diagram 2 below) are considered, including the researcher's position and impact this has on the study. The chapter then shifts to considering the research strategy, techniques for assessing and enhancing the quality of research, and the limitations of the approach. Finally, the methods used for data gathering and analysis, and the related ethical concerns, are explained.

Diagram 2: Philosophical, epistemological and methodological approaches to research design



As discussed in Chapter Two, co-operatives by their nature are committed to an ethos based on internationally agreed social values. Some, but not all, choose to make this commitment a significant part of their marketing strategy, calling it a 'Marketing our Co-operative Advantage' (MOCA) strategy. These co-operatives offer the opportunity for purposive sampling of expert participants for interview. Semi-structured interviews with leaders and managers in a range of co-operative types and sizes were undertaken and this was followed up with interviews with managers at a range of levels in a single co-operative organisation. Embracing a qualitative method, and recognising the interconnected and multifunctional problems that managers face, reflects Reibstein, Day and Wind's (2009) rejection of a narrow analytical approach to research into strategic marketing. The interview discussions and subsequent analysis were informed by the extant literature (see Chapter Two). A critical realism philosophy has guided all aspects of the methodology.

3.1 Philosophical positioning:

This section explains the range of philosophical considerations that inform perceptions of reality, truth and facts. It then focuses on critical realism as the philosophical position of this research and explores its implications for the formulation of methodological strategies and practices.

3.1.1 Why Ontology is important

Ontology refers to a researcher's philosophical assumptions about the nature of reality and existence. Ontology, epistemology, research strategy and methods are all connected and therefore the researcher needs to "*think through the[ir] philosophical worldview assumptions*" (Cresswell, 2014, p.5). Awareness of the researcher's worldview informs the research design and improves the quality of the research. An explanation of the researcher's philosophical positioning enables the reader to understand the perspective from which methodological choices were made (Easterby-Smith, Thorpe and Jackson, 2012; Cresswell, 2014). Fleetwood (2005) sums up the importance of ontology:

"The way we think the world is (ontology), influences: what we think can be known about it (epistemology); how we think it can be investigated (methodology and research techniques); the kinds of theories we think can be constructed about it; and the political and policy stances we are prepared to take....In short, ontology matters." (p.197).

3.1.2 The continuum of philosophical paradigms

It is widely recognised that differing philosophical paradigms sit broadly on an ontological continuum. This is summarised in Table 7 below. These four positions overlap, and are not discrete categories. The dominant paradigm of the last 30 years or so is positivism, which is positioned at one end, with social constructionism and nominalism at the other (Sobh and Perry, 2006; Easterby-Smith, Thorpe and Jackson, 2012).

Positivism has a single truth approach to reality and a view that facts exist and can be revealed. Its key idea is that the social world exists externally and that objective methods should be used to measure its properties (Easterby-Smith, Thorpe and Jackson, 2012). At the other end is a worldview focused around constructed realities, in which the truth and facts are all social creations (Sobh and Perry, 2006; Cresswell, 2014). Here, reality is understood by description, reflection and interpretation of meaning in linguistic, discursive and /or symbolic practices. The position of nominalism goes further and suggests that it is the labels we attach to events and experiences that are crucial. This position assumes that there is no truth and no difference between individual and societal knowledge (Easterby-Smith, Thorpe and Jackson, 2012).

Within what is seen as these two extremes, there are mid-continuum positions many of which share elements of beliefs with each other. Some variation of viewpoint depends on whether the researcher has a natural science, or social science, perspective (Easterby-Smith, Thorpe and Jackson, 2012).

Internal realists believe that there is a single reality, and assume that it is not possible to access that reality directly. For them, that truth exists, but is obscure and is only discovered via indirect evidence (Sobh and Perry, 2006). This offers an approach to explaining

causes without the obligation to establish the scientific laws associated with positivism (Gorski, 2013). Internal realists argue that there are individual mechanisms that cause happenings, but seek to reduce these to sub-mechanisms in what Gorski calls “*a never-ending regress ... [to] ... psychological and neurological reduction*” (p.659).

The interpretivist/ relativist ontology rejects the absolute and fixed explanations of the positivist position and claims that the world is more diverse and unstructured. For the interpretivist/ relativist, understandings and experiences are relative to the specific social and cultural frames of reference, and are open to a range of interpretations. Therefore an account of context is crucial. Interpretivism is concerned with how people perceive, and respond to, events and what happens in their world. (Schwartz-Shea and Yanow, 2012). For relativists there are many truths; these truths depend on the viewpoint of the observer and are not simply out there, waiting to be discovered (Easterby-Smith, Thorpe and Jackson, 2012). These observer-viewpoints - and the related realities - are shaped by “*social, economic, ethnic, political, cultural, and gender values crystallised over time*” (Sobh and Perry 2006, p.1195) and, as Easterby-Smith, Thorpe and Jackson (2012) point out, “*may be highly influenced by the politics of business and commercial resources*” (p.19).

Table 7: The philosophical paradigm continuum



Ontology/ philosophy	Perception of reality and truth
Positivism	Reality is a single truth and is independent of the observer. Facts exist and can be known.
Internal realism	Truth exists, but it is obscure. It can only be known imperfectly, as facts cannot be accessed directly.
Relativism/ interpretivism	There are many truths and the appearance of the world depends on the observer (and is value-laden).
Social constructionism/ Nominalism/ post-modernism	No truth, reality is constructed. The world appears only in discourse, artwork or other form of expression.

Source: adapted from Sobh and Perry (2006); Easterby-Smith, Thorpe and Jackson (2012).

3.1.3 The ontological foundation of this research study: A middle path.

This research study aims to investigate the mechanisms inside the co-operative that potentially cause MOCA implementation behaviours to occur. This research study seeks to understand causes, not predict or describe outcomes. The research approach recognises that there are multiple perceptions of reality within a co-operative or any other organisation. Therefore, in explaining the organisational causes of a phenomenon such as MOCA strategy implementation, we must accept that we cannot be certain of 'the

truth' and therefore can conclude only cautiously. This aligns with a critical realist position.

Positivism would be too restrictive an approach for explaining the complexities of managerial reality and other social science phenomena that involve reflective humans, as it excludes the opportunity to discover other dimensions (Sobh and Perry, 2006; Reibstein, Day and Wind, 2009). A constructionist /nominalist/ post-modernist paradigm is also rejected because, although it may be a suitable approach for investigating beliefs such as prejudice, it is less appropriate for consideration of multi-faceted organisational constructs and any deeper mechanisms that influence the implementation of strategy (Perry, Riege and Brown, 1999).

Although internal realism accepts the hidden nature of strategy implementation mechanisms, it seeks to reduce them to the lowest denominator, e.g. human action being reduced to a psychological condition. The interpretivist/ relativist approach aims to reconstruct meaning and intention in order to make what happens in the world comprehensible; however, this offers only understanding not explanation (Easton, 2002).

Recent years have seen a growth in interest in critical realism, a philosophical system developed by Roy Bhaskar, an Indo-British philosopher, in collaboration with a number of British social theorists (Mutch, Delbridge and Ventresca, 2006; Gorski, 2013). It embraces elements of internal realism and interpretivism /relativism, and offers an ontological middle path to the traditions described above. Critical realists see causality, as both a real "*happening*" and an explanatory concept that is intrinsic to either the nature of the world or our understanding of it (Maxwell, 2012, p.8). They reject the internal realist pressure for a reductionist approach, calling instead for an intensive probing to further investigate a tentative explanation. This fits with calls from Reibstein, Day and Wind (2009) for a less

reductionist approach to research in the marketing domain. A critical realism ontology has already been used in a few research studies in the marketing area. As far as the researcher is aware this literature is scarce; what is available focuses on the role of marketing within business networks. These studies include: a case study of the development of a buyer-seller relationship following the installation of an MIS system (Easton, 2010); the examination of business relationships and networks (Ryan et al., 2012); the emergence of business markets in the context of networked economies (Ehret, 2013); and Easton's (2002) paper that sets out the implications of using a critical realism ontology for research and teaching in marketing; as well as a more recent study by Peters et al., (2013) that compares critical realism with constructivism in investigating business marketing networks in a UK based construction project. All these studies emphasise the methodological gap presented by the study of causal relationships in a business setting, and the limited support available in other ontologies. In line with the studies cited above, this doctoral study investigates the delivery of a marketing strategy, however unlike the above its context is not business networks as such, but the hidden internal mechanisms that potentially cause MOCA implementation.

Critical realism is the philosophical position taken in this research study. This ontology (e.g. Fleetwood, 2005; Mutch, Delbridge and Ventresca, 2006; Reed, 2011; Maxwell, 2012, Ryan et al., 2012) recognises that:

- truth exists but can only be known tentatively;
- the researcher and the researched are inter-twined (and co-create empirical findings);
- multiple perspectives on reality and truth exist; and
- that the research process is inevitably value-laden.

The researcher's view aligns with the four key items listed here and she believes that this ontological approach is suitable to guide research into organisations' internal mechanisms, policies, influences and structures.

3.1.4 Critical Realism

As outlined above, critical realism offers an appropriate philosophy to identify methodological strategies and practices to consider research questions that seek to investigate causal mechanisms.

All organisational factors that interact together, e.g. meaning, behaviour, social structure, are integrated into the causal explanation for a phenomenon, such as the implementation of a "Marketing our Co-operative Advantage" (MOCA) strategy (Easton, 2002; Maxwell, 2012; Ryan et al., 2012). Understanding the relationships or connections between these factors, as well as the conditions and circumstances that enable a phenomenon to exist, is vital to the research study (Sayer, 2000; Maxwell, 2012).

The critical realism worldview is distinguished by its stratified ontology with three domains of reality: mechanisms and structures, events and non-events, and experiences (perceived and observed). Bhaskar called these respectively the "*real*", "*actual*" and "*empirical*" levels (e.g. Perry, Riege and Brown, 1999; Fleetwood, 2005; Gorski, 2013).

The real level consists of the processes and/ or mechanisms that potentially cause events, and although it is impossible to detect them by direct observation, they have real consequences for people and their community. These generative mechanisms or causal powers exist independently and under certain conditions produce patterns of

observable actions and events. These events are the actual domain, whether or not they are observed or detected. Thirdly, the empirical domain, which comprises the experiences and perceptions that people have (e.g. Reed, 2011; Ryan et al., 2012; Easterby-Smith, Thorpe and Jackson, 2012). The mechanisms may, or may not, trigger events, and the event may, or may not, be observed or experienced (Sayer, 2000). It is the discovery and identification of these observable and/ or non-observable events and experiences that is the goal of research within the critical realism paradigm (Fleetwood, 2005; Mutch, Delbridge and Ventresca, 2006) as this informs our knowledge of the mechanisms in the real domain. In this way, critical realism builds on internal realism, while at the same time retains a subjective stance derived from the influence of relativism and interpretivism. Recognising the complexity of their social science world, the knowledge that critical realists obtain is considered real but fallible, as it can never be proved or disproved (Mutch, Delbridge and Ventresca, 2006; Easton, 2010; Maxwell, 2012).

Each of these layers of reality possesses its own distinctive features and mechanisms that inherently resist being collapsed or reduced into each other. The empirical represents the events as they are perceived or experienced. The actual domain is the events (or non-events) that are generated by mechanisms, and those mechanisms - of which structure could be a part - link the real and actual domains. These mechanisms each have their "*own particular powers, capabilities and tendencies*" (p.431), that interact with each other to produce certain outcomes rather than others (Reed, 2011). The empirical data gathering in this study seeks the perceptions of those managers who are involved in making things happen. These empirical data are analysed and then synthesised to investigate the mechanisms, events, powers and structures that potentially cause MOCA to be delivered. In this respect, critical realism recognises that to exist, a phenomenon – for example, marketing strategy implementation - is dependent on mechanisms and causal powers.

The question of which mechanisms are the most significant can only be answered on a case-by-case basis (Sayer, 2000; Danermark et al., 2002). This research study is undertaken in the context of organisations with a co-operative structure and identity. It is important to note that, although critical realists recognise that social structure exists through human activity, they see the two as distinct from each other. Their interest is in how the structures may impact on human agency (Reed, 2011). Critical realism has its detractors, for example, Jefferies (2011) claims that this middle path is an attempt to refute the assertion that truth is concrete through abstract constructs. In addition, Jefferies (2011) criticises critical realism's method of abduction as essentially unscientific that may or may not apply in any given situation. However, critical realism's proponents (e.g. Fleetwood, 2005) do not make scientific claims for critical realism but, instead, argue that it guides a process that involves thoughtful, in-depth investigation with the goal of developing context specific knowledge (in this case the MOCA context). They accept that this knowledge is not wholly discoverable and that these explanations are open to dispute (Easton, 2010, Ryan et al., 2012).

It is important to note that critical realism has attracted some critical attention (in addition to the points made by Jefferies, 2011 above), and this crystallises around three main issues. These are, firstly, that the critical realism ontology regards structure as the driving force for explaining social and/ or organisational change. Critics claim that, as a consequence, this dilutes the significance of human agency in organisations to an extent that the latter could be seen as redundant (Baert, 2005; Contu and Willmott, 2005). Secondly, that as critical realism promotes such a wide range of methods, some claim this leads to an 'anything goes' approach to epistemology (Blaikie, 2000). Thirdly, Baert (2005) suggests that critical realists do not pay sufficient attention to reflexivity in the complex relationship between 'researcher' and 'researched', and therefore encourage a naive

observer view of what is happening that fails to provide insights or contribute to knowledge.

In response to the above points, Reed (2011) points out that a number of critical realists see 'agency' as a concept that contributes in a practical and evaluative manner to a multi-layered understanding of the structures of organisational interactions. As a result, researchers are sensitive to recognising the complex interplay between structure and agency as it reshapes social and cultural outcomes (for example the delivery of a marketing strategy). Having said that, Reed (2011) acknowledges that the concept of 'agency' and its ontological and explanatory significance requires further elaboration. With reference to the second point, it is correct to claim that critical realism supports a wider range of methodologies than other ontologies, however this does not necessarily lead to an unscientific approach. Critical realism research prioritises ontology whereas other philosophical approaches, such as positivism and social constructivism, focus on the primacy of the epistemology (Reed, 2011). Accordingly, critical realists' interests are, in general exploratory; typically to identify, discover, uncover structures, blockages, sequences, combinations that (generically) cause something to happen (Ackroyd, 2004; Reed, 2011). The third point, above, implies that critical realists underestimate (or even ignore) the significance of the 'double hermeneutic' in which researchers interpret interview data that represents participants' pre-interpreted perceptions of a 'social reality' (see e.g. Easterby-Smith, Thorpe and Jackson, 2012). However, critical realists aspire to providing a level of explanatory insight that avoids a simple representational theory of knowledge because it challenges participants' and / or actors' interpretations. This approach, as a result, generates explanatory theories that enable a better means of understanding.

Critical realism is concerned with the nature of causation, agency, structure, and relations, and possesses a number of distinctive

features that set it apart from other social science philosophies (Sayer, 2000; Danermark et al, 2002; Fleetwood, 2005; Mutch, Delbridge and Ventresca, 2006; Reed, 2011; Easterby-Smith, Thorpe and Jackson, 2012; Ryan et al., 2012). These can be summarised as follows:

- It is distinguished by its clearly structured and layered ontology. The layers interact with each other to produce certain outcomes rather than others. Critical realists believe that new entities emerge from this interaction. In this research study interview participants talk about their perceptions of the internal mechanisms that potentially cause MOCA implementation. This transcription data was subsequently analysed and synthesised in rounds of revised framework building (see Chapters Four and Five).
- Critical realism supports a model of causality based on 'generative mechanisms'. These consist of 'structures, powers and capacities' that influence the phenomenon (in this case MOCA implementation), rather than simply a succession of events). In this way, causality exists as potential rather than the deterministic correlation of events that is normally associated with strong positivism. For this reason, it was crucial to build trust (see section 3.4.1 and 3.4.2) between interviewee and interviewer in order to generate a full and revealing account not only of what is perceived to cause MOCA implementation, but also what needs to be changed to improve MOCA implementation. In this latter topic area the interviewee may be criticising their organisation, and in some cases may feel uncomfortable about this (see 3.5 for ethical considerations).
- Critical realism's essentially abductive approach combines forms of realism and interpretivism to describe, and explain, the processes through which outcomes are produced. This leads to the development of explanation for the existence of certain

phenomena, and involves rounds of framework building whereby improved understanding emerges from previous rounds. In this research study, there were three rounds of framework building, starting with the extant literature, followed by an analysis of data from the first tranche of interviews; this framework was further revised following the interviews in a single co-operative organisation. These rounds of framework building are summarised in section 6.1.

- Critical realism's preference for an approach that is intensive (probing), rather than extensive (seeking general patterns), produces knowledge that is context specific. In this research study, that context is specifically the implementation of a MOCA strategy. A second round of data gathering from a single co-operative organisation offers this intensive approach.
- Critical realists see structure and agency, i.e. human actors, as distinct, but with the capacity to interact and therefore to transform societies. Critical realism's focus on investigation and explanation identifies the mechanisms that shape social structures and have consequences for social actors. Chapter Six discusses the resulting framework and recognising the consequences provides guidance for managers, and this addresses both structure and agency within the co-operative.
- Critical realism accepts that some generative mechanisms will be abstract and others more localised. Its commitment to explanation defines its approach to investigation, analysis and synthesis and informs research methods and procedures. By investigating internal mechanisms, this research study builds on previous work on business network relationships that has adopted this ontological approach.

This research study specifically seeks to obtain an understanding of the real and actual levels and the connection between them, within the co-operative organisations. Understanding these levels will

enable understanding of what potentially causes MOCA implementation.

3.2 Epistemological approach

Epistemology is the study of knowledge and justified belief; it offers a set of assumptions about the different ways of enquiring into the nature of the world. It questions what knowledge is, how it can be acquired, and the extent to which it can be acquired. Where ontology is reality, epistemology is how we know the truth of that reality.

3.2.1 Epistemology's relationship to ontology

Critical realism claims to combine and reconcile ontological realism, epistemological relativism and judgemental rationality (Mutch, Delbridge and Ventresca, 2006). At the core of the critical realist position is the belief that there can be a fusion between ontological realism and epistemological relativism. In other words, there are realities in the social world that exist independent of our knowledge of them, but any knowledge and conceptualisations of these realities are inherently socially constructed (Fleetwood 2005; Mutch, Delbridge and Ventresca, 2006). This epistemological relativism indicates compatibility with a range of qualitative methods (Sayer, 2000; Mutch, Delbridge and Ventresca, 2006). This fits with calls for a qualitative approach found in earlier research studies in the area of marketing strategy implementation, for example Harris (2000) recommends an exploratory approach and Dibb, Simkin and Wilson (2008) a case study type of approach. Judgemental rationality accepts that all accounts are of value, and that priority should not be given to certain viewpoints, e.g. those that fit with the existing

literature or are the most commonly stated (Sayer, 2000; Fleetwood, 2005). This research study does not prioritise certain expert participants' views over others, and it recognises where there are differences of opinion amongst the interviewees.

The extant literature, as discussed in Chapter Two, tells us that the implementation of a marketing strategy requires certain organisational behaviours. The delivery of these behaviours is dependent on organisational-wide structures, power balances, cultures, systems, as well as personal capabilities and mind-sets.

The aim of this research study is to explore and explain what hinders or enables the implementation of a MOCA strategy. It recognises that the causes of MOCA implementation are hidden from an external viewpoint, and can only be understood by investigating the perceptions of people involved in MOCA implementation. It therefore seeks the views of co-operative managers and commentators.

3.2.2 Axiology: how values influence epistemology

Axiology refers to the researcher's view of the role of values in research. Empirical data sets, such as interview transcripts, are interpreted and the findings mediated via the researcher's values (Sobh and Perry, 2006). The values of both the researcher and the interviewee influence the interview interaction, and therefore the data generated. In this research study, all senior managers interviewed had declared a commitment to a MOCA strategy, and despite their recognition of some of the difficulties, they were keen to see it implemented as extensively as possible in their own co-operative.

As a result the researcher selected semi-structured interviews as the most appropriate means to seek views on why MOCA

implementation does, or doesn't, happen. This questioning of senior management on the policies and the actions of their own organisation asks them to critique their co-operative about how they thought the MOCA strategy could be implemented more effectively. This is a crucial part of critical realist research (Ackroyd, 2004), and in this research study senior managers were very open in expressing their views. The concerns that this may create for the interviewees, particularly the junior managers, are recognised in the ethical considerations, which is the final part of this chapter. All interviewees were offered a summary of the findings, on completion of the study (see the Participant Information Sheet in Appendix 1).

3.2.3 Epistemology: researcher engagement

The researcher presented herself to each interviewee as someone who, although not employed in a co-operative organisation, recognised that a MOCA strategy could offer co-operatives a competitive advantage. Therefore, she wanted to investigate how it can be implemented and what the challenges could be. This and the researcher's teaching role on the Canadian-based Masters course (see Chapter One) helped to build interviewee trust in the researcher's interest in this topic. In addition, the purpose of co-operatives chimes with the researcher's interest in business's societal contributions and responsible management practices.

This external location helps the researcher see clarity in the complexity of the data gathered, and to identify what is causing or blocking change. However, it must be accepted, that in this way, only a part of the organisation will be seen (and only then via the interviewees). It is important to ensure that enough of the right people are interviewed to ensure access to the whole picture (Saunders and Lewis, 2012). This detached stranger-ness is

invaluable in an interpretive epistemology and, as Schwartz-Shea and Yanow (2012) advise, the researcher should try to hold on to this position as long as she can, in order to be able to assess what, for the situated knowers, is tacitly known and taken for granted common sense.

3.3 Research strategy

This section discusses the roles of theory and context in the research design, and explains how these have informed the decisions relating to data gathering and analysis. It demonstrates how the research strategy meets the research aims, and considers how its quality can be evaluated.

3.3.1 The role of theory and context in the research strategy

The role that marketing implementation theory played in informing the approaches taken to data collection, and its analysis, is discussed. This includes an explanation of how the two stages of data gathering built on existing theory to develop new concepts.

The mechanisms that drive implementation cannot be directly observed. Therefore, in order to understand what is happening inside the co-operative organisation, expert informants were interviewed. These experts were senior managers in a variety of co-operative types, international co-operative commentators, or represented junior and middle management levels in a single co-operative organisation. In this way, the empirical data provided multiple perspectives on MOCA strategy implementation. The analysis of these interviews took an abductive approach, and was

initially guided by a conceptual framework constructed from the existing literature (see e.g. Sayer, 2000; Reed, 2011; Ryan et al., 2012).

Abduction is similar to induction, but it is predicated on known or assumed related theories, rules and observations and, guided by further study, theories are revised (Mingers, Mutch and Willcocks, 2013). Consulting the literature and developing a conceptual framework from that, initiates a deductive approach, from which the research process transitions to an abductive one in which existing theory and empirical data are considered in tandem (Alvesson and Kärreman, 2007; Gioia, Corley and Hamilton, 2012). Abduction makes a rational judgement about which data are to be included in the analysis and which fall outside of an initial literature-based theoretical framework (Danermark et al., 2002; Easton, 2010; Ryan et al., 2012; Mingers, Mutch and Willcocks, 2013).

In this research study, the existing literature informed the data gathering as well as its analysis. In line with an abductive approach, judgements had to be made as to the relevance of each sentence in the interview in explaining the potential causes of MOCA implementation (Fleetwood, 2005), and the draft conceptual framework was used as a guide for this. This points to one of the limitations of abduction, in that it is a form of logical inference that starts with data (such as the perspectives of the interviewees) and then seeks to find the most likely – most appropriate – explanation. As abduction allows inferring as a means to find an explanation, some consider that it fails to consider multiple factors and is therefore too simplistic (e.g. Jefferies, 2011). However others accept that research can lead to multiple assumptions, some of which may be contradictory and that we must recognise that findings may be fallible and capable of correction (Ackroyd, 2004).

This initial use of a template to categorise the interview data, may cause some data - which could possibly be of value - to be discarded. In this case, the researcher erred on the side of caution and aimed to find a position in the template for all comments in the interview transcripts that related to the co-operative's internal marketing-related mechanisms. Some interview comments, for example, those about the political stance of some co-operatives, have been included in the discussion (see Findings in Chapters Four and Five), even though initially they appeared to fall outside the framework templates used for analysis. As the empirical data indicate that such issues inform can MOCA strategy implementation, it would appear that insufficient attention has been given to this area in past studies on strategy implementation.

Chapter Two offers background information on co-operatives, and their motives for implementing a MOCA strategy and the problems faced in doing so. In this research study, the empirical data-set is drawn from co-operatives that have chosen to pursue a MOCA strategy. Guided by a critical realist ontology, the empirical data were gathered and analysed in two stages. The first template used was developed from the extant literature. Informed by the first set of data this template was adapted and used as a tool of analysis for the second set of data (i.e. the interviews from the single co-operative organisation). In this way, causal mechanisms and the related constructs were identified, and existing theory developed into new and emerging theory related to MOCA implementation (Danermark et al., 2002; Fleetwood, 2005; Easton, 2010).

The empirical data are drawn from interviews with expert informants in differing co-operative organisations, and as a result offer multiple perspectives that share a co-operative family resemblance. This research study therefore extends knowledge of the MOCA phenomenon to the potential causes of its implementation. However, even though these findings contribute to the general concept of

marketing strategy implementation, it is important to recognise that the conceptualisation is necessarily empirically under-determined, and therefore may be unsuitable for wide generalisation beyond the co-operative business model (see Hughes, Tapp and Hughes, 2008; Tsoukas, 2011).

3.3.2 Credible evidence, validity and reliability: evaluating qualitative research

As discussed earlier, the abductive approach that moves descriptions of empirical events to understanding of the potential causal mechanisms is core to critical realism. It is accepted that some of these mechanisms may not be observable and it is often their interaction that potentially generates the MOCA implementation events. Possible conflicting explanations could lead to a level of uncertainty, which needs to be addressed by further probing (Mutch, Delbridge and Ventresca, 2006; Ryan et al., 2012). To ensure this intensive approach, two rounds of interview data were gathered, and analysis and subsequent synthesis, are undertaken in two parts. Critical realists regard this as essential for methodological credibility, while at the same time recognising that results are always provisional and open to further debate (Mutch, Delbridge and Ventresca, 2006). Therefore, although these findings make a contribution to knowledge about the mechanisms that cause implementation, they also provide a foundation for further investigation.

In quantitative research terminology, to be considered reliable, the data collection and analysis methods must employ procedures that if repeated would produce consistent findings. In addition, many quantitative researchers believe that validity determines whether the data gathering method truly measures that which it intends to measure to achieve the research objectives. They also assert that

the involvement of the researchers in the research process reduces the validity of a test (Saunders and Lewis, 2012; Easterby-Smith, Thorpe and Jackson, 2012). However, many qualitative researchers are keen to re-interpret the terms reliability and validity, as they see both as too closely tied to positivist ideas of a single, objectively knowable reality (Tracy, 2010; Maxwell 2012; Silverman, 2014). Many have argued for a number of alternative concepts that they feel represent the standards that qualitative researchers employ in evaluating research quality more appropriately, e.g. trustworthiness and authenticity (Maxwell, 2012; Symon and Cassell, 2012).

Tracy (2010) offers eight markers of quality in qualitative research; these provide a valuable framework to guide this research study. They are: worthwhile topic, rich rigour, sincerity, credibility, resonance, contribution, ethics and meaningful coherence. These eight are discussed here. As marketing strategies are increasingly shaped by societal and attitudinal changes, this research study is timely and worthwhile to consider their implementation. As a consequence, this work makes a contribution to knowledge on this topic. The interviewing procedures and data analysis have been carefully considered to ensure a rich rigour. Sincerity relates to notions of authenticity, and this methodology chapter explains the values and perspective of the researcher and her relationships with co-operatives. This is in order to reveal her potential “*biases, goals and foibles*” (Tracy, 2010, p.842) around MOCA implementation and the management of the interview process that may have impacted on this research study. In quantitative research, credibility is earned through reliability, ability to replicate, consistency and accuracy (Saunders and Lewis, 2012). However qualitative credibility is achieved with practices such as obtaining thick description and informants’ multiple perspectives from different co-operative types and sizes (Tracy, 2010; Symon and Cassell, 2012). The selection of interview participants in this research study, the analysis of the data collected, and the intensive probing approach formed by the second

round of data gathering within a single co-operative, is explained in this methodology chapter. This intensive approach addresses any potential concerns what some might express about the “*anecdotal quality of much qualitative research in order to claim validity*” (Silverman, 2014, p.374).

Critical realists recognise that the act of analysis is an interpretation, and that interpretation of empirical data is needed to gain understanding at the actual level (e.g. Mutch, Delbridge and Ventresca, 2006; Maxwell, 2012). In line with an abductive approach, it is the actual level that informs the real level of generative mechanisms (Fleetwood, 2005; Easton, 2010). In order to gain the most accurate understanding of the real level, and the relationship between the real and actual levels, critical realism demands an intensive approach to answering the research question. To do this, interview data were collected from senior co-operative managers in a range of industry sectors and in three countries, and two international commentators and, in a second stage, from different management levels within one co-operative organisation.

This research study does not seek to generalise across all (business) cases, however it aims to add to knowledge of marketing strategy implementation and to offer guidance to co-operatives. A critical realist ontology places less emphasis on external validity and more on understanding how “[C]ausal powers reside in structures and constitute their necessary ways of acting” (Tsoukas, 2011 p.292). For Tsoukas (2011), this justifies the use of relatively small data sets to answer research questions. Stone-Romero (2009) advises that non-statistical methods are almost always the most appropriate for making inferences about causal connections. In this study, the distinctive theoretical contribution stems from seeing the qualitative data as presenting opportunities to further refine previous conceptualisations of general processes (i.e. marketing strategy implementation) to inform a specific context (i.e. MOCA).

Although this research study is relevant to senior co-operative managers, there are opportunities for it to resonate within other populations (Sobh and Perry, 2006,). This work has aimed to extend and build on current disciplinary knowledge as it, in Tracy's words, examines "*how existing theory or concepts make sense in a new and different context*" (Tracy, 2010, p.846). Tracy's eighth quality measure is meaningful coherence, and this research study brings differing perspectives on the causal path to MOCA implementation, together into one coherent theoretical framework that contributes to knowledge and addresses the research question in this study.

3.4 Data collection and analysis

This section explains the data collection and analysis. In this study, an organisation-wide perspective of MOCA-related actions and events was sought from senior managers and international commentators in co-operatives, as well as middle and unit managers in a single co-operative organisation. This enabled the interview discussion to consider all the capabilities and processes that supported marketing implementation, as well as other aspects in relation to the activities of the marketing communications team and the front line employees who interacted with customers. In line with a critical realist philosophical position, this enabled a diversity of views to be gathered in looking at the complex phenomenon that is MOCA implementation (e.g. Maxwell, 2012; Mingers, Mutch and Willcocks, 2013). As no one can see the causal powers at work, this is by its nature an interpretative subjective research strategy, which relies on the interviewees' perceptions.

The first phase of this research study was to gain background understanding about the co-operatives' context and the phenomenon

of MOCA implementation (see Chapter Two). The next stage was to undertake semi-structured interviews and to analyse the data collected.

3.4.1 Data collection

As discussed in the literature review, marketing strategy implementation needs to be considered from an organisation-wide view (e.g. Simkin and Wilson, 2008; van Raaij and Stoelhorst, 2008; Vasconcelos, 2008; Gounaris, Vassilikopoulou, and Chatzipanagiotou, 2010). The aim of the data collection was to find out what is happening - or not happening - in order to gain new insights into what is effective, and what is not, in MOCA implementation. In-depth, semi-structured interviews offered the opportunity to hear the views of managers and commentators who are committed to the MOCA ethos (Brinkmann and Kvale, 2015). Many interviewees were very open in their views and prepared to comment on how MOCA worked in their co-operative, and what they thought needed to be changed to improve implementation. In line with critical realism's intensive approach, two tranches of interview data were obtained. The first tranche provided a co-operative movement perspective on MOCA implementation. While the interviews in XYZ co-operative enabled the research study to probe the practical issues around implementation as perceived by differing levels of management in a single co-operative. A brief description of the role and responsibility of each interviewee demonstrates their suitability for interview is shown in Table 8 and Table 9.

Table 8: List of interviewees: senior managers and international commentators

Code	Key informant role	Size /industry sector/ country
JR	Senior marketing manager	Large Insurance co-op group, Canada (approx. 5000 employees, revenue approx. 4 billion can\$)
SP	Senior manager (with responsibility for member-facing operations)	Large co-op (consumer-owned), UK (over 70,000 employees, revenue approx. £9.5 billion)
RM	Marketing director	Small farmer-owned, US (employee and revenue figures unavailable)
BY	Deputy CEO	Medium sized group of farmer-owned co-ops in UK (employee and revenue figures unavailable).
DW	Marketing director	Small credit union in US (revenue approximately 1 billion US\$)
KL	Marketing director	Medium sized group of credit unions in US (employee and revenue figures unavailable).
ZA	Senior manager (with responsibility for telephone and branch customer interactions)	Medium-size credit union, Canada (approximately 2,700 employees; revenue approximately 540 million Can\$)
QF	Senior manager (with responsibility for member and employee engagement)	Medium sized farmer-owned, Canada
PC	Senior manager (with responsibility for co-operative development and education)	Large Utility Co-op Group, Canada
EP	Consultant/ expert/ writer on co-	Working internationally. UK based

	operatives	
NH	ICA communications director	Geneva based

Table 9: List of interviewees in XYZ co-operative

Code	Key informant role	Management level
1B	CEO	Senior manager
1P	Director (member)	Senior manager
2M	Marketing manager	Mid-level manager
2T	Social responsibility manager	Mid-level manager
3M	Store manager	Unit-level manager
3L	Nursery manager	Unit-level manager

Where the name of the co-operative has been used in the discussion, it has been replaced with [named co-op], similarly where the name of the interviewee or a fellow interview is used this has been replaced with [named interviewee]. This is in order to retain anonymity.

Interview questions were framed in practitioner terms and were informed by the existing theory and the context of MOCA implementation. Time, resources and access limited the ability to gather data from everyone - or even a large number of people - in the co-operative movement involved in implementing the MOCA

strategy. Interviewees were selected for their management or leadership roles, their commitment to a MOCA strategy, and the balance of co-operative types and sizes that they represented, as recommended by Saunders (2012). In order to obtain interview data from a management perspective, only managers were interviewed. Although these interviewee-managers were at varying levels in their co-operative organisation, they had knowledge of MOCA strategy were committed to its implementation, and were in a position to have an overview of the successes and challenges of implementation, and the related decision-making. For some participants, this was of their whole co-operative organisation from a strategic and/ or operational viewpoint and for others, for example, the junior managers it was of their particular unit. Front-line employees were not selected for interview because they are not in this type of over-view role.

As result of being invited to participate in a webinar on co-operative marketing the researcher had two initial contacts in the US, and linked to the researcher's teaching work in Canada one other suitable interview contact was identified. All three were interviewed for this research study, and all three recommended other people who may be suitable participants (in the US, Canada and UK). In addition, the researcher approached people independently of this group and all agreed to be interviewed and recommended other potential interviewees. As the research study aimed to gather data from a broad spread of interviewees representing a variety of co-operative sizes, industry sectors, and from the three countries, she did not follow up on all recommendations.

In the single co-operative organisation, the CEO and director were approached independently. The CEO then selected the mid and unit managers for interview. Further detail is provided in the following sections in this chapter.

3.4.2 The interview format

The interviewing process is generally classified into three types: structured, semi-structured and open-ended. The choice of format depends on the type of knowledge appropriate to the research task. Table 10 below shows how these types sit on a continuum from structured, to semi-structured, through to open-ended.

Table 10; Typology of interview format, data sought and required interviewer skills.

Interview format	Data type sought	Required interviewer skills
Structured	Facts about behaviours and attitudes	Training to ensure consistency in delivering a predetermined sequence of questions, with no prompting or improvisation.
Semi-structured	Insight into people's experiences	Understanding of the project's aims requires rapport with the interviewee, and some probing.
Open-ended	How interviewees construct narratives and make sense of life events	Active listening, allowing the interviewee the freedom to ascribe meanings.

Source: adapted from Silverman (2014), Brinkmann and Kvale, (2015).

In this research study, a semi-structured approach was taken to obtain rich, in-depth data (Tracy, 2010). This was designed to allow for some probing of the topic, as well as letting the interviewees

ascribe organisational implications and causes, where this was at the front of their minds. This format not only enabled the identification of each interviewee's role in, and perspective on, MOCA implementation, it also allowed some common topics drawn from the existing theory to be discussed across the range of interviews (Sobh and Perry, 2006). In this way, an insight was gained into each interviewee's perceptions of the implementation of a MOCA strategy, within their organisation (Alvesson, 2003). Similar to the approach used by Gioia, Corley and Hamilton (2012), the questions themselves were developed and presented in the context of MOCA. They were broadly based, on the themes itemised below (see the Participant Information Sheet in Appendix 1), and adapted to include the context of the specific organisation and the interviewee's job role. To ensure that interviewees felt free to explain their experiences, the topics were presented for discussion rather than as questions expecting a yes/no type of answer (Alvesson, 2003). In both interview tranches, the discussion followed themes around the guidelines below:

In your co-operative:

- *What needs to be in place for a MOCA strategy to succeed?*
- *What inside the co-operative/CU can block a MOCA strategy implementation?*
- *What it is about these supports or blockages that impact on a MOCA strategy's implementation?*
- *How can blockages to MOCA implementation be addressed and overcome?*

These formed the basis of the interview discussion and, where appropriate in the first tranche of interviews (senior management/commentators), the framework developed from existing literature informed the prompts. Prompts were used if the interviewee did not mention certain factors, for example, MOCA related business

processes, or shared understanding of co-operative values. Although the same interview guidelines (see above) were used within the single co-operative organisation (XYZ), the discussion prompts were based on the three themes that had emerged from the analysis of the first set of interviews, and their subsequent synthesis (see the findings in Chapters Four and Five). These prompts usually generated further discussion, and often fruitful and interesting data. In this way, the interviews were based on a theoretical foundation (Maxwell, 2012; Brinkmann and Kvale, 2015). This format enabled the sequence of questioning to be changed, if needed, to follow up on the answers provided (Brinkmann and Kvale, 2015). Given the interviewees' range of job roles and industries, this flexibility was vital to the data collection process.

The interview structure described above was, as advised by Gioia, Corley and Hamilton (2012), designed to avoid the danger of manipulating or using leading-the-witness type questions that may encourage the interviewee to say things they would not have said otherwise, or they feel they ought to say. As it was of primary importance to hear the interviewee's front-of-mind concerns and perceptions, it was not appropriate to ask, for example, 'is your manager committed to MOCA?', or 'do the co-operative's business processes reflect a MOCA strategy?'. This would have been too direct, and could have distorted the data obtained. The use of such specific questions would have required a strict interview procedure that aims to obtain context-free data and to minimise researcher influence and other possible sources of bias. Alvesson (2003) labels this a neo-positivist position; it is unsuited to discussion with participants in differing organisations, albeit exploring the same phenomenon. He offers two other positions: romanticism and localism. Romanticism is based on a genuine interest in the topic in both interviewer and interviewee. The typical goal of this interaction is to explore the "*experienced social reality of the interviewee*" (p.16), where the interviewee is seen as a trusted participant in the research

process. The third position, localism, breaks with traditional assumptions about the interview process but emphasises that the interview should be seen as an empirical situation, and studied as such. This would include considering not just words, but behaviours, and social context (Alvesson, 2003) and these aspects of the interview fell outside of this study's research agenda.

The primary concern of the interview was not to quantify individual experience, but - guided by Gioia, Corley and Hamilton (2012) - to hear how the respondent described and made sense of MOCA implementation. In this study, the researcher was wary of framing the interview question in a manner that may appear to reflect the researcher's own opinions or assumptions (e.g. Gioia, Corley and Hamilton, 2012; King, 2012). The interview discussion used practitioner terms and focussed on the participant's perspective on their co-operative's approach to MOCA. The interviewing position of this data collection was, in Alvesson's (2003) terms, romanticism. Table 11 below, outlines characteristics related to the three main interview formats.

Table 11: Interview positioning

Neo-positivism	Romanticism	Localism
Specific planned questions within a strictly structured interview procedure.	Based on the interviewee/ interviewer sharing enthusiasm for the topic and exploring the interviewee's perceptions of the reality.	Studies the interview itself, including words spoken, behaviours and social context.

Source: adapted from Alvesson (2003).

Each of the interview participants was committed to the implementation of a MOCA strategy, and had their views on how to

ensure this happened. Having explained her interest in co-operative values, this background enabled the researcher to develop a rapport with each interviewee, and to build trust to a level, “*such that the latter feels free to express the self openly*” (Alvesson and Ashcraft, 2012, p.242).

A critical realist philosophy includes a critical approach to management actions; therefore this trust-building was a crucial part of the interview process (Sayer, 2000; Mutch, Delbridge and Ventresca, 2006). Interviewees were asked not only what they thought worked well in their co-operative, but also what they would like to see improved to support a MOCA strategy. This approach has challenges; establishing the relationships can be time consuming, and comparing and structuring the resulting material can be difficult because it is so context bound (Alvesson, 2003; Alvesson and Ashcraft, 2012; Kvale and Brinkmann, 2015). The style of discussions varied, depending on the interviewee’s job. Questions were adapted slightly to introduce – very broadly – content from earlier interviews, in order to extend the conversation as appropriate. This is considered normal and expected when gathering data in this way (see Gioia, Corley and Hamilton, 2012).

3.4.3 Purposive selection of interviewees

In line with the critical realist intensive approach, there were two groups of interviewees. The first consisted of nine senior managers from nine different co-operative organisations, and two internationally based co-operative commentators. Each of the senior managers was enthusiastic about the MOCA idea, and all had played significant roles in the implementation of their organisation’s MOCA strategy. The two commentators provided an international overview of, and background to, the MOCA implementation issues. In the

circumstances of this study, the assurance of confidentiality was vital, as some interviewees may have felt that the line of questioning was asking them to criticise their organisation. This is typical of critical realist research, and is discussed further in the ethical considerations section (see 3.5). The requirement for confidentiality excluded the option of group interview formats, such as focus groups.

The second group was made up of six employees from three management levels in a variety of job roles within one co-operative organisation. This co-operative (XYZ) is well regarded within the international co-operative movement for its commitment to implementing a MOCA strategy. To protect its identity, and the identity of those interviewed, no additional information that could identify the organisation is provided. It should be noted that the CEO selected all middle and unit-managers interviewed so, although the interviews were conducted privately, the identity of the interviewees was known by the co-operative organisation.

From their varied positions, the seventeen interviewees provided a rich description of the MOCA phenomenon, and its organisational context. These data are detailed enough to offer a full and revealing picture of what is happening, and the processes involved in making it happen (Tracy, 2010). In this way, and in line with a critical realism approach, many of the causal mechanisms can be explained, even where some were not directly observable (Easton, 2010; Reed, 2011). The richness of these data sets counters any danger of respondent duplicity to uniformly support a mistaken conclusion, or observer bias that fails to see beyond his/ her expectations and prejudices (Maxwell, 2012).

The first group (nine senior managers and two commentators) provided enough data to draw tentative conclusions about the potential causes of MOCA implementation. Although providing extensive background to co-operative thinking and context for MOCA

development, the two commentators' data provided fewer insights into MOCA implementation challenges. In line with a critical realist approach, the interviews with managers at three levels in a single co-operative enabled further probing of the findings around MOCA implementation.

Although the idea of the 'co-operative advantage' is supported by the ICA, the capabilities required to use the 'advantage' in a marketing strategy that promotes the co-operative values and ethos as part of its identity, are not widely understood within the co-operative movement (Novkovic, 2006; Webb et al., 2006; McKinsey, 2012; Murray, 2015). As a result, a relatively small number of co-operatives have committed to a MOCA strategy as part of their overall marketing strategy. Most of these are in Canada, US and the UK. For reasons of language, personal contacts, and time limitations, interviewees from these three countries only were selected. The research study relied on personal contacts to recommend interviewees who are enthusiastic about the MOCA concept. Some interviewees recommended other contacts, however not all these were followed up as the researcher sought a balance of country, co-operative size and sector. Skype has been a useful tool, enabling interviews to take place at a distance and in different time zones. This dependence on personal contacts is recognised by Buchanan and Bryman (2007) and considered legitimate, as one's research choices are inevitably shaped by organisational, political, evidential and personal factors.

The heterogeneous purposive approach to interviewee selection is considered suitable for revealing and/or illuminating key themes within the overarching MOCA context (Tsoukas, 2011; Saunders, 2012; Maxwell, 2012). In this non-probability selection technique, the researcher uses their judgement regarding the population's characteristics in relation to the data required to address the research aim (Saunders, 2012). In this research study, diversity of

selection was ensured as interviewees came from the US, UK and Canada, from small and larger co-operatives in a range of industry sectors, e.g. finance, agricultural, retail, and from a variety of co-op types, e.g. consumer and worker owned and apex co-operative organisations. Each interviewee, no matter their management level or co-op background, was an expert informant because they were experienced in their role, had a commitment to MOCA, and had a view on how MOCA is - or should be - implemented. Here, each viewpoint on MOCA implementation is valued, and none given more value than another (Maxwell, 2012; Ryan et al., 2012). Bringing these views together enabled understanding of, in Maxwell's (2012) words, "*the processes, meanings and local contextual influences involved in the phenomena of interest, for the specific settings or individuals studied*" (p.94). The phenomenon of interest in this research study is MOCA implementation, and the specific setting is co-operatives. This enables the thick description and informants' multiple perspectives required for credibility in qualitative data gathering and analysis as called for by Tracy (2010) and Symon and Cassell (2012).

In each of the two data collection rounds of this study, the full responses and increasing amounts of repetition indicated that sufficient interviews had been undertaken to obtain the understanding outlined above (Brinkmann and Kvale, 2015) and to meet the study's objectives. This follows guidance that says, in an exploration of a narrow research question within a fairly homogeneous population, twelve in-depth interviews should suffice (Guest, Bunce and Johnson, 2006; Saunders, 2011). To summarise this approach in terms of critical realism's stratified ontology, the interviewees' explanation of the causes of MOCA delivery informed the relationship between real and actual. These are the generative mechanisms or happenings that cause MOCA implementation. The interviews lasted from 40 minutes to 1.5 hours, with most being just under an hour. The varying interview length was for a variety of

reasons. Some participants had more time or seemed keener to talk than others. The shorter interviews did not offer less insight; all interviewees offered comprehensive responses and were very clear in their views as to what caused MOCA in the interview discussion. Many also mentioned their observations on customer responses to MOCA implementation. For example, JR talked about community members' positive responses to free child car seat fitting, and DW made reference to the customer benefits of shared branching in her credit union. Although these comments are of interest, they related to the co-operative-customer relationship, and did not in themselves inform internal mechanisms.

The interviews were undertaken at the interviewee's workplace, or by Skype linked to the workplace. The XYZ interviews were undertaken on the same day, except the one with the director. As recommended by several authors on research methods, all the interviews were audio recorded and transcribed (e.g. Silverman, 2014; Brinkmann and Kvale, 2015).

3.4.4 Preparation for the interviews.

Ethics approval was obtained in early June 2013. Invitations relating to the first tranche of interviews were sent to a range of co-operative contacts; all claimed to be committed to a MOCA strategy. All these invitations included information about the research study. Most invitees responded positively, and on acceptance a date was arranged, and the interviewee informed about how the data gathered would be kept confidential and their identity protected (see Appendix 1 for the Participant Information Sheet). As the researcher was keen to ensure a balance of co-operative size and industry sector, only some of these contacts were followed up. All the interviews took place between June 2013 and March 2015. The XYZ senior

managers were approached in a similar manner. In the face-to-face interviews, the participants signed a form consenting to recording the interview, and in those undertaken by Skype, interviewees confirmed their agreement in the recorded interview.

The researcher prepared for the first set of interviews by ensuring she was clear about the purpose of the study, and confident in her knowledge of the theoretical conceptualisation. In addition, she had added to her basic knowledge about co-operatives and their values, ethos and distinctive identity. This was aided by reviewing the co-operative based literature that provided a background context as well as discussion of what is known - and the knowledge gaps - about the implementation of a MOCA strategy. The importance of this background knowledge is emphasised by Brinkmann and Kvale (2015), as such credibility strengthens the interview relationship.

The researcher's understanding of co-operative-related issues increased as the interview schedule progressed, and informed subsequent interview discussions. Although the core themes and aims of the interview did not change, the style of theory-based prompts evolved to be more context based. Gioia, Corley and Hamilton (2012) emphasise the value of incorporating this new information in providing further possible opportunities to uncover new concepts.

Preparation for the interviews in XYZ co-operative was similar, but by this time the researcher felt more familiar with the co-operative setting and the MOCA context. Although the interview guidelines were the same as the first tranche of interviews the three emergent themes informed the prompts for the XYZ interview discussions, and the analysis of these data.

3.4.5 Data analysis

When extracting or quoting from the transcripts, it should be remembered that the interview occurred at a particular time and place, and may have produced a different transcript at a different time and place (Maxwell, 2012). A critical realist ontology accepts this approach, and recognises that all outcomes should be regarded as provisional (e.g. Mutch, Delbridge and Ventresca, 2006).

There are many different methodologies within qualitative data analysis and these have been widely debated in the social sciences literature (Silverman, 2014). For example, Welsh (2002) outlines three main approaches, they are literal, interpretative and reflexive. The first focuses on the exact use of particular language or words in the content of a text, and is akin to the structured interview format. The second is concerned with making sense of the research participants' accounts. Finally, in a reflexive approach the researcher becomes a point of interest. Consistent with critical realism, this study adopted an interpretive approach to data analysis as it sought to find meaning and make sense of the various interview data sets (e.g. Mutch, Delbridge and Ventresca, 2006; Reed, 2011; Ryan et al., 2012).

Table 12: Approaches to qualitative data analysis

Literal	Interpretive	Reflexive
Aims to focus on the use of particular words or language	Aims to make sense of the research participants' accounts to understand their perspective	Focuses on the researcher's response to the data collection and analysis

Source: adapted from Welsh (2002).

This research study contributes to an explanation of the causes of a phenomenon, i.e. MOCA implementation. The interview transcriptions provided an account of participants' perceptions of MOCA implementation in their organisation; this included descriptions of practice, and opinions on how it could be done better. The analysis of the interviews sought to identify categories, and connections within and/ or between those categories that, following synthesis, would provide a picture of the conditions and circumstances necessary for MOCA implementation to exist (Maxwell, 2012).

3.4.6 The analysis process

The analysis process started with the eleven interviews, i.e. nine senior managers from a range of co-operative organisations, and two international commentators on co-operatives. This initial analysis of the interview transcripts was informed by the conceptualisation developed from the marketing strategy implementation literature. The interview texts were repeatedly re-read, and the interview recordings heard again. Kvale and Brinkmann (2015) recommend this approach, as a means of establishing familiarity with the data. A sample interview transcript is available in Appendix 3. As the interviews had been undertaken over a period of 21 months, this offered an opportunity for the researcher to be reminded of similarities and differences in the ideas presented. The conceptual framework provided a device for breaking down the data into manageable chunks (Saunders and Lewis, 2012; King, 2012). While this initial work to recognise what goes with what, and identify patterns and themes, as well as any contrasting views and tensions, was undertaken, it soon became clear that many pieces of data fitted into two or more groupings within the framework. These initial *a priori*

constructs, based on the literature, were regarded as provisional categories and therefore permitted a flexible approach to interpretation (Spiggle, 1994). This process helped to identify the emerging categories from the data in preparation for a move to an inductive approach (Spiggle, 1994).

As the researcher read and re-read through all the interview transcripts each issue raised was allocated to one or more of the *a priori* constructs (as initial category headings – see Chapter Four). Some data in the transcripts were considered irrelevant to this research study (e.g. comments concerning customers' reactions) and therefore were put aside (Mingers, Mutch and Willcocks, 2013). This approach enabled the mass of narrative data to be broken down so that it could be explored, and inductively derived themes developed. This thematic analysis approach is especially valuable when seeking to highlight the key content elements in a narrative (Maitlis, 2012; Brinkmann and Kvale, 2015). These themes were not only concerned with categories, but also with the connections between them and related patterns that emerged. These themes, in critical realism terms, are socially constructed entities (Fleetwood, 2005; Ryan et al., 2012).

In addition to the tentative theoretical framework, the description of the co-operative context in Chapter Two, informed understanding of the transcript material (Ryan et al., 2012; Brinkmann and Kvale, 2015). It is important to understand the co-operative context in order to know which parts of this are core to the phenomenon, that is MOCA implementation, and which are to be separated from it in the process of analysis and subsequent synthesis (Dilley, 2002). Although it was important that the researcher had sufficient knowledge to be credible to the interviewees (and recognising that she has a pre-understanding of the phenomenon that cannot be put aside), she worked to retain her stranger-ness to this context (Schwartz-Shea and Yanow, 2012). Obtaining the valuable insights

that explain the causes of the phenomenon require a balancing act between stranger-ness and engagement with the community (Maitlis, 2012; Brinkmann and Kvale, 2015). As these insights led to the emergence of abstract constructs and connections between them, they provided the basis to explore their significance to theory (Spiggle, 1994). A similar process was undertaken with the second tranche of interview data.

3.4.7 Breaking down the mass of data

The basic analytical operations of categorisation, abstraction, comparison, and integration are a means of managing qualitative data and enabling the construction of a coherent theoretical framework (Spiggle, 1994). In literal analysis, the use of software such as Nvivo can be valuable in making the inherently messy process of analysing large amounts of textual data more manageable (Sinkovics and Alfoldi, 2012). This approach is often appropriate if, for example, the researcher is interested in establishing how frequently certain words or attributes are mentioned (Welsh, 2002; Saunders and Lewis, 2012; Saldana, 2016). As the initial analysis in this research study used a deductive approach in which units of analysis were - based on the literature - pre-specified, software may have had a role to play. However, the interviewees were in differing positions and industries, and therefore, their expressions of comparable ideas on MOCA implementation were presented in the differing context of each co-operative organisation. This made adherence to the required "*verbatim principle*" (Saldana, 2016, p.106) unfeasible, and therefore rendered an electronic word search that interrogated the text unreliable and therefore inappropriate. In addition, the categories from the literature review framework were not based on co-operatives, but on traditional investor-owned firms and the extent of similarity or difference between these two organisational

types, in implementing a marketing strategy, is unknown. For these reasons, the researcher chose to take a manual approach, using coloured markers to represent, in the interview transcript, each higher order category from the literature-based framework. This coding decision is based on a paradigm or theoretical approach to the research study (Saldana, 2016), and reflects Ryan et al.'s (2012) guidance to get close to the data in order to move beyond the rich description in the interview transcripts to consider the mechanisms that potentially cause MOCA implementation. In this method, and as recommended by Tsoukas (2011), each sentence in each interview transcript was considered for its relevance to the research question and where it fitted - or did not fit - in the framework used for analysis. A critical realist ontology recognises that identifying the causal mechanisms and their drivers can be a challenge. Its abductive logic assumes mechanisms are identified from both "*theoretical pre-understanding*" (p. 307) and aspects of the data. This compels the researcher to engage deeply with the data collected, and the nature of this relationship with the data supports a manual approach to coding (Ryan et al., 2012).

Once the data had been initially sorted in this way - making the analysis process more manageable - the investigation required a means to identify categories and the connections between them. For this stage, a concept coding approach was used to categorise first order concepts, bring together emerging themes and identify abstract constructs (Corley and Gioia, 2004; Gioia, Corley and Hamilton, 2012). Saldana (2016) considers this approach to be appropriate for a variety of research genres, particularly phenomenology and critical theory. In this, macro levels of meaning are assigned to data, in order to build a bigger picture to suggest an idea rather than observable behaviour (Corley and Gioia, 2004; Gioia, Corley and Hamilton, 2012). This type of analysis is suitable where the research is concerned with understanding and explaining underlying causes, and works particularly well when the perspectives of different

participants within a specific context are being compared (King, 2012).

3.4.8 Emergent themes

In this research study, each interviewee talked about their co-operative's approach to MOCA implementation and their own perception of this approach. Chapters Four and Five present the findings, their analysis and synthesis. This section explains the systematic approach to concept development that guided this analysis and synthesis, and an example from this research study is presented.

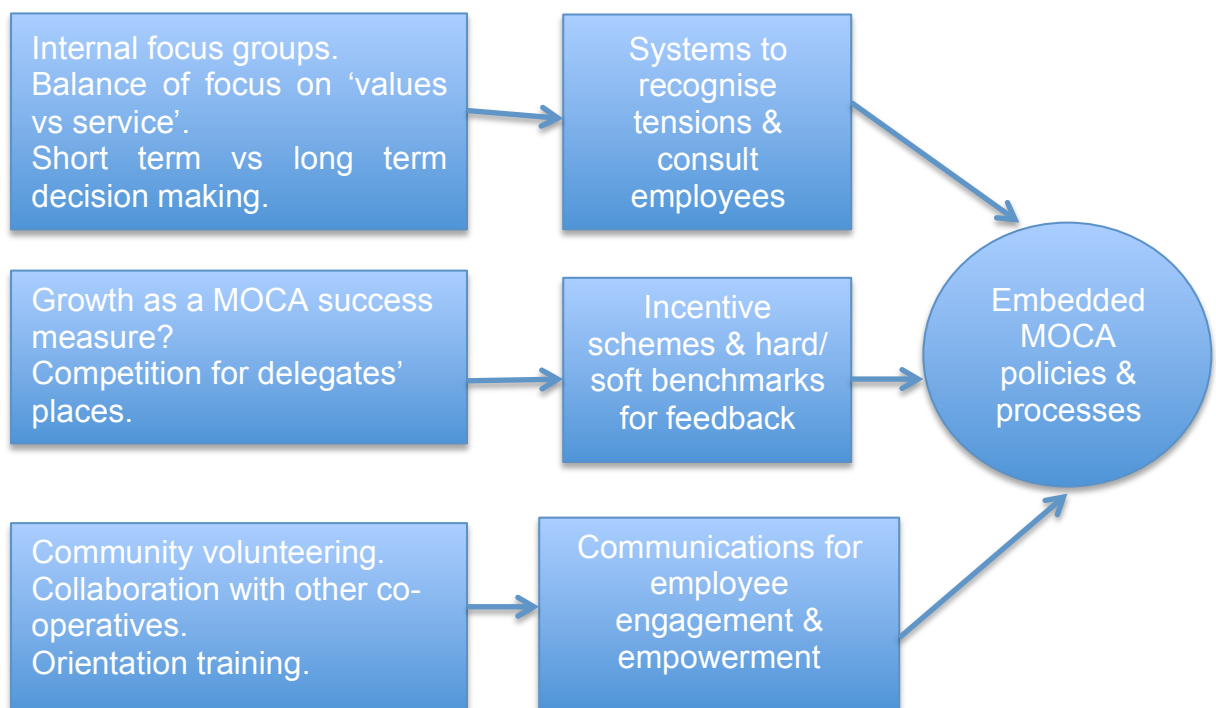
At the first stage of the analysis of the first tranche of interviews, the number of emerging themes (categories and connections) was overwhelming. Writers on qualitative research analysis recognise this challenge and recommend the merging of themes, as well as maintaining the terminology used by participants. As the analysis progressed, the similarities and differences between these themes became clearer, and further merging reduced their number (Maitlis 2012; Gioia, Corley and Hamilton, 2012; Silverman, 2014). In this way, the research moved beyond the rich description of the interview texts, to a set of categories that encompass the mechanisms that generate MOCA implementation (Maxwell, 2012; Ryan et al., 2012; Brinkmann and Kvale, 2015). This procedure was repeated in the analysis of the interviews within a single co-operative.

Three themes - that represent categories of the potential mechanisms that generate MOCA implementation - emerged from this stage of the analysis (i.e. of the first tranche of interviews), and formed first order abstract constructs (Spiggle, 1994; Gioia, Corley and Hamilton, 2012; Saldana, 2016). These were:

- Employee understanding of MOCA strategy at all level,
- Employee trust in leadership's commitment to the MOCA strategy
- Embedded policies and processes aligned with the MOCA strategy

Spiggle (1994) refers to these first order conceptual constructs as abstract constructs and each encompasses a number of instances or examples from the data, which share common features. Second order themes also emerged, and these explain the mechanisms and events that potentially cause, and are potentially caused by, each of the abstract concepts. To illustrate the approach in this research study, Diagram 3 below uses examples from the data, and is based on a model from Corley and Gioia (2004) and Gioia, Corley and Hamilton (2012). The 'first order concepts' drawn from these data are in the first column, these are categorised into emergent themes (second order), and the abstract construct is in the circle on the right of the diagram.

Diagram 3: Emergent themes



The abstract constructs formed a template with which to analyse the six interviews from one co-operative organisation. Similar to the analysis of the first tranche of interview data, this initial deductive approach enabled the data to be broken down. From this data analysis process, second order themes and abstract constructs emerged (Spiggle, 1994; Corley and Gioia, 2004; Gioia, Corley and Hamilton, 2012). This enabled the identification of the mechanisms and events that, in critical realism terms, potentially cause MOCA implementation and guided the development of a revised conceptual framework (Ryan et al., 2012).

Throughout this research study, categorisation involved either the identification of passages in the interview data that presented a description of the circumstances required for MOCA implementation, or an explanation of how such structures caused MOCA implementation (Spiggle, 1994; Saldana, 2016). It should be noted that as some passages exemplified a variety of categories of interest, they warranted multiple labels. Other parts of the text made reference to areas that fell outside the literature review framework. In line with an abductive approach, a judgement had to be made as to how much these explained the circumstances that potentially cause MOCA implementation. Examples include comments on, e.g. customer responses to interaction with the co-operative such as free car seat fitting, and the political links that some in the co-operative movement maintain.

There was - as one might expect - some overlap, in that some examples were shared by two or more constructs (Spiggle, 1994; Saldana, 2016). Within the data, there are both differences and similarities across incidents; in the first tranche of interviews (with senior managers/ commentators), these occurred within constructs and not between them. One example is that the interviewees agreed that customers and/or employees who are not members be

encouraged to join the co-operative, but disagreed on the use of financial incentives to do so.

3.4.9 Probing: a second round of data gathering.

The three main abstract constructs identified from the second tranche of interviews informed the analysis of the six interviews undertaken within one co-operative. This systematic approach enabled the recognition of connections between instances both within and between the two interview sets. The exploration of variations across the instances in the data, helped to identify the properties in, and the dimensions of, the categories that had emerged and the relationships between them; in doing so this provided the foundation for the subsequent development of theoretical concepts (see Spiggle 1994). For example, “*Employee trust in leaders’ commitment to the MOCA strategy*” emerged from the first tranche of interviews as an important theme. However, the interviews with middle and unit managers in XYZ co-operative refined this to “*Employee trust in leaders’ and managers’ commitment to the MOCA strategy*”. Likewise, themes emerged from the senior management interviews that emphasised “*Employee understanding of MOCA strategy at all levels*” as an abstract construct. The second set of interview data stressed this understanding as a crucial prerequisite - supported by other factors - for MOCA implementation behaviours, and therefore further informed the connections between these abstract constructs, and the conceptual framework was revised accordingly. Similarly, in the second tranche of interviews a much greater emphasis was placed on internal benchmark measures than had been identified in the earlier interviews. Again, the conceptual framework was adapted accordingly.

It should be noted that although the above text describes an operational process of data analysis, the nature of the data sets required subjective judgements to be made - at each stage - of the meaning presented by the interviewees, and how these meanings could be formed into patterns and subsequently concepts. To do this the researcher relied on her interpretation, informed by the literature and knowledge of co-operatives (Spiggle, 1994; Schwartz-Shea and Yanow, 2012). In line with an abductive strategy, the themes provided guidance in working backwards to identify potential causal mechanisms (Danermark et al., 2002; Mutch, Delbridge and Ventresca, 2006; Ryan et al., 2012). In this way, tentative explanations were developed about what hindered or enabled - and potentially caused - MOCA implementation; that is, the conditions and circumstances required for the phenomenon to exist.

In the analysis of interview data from a single organisation, Yin (2009) suggests five analytical techniques; of which two, pattern-matching and explanation-building, offer a suitable approach. In this research study, patterns have already been identified in the eleven interviews from a variety of co-operative sizes, types and countries. Drawing on responses from interview participants at a range of management levels, and variety of responsibilities, within one co-operative, the six interviews offer an opportunity to check and refine categories and the connections between them, and gain insight into the detail of the conditions and circumstances needed for MOCA implementation. One of the aspects that was strongly emphasised by interviewees from the single exemplar co-operative was the importance of internal benchmarks, as a means of aiding internal understanding of MOCA implementation, and to influence behaviours. This provided insight into the connection between employee understanding of the MOCA strategy and the internal mechanisms designed to cause MOCA behaviours.

3.4.10 Linking theory and data

A critical realist position assumes that the knowledge is already 'out there', but difficult to know (Mutch, Delbridge and Ventresca, 2006). To develop knowledge, an abductive approach requires the researcher to move between theory and data in order to develop new frameworks or theories (Danermark et al., 2002; Ryan et al., 2012). This is core to the critical realist position, as it seeks to investigate causes. Reibstein, Day and Wind (2009) support this approach to research in marketing, as it moves away from a reductionist quantitative methodology.

The interview data presented a "*native's*" observation, with the researcher adopting what Maxwell, (2012, p.5) refers to as a "*god's eye point of view*" by bringing the data sets together to form a bigger picture. In this research study, the existing literature on marketing strategy implementation informed both the interview discussions and the data analysis. Themes emerged from the interview data that related to actions, happenings, and non-events around MOCA implementation, and informed categories and connections.

As the first set of interview data was considered together with existing theory, in the form of a template, it provided the foundation for tentative abstract conceptualisation (Spiggle, 1994; Alvesson and Kärreman, 2007; King, 2012). In this manner the template was adapted in preparation for the second tranche of data (from XYZ co-operative). King (2012) acknowledges that one of the more difficult decisions to make is when to stop the process of template development, as it is possible "*to go on modifying and refining definitions of codes almost ad infinitum*" (p.263). Critical realists recognise this challenge, and see improved understanding as emerging from rounds of framework building that have in turn been developed from previous rounds and, as a result, the knowledge

obtained is considered real but fallible and context-specific (Mutch, Delbridge and Ventresca, 2006; Reed, 2011).

3.5 Ethical considerations

Academic researchers accept the crucial importance of formulating and conducting social research in a way that abides by moral principles and norms. Ethical concerns are not specific to only certain methodological approaches, but should be treated as the central aspect of research that involves organisations (Bell and Wray-Bliss, 2011), and can arise at each stage of the research process (Saunders and Lewis, 2012). They inform the kinds of relationships that researcher and participant create (Maxwell, 2012). Although a comprehensive analysis of every potential ethical possibility is not given here, some of the key ways in which this research maintained an appropriate ethical standard are listed. The key principles are to ensure: no harm is done to participants, their dignity, privacy and - where promised - their anonymity is maintained and informed consent obtained, that deception is avoided and confidentiality safeguarded, that communications about the research are honest and transparent, that there is no false reporting of research findings, and conflicts of interest are declared (e.g. Tracy, 2010; Easterby-Smith, Thorpe and Jackson, 2012). This is addressed under the following core areas: informed consent, confidentiality and anonymity, and sensitivity.

3.5.1 Informed Consent

It must be acknowledged that participants' interests are potentially in tension with the researchers' (Holt, 2012). In the case of this

research study, a range of suitable interviewees was approached, and those who expressed interest were sent more information in the form of a Participants' Information Sheet (see Appendix 1). This document gave details of the aims of the research study, the participants' expected level of involvement and duration (i.e. an interview of about an hour). It also included the opportunity to withdraw at any time, and identified whom to contact if they had concerns about the research. The document promised confidentiality, privacy and anonymity in the collection, storage and publication of research material. Holt (2012) recommends this practice. At the start of the interview, the interviewee was asked to sign a standard Oxford Brookes University Informed Consent Agreement document to formally agree they were willing to take part, and did not object to the audio recording of the interview (see Appendix 2). In the Skype interviews, the consent was audio recorded.

3.5.2 Confidentiality and Anonymity

As Silverman (2014) points out, it is commonplace to ensure that not only do interviewees consent to participating in the research, but that their identities should be protected. It was recognised that a critical realist approach often involves criticism of existing management. Much of the research interview agenda included questions that asked the interviewee to evaluate their co-operative's current approach to MOCA implementation, and to describe their views on how this could be more effective. The researcher judged how much to press this in the interview. For example, when talking with two junior unit managers in XYZ co-operative, she asked whether they supported their co-operative's MOCA implementation approach (their answer was affirmative), and she felt it was inappropriate to seek further evaluation. These interviewees were selected by the co-

operative, and were therefore not anonymous, however the interviews were confidential. This call for judgment and sensitivity is recognised by a number of writers on interviewing as a data collection method (e.g. Bell and Wray-Bliss, 2011; Saunders and Lewis, 2012; Brinkmann and Kvale, 2015). The other interviewees were in senior management roles, and clearly felt more confident in expressing their views - positive or negative - about their co-operative's approach. Another reason to commit to their confidentiality and anonymity was to encourage the interviewee to express their views freely (Alvesson and Ashcroft, 2012). In writing up this research, steps were taken to de-identify the organisations without compromising the contextualisation of the findings (Saunders and Lewis, 2012); drawing on organisations in three countries helped this immensely.

3.5.3. Sensitivity: not causing harm

As outlined above, and in line with ethical responsibilities, the researcher sought to remain sensitive and empathetic during the interviews (Bell and Wray-Bliss, 2011). The Participants' Information Sheet (see Appendix 1) explained that participants did not have to answer every question. Some questions were asked in an indirect manner in order to help the interviewee feel comfortable if they wished to avoid answering. In addition, the researcher was mindful of the timing of the interview (considering some of the time zones) and its duration; she felt it was important not to overrun beyond the promised one-hour time. This is in line with Saunders and Lewis's (2012) guidelines. However, some interviewees were very keen to talk for more than an hour; when this happened the researcher made the most of it!

3.6 Chapter Summary.

The purpose of this chapter has been to map out the methodology of this research study. The chapter started by explaining the ontological basis of the study, outlining critical realism and how this reflected the researcher's worldview. It went on to outline data collection methods and the related ethical considerations. The following two chapters, therefore, present and analyse the interview data gathered in two tranches: firstly with senior managers and international commentators, and secondly with six managers in one co-operative.

4 CHAPTER FOUR: FINDINGS - PART ONE

Chapter Three outlined the methodology for this research study. It explained the abductive research approach, and how the data were collected in two tranches. This chapter presents the findings from the interviews with senior managers and international commentators (i.e. the first tranche of interview data). It uses the framework developed from the marketing strategy implementation literature (see Chapter Two) to initially categorise the content of the interview transcripts.

Three core themes emerged from these data. The final section in this chapter presents three abstract constructs that are based on a synthesis of these themes (see 4.5.2). Each one of the three constructs encompasses a number of instances or examples from the data. These share common features and inform understanding of the mechanisms that generate implementation.

The interview data are presented here under each of the four main themes and the related sub-themes identified in the extant literature on marketing strategy implementation (see 2.5). These main themes are:

- Cross-functional coordination and collaboration:
- Management commitment to the marketing strategy,
- Employee identification with the organisation's values and related marketing strategy,
- Competencies and business processes.

Each of these main themes and the related sub-themes are used as headings and sub-headings in this chapter as a means to categorise and present the data. As some of these sub-themes encompassed large amounts of interview data, sub-headings within the sub-themes

identified in the literature have been created based on the interview data. This is in line with an abductive approach.

Each one of the chapter sections that focuses on a main theme (see Diagram 1 in section 2.5) starts with a summary of the literature background, and ends with a brief discussion of how the empirical data findings, in that section, have added to knowledge. Quotations have been included to provide examples of the type of comments interviewees made, and in some cases to illustrate points made in the discussion text. The quotations are in italics, and are followed by the participant's initials. As these are verbatim transcripts, and interview participants do not speak in text-type sentences, the pauses between phrases are represented here by three dots, that is: ... and if some of the transcript text has been removed from the quotation, that is shown by [*text removed*]. To ensure anonymity, where the interviewee has made reference to the name of their co-operative, this name has been replaced by [*named co-operative*] in the quotation. This approach is also applied where quotations from the interview transcripts are presented in Chapter Five.

4.1 Cross-functional coordination and collaboration

Existing research considers inter-functional coordination and collaboration as vital for the implementation of a marketing strategy. Writers see this as a means to facilitate the flow of information about customer needs and to avoid departmental silo-ism' (e.g. Ahmed, Rafiq and Saad, 2003; Kohli and Jaworski, 1990; Narver and Slater, 1990; van Raaij and Stoelhorst, 2008; Cespedes and Piercy, 1996; Dibb, Simkin and Wilson, 2008). That research identifies four broad themes:

- internal communication of shared values/goals;
- social cohesion and 'super-ordinate' identity;

- joint reward programmes; and
- understanding of the challenges faced by other functions.

The interviews are analysed under each theme, in the following text.

4.1.1 Internal communication of shared values/goals

Internal understanding of the co-operative advantage and the related co-operative values is crucial for MOCA implementation. This understanding is developed using a variety of internal communications methods. Interviewees argue that employee understanding is vital because it i) is a pre-requisite for commitment to and engagement with co-operative values, ii) is vital for front line staff to be able to explain the co-operative values to a potential member or other stakeholder, and iii) enables staff to behave in ways that represent the values and the co-operative difference. All three are key activities in MOCA implementation and build reputation.

Communication designed to develop employee understanding of the co-operative values, needs to be in place for MOCA implementation (e.g. EP, QF, JR). JR explained using a ship building metaphor; you have to create it inside, before taking it outside:

“I often think of customer reputation building as building a ship ... but you have to build it inside first ...before you take it outside....and it’s like the opposite of a ship in a bottle..(laughing)... So you kind of have to build it inside and then take it outside... because if you are not living your values inside ...then you really have no business talking about it outside...” (JR)

In addition, this knowledge enables employees to contribute to discussion about changes needed in the organisation to make MOCA implementation more effective. Although this is challenging,

and the messages complex, this understanding needs to be prioritised (EP), and interviewees had a variety of views on how best to achieve this. All interviewees talked about the internal communication that their co-operatives undertook; and many called for further investment in this communication. EP calls for a basic understanding of the co-operative model and values:

“...it is just the basic understanding of what an organisation is, what a market is, what a co-operative does...” (EP)

Some emphasised that this understanding of the values must be intuitive and therefore one that engages employees emotionally (e.g. JR, EP). Other participants emphasised that success in this will create ambassadors for the co-operative values (ZA, JR, EP). This is summarized by ZA:

“...if we do our job well... we have essentially turned all of our employees and our membership into ambassadors for [our credit union] and for the co-operative” (ZA).

Employee knowledge of their co-operative's values, and how those influence the way the co-operative does business, helps employees to understand the meaning behind the tasks in their working day (e.g. QF, JR). All interview participants called for increased investment in developing this understanding. Although it is valuable to see the mission and values displayed at a desk, it's vital that employees understand the meaning behind what they do, and that this understanding is much more than simply being able to recite them (EP, JR). The following quote from JR is an example of this view:

“... because, you know, if you are sitting at your desk and you have sort of got the corporate mission ...that mission and values posted at your desk...that that is wonderful ...and I do like to see it... but I think what people need to know is how it is relevant... like what does it mean to them ..or what does it mean to their colleagues sitting beside them.... and what we

try to do is make... to take those values... and that mission statement and sort of say "This is how we live it" and we really want you to understand that it is not just words on a piece of paper...so we do a fair bit of communication internally (JR)

Not only does this understanding inform employees' day-to-day behaviours, it also helps to recruit volunteers for the community events run by the co-operative (JR). Other interviewees focused on the importance of employee enthusiasm for the co-operative values as a vital pre-condition for MOCA implementation (e.g. ZA, RM, NH, QF). ZA is clear that this enthusiasm must be authentic:

"...that creating that alignment needs to be genuine...it needs to be authentic...you need to understand why you belong to the co-op...(ZA)

All participants highlighted the importance of front line staff being able to explain to customers, the values and how the co-operative differs from many other businesses; PC offers an example:

"...how is your engagement level with your employees on co-op principles, that can be a very powerful piece because your... some of my staff at the counter ... the cashier don't know what the co-op are, how can they engage in conversation around that. (PC)

In addition, front-line employees are relied on to feedback customer perceptions of MOCA implementation activities (BY, ZA, JR, KL). ZA emphasises this reliance:

...they are gathering insights from the front line...there is a lot of reliance, right now, on the front line ... [text removed] ... there is a lot of reliance on the front line" (ZA)

While there was recognition that training resources had to be allocated judiciously, concern was raised by one respondent that training in "*living the values*" had been focused on their head office

staff, at the expense of those with direct contact with the customer (SP). JR seeks a slightly different emphasis, her view is that middle management missed out on the training that is now in place for “*the new folks that have just joined us*” (JR), but have not yet accumulated the experience of co-operative values in action, that established managers have. She therefore sees a need to invest in developing middle managers’ MOCA understanding:

“...the middle part of the sandwich if you will. I think that is where ironically the lack of understanding or the uptake.... I think that is where the gap is...” (JR)

Interviewees generally agreed that a pre-condition for employee understanding of the co-operative purpose is that senior and middle managers are able to articulate the values and are clearly seen to live and breathe them (e.g. BY, QF, JR, SP, DW).

Although some employees were attracted to the co-operative for its values (JR, SP, ZA), other new recruits were surprised at the ethos and often needed greater help in understanding it (ZA). In general, employees liked working for a co-operative, but investment is needed in supporting employees to understand the reasons behind the ethos and how it differed from a non-co-operative. QF provides an example:

“...the guy coming into the plant...the dairy processing plant and is...doing his 6-2 shift is not thinking too deeply about the co-operative difference and why....you know...we need to have this alignment between purpose and values to be quite honest...but intuitively or intangibly they know there is a difference there and that...you know, they don’t want to be working for the dairy processing plant down the street or whatever...” (QF)

MOCA implementation relies on behaviours that are influenced by internal understanding of the values at all levels of the organisation.

The co-operative advantage message is complex and is challenging to communicate (e.g. EP). Leaders must be able to articulate the values message and be seen to “*live the values*” (SP). It is important that, although training resources are not focused on some groups at the expense of others, front line employees should be able to explain the co-operative purpose. Successful communication of the shared ethos creates ambassadors for the co-operative message.

4.1.1.1 *The variety of internal communications techniques*

Most interviewees want to see more attention paid to communicating the co-operative values during induction training, alongside the more technical elements such as food safety and business processes (e.g. QF, SP, PC). PC expressed concern that the current training for Board Members is based too much on corporate governance and policy, and calls for the re-introduction of a workshops series for Board Members that focus on the co-operative advantage and related values.

For all participants, internal communication took a variety of forms, e.g. modelling behaviours, induction, training and other internal messaging. One example is that pictures of the farmer families, who own the co-operative, are posted in the offices (RM). This is designed to deepen employee understanding of the co-operative’s purpose and values:

“...we have pictures of our farm families throughout in every plant, in every office, they know the farmers own the company, it gives them a purpose, a mission, if you will...” (RM)

RM makes use of many internal communication opportunities to remind farmers that they are co-operative members; this is to create and maintain a strong democratic organisation, e.g. the annual report in the form of an Owners’ Manual, letters about the co-operative ethos and values with payment cheques. RM says they now ‘*get it*’.

It is this variety of techniques that make up the layers of communication; each different communication is, as described by RM, a “*finger brush across the cheek ... [that is] ... gentle, graceful and quick*”. EP emphasises the importance of avoiding a dogmatic style of communication, in which prescribed messages are recited.

One of the international commentators called for the distribution of ‘a *toolkit*’ to help co-operatives cascade information about the co-operative ethos (NH). Given the vital importance of developing a personal connection with the co-operative values, coaching and mentoring were advocated as means of helping middle managers internalise the values (JR). However, connecting with the value set is challenging because it appears to be intangible and the message complex (JR, EP). QF has been working with his HR department to develop appropriate orientation around the co-operative identity and values for new employees:

“...we do orientate all new employees...we sort of take in tranches every quarter...and part of that orientation is just a day...but it is around the co-operative identity.... around the co-op values...around the co-op piece..... [text removed] ...we have done more work around that ...it is one of the things that I have helped advise HR on is....is how to orientate them around the co-op identity and so “(QF)

Interviewees believe that internal communications about the MOCA strategy needs to take a variety of forms: modelling behaviours, induction, training and other internal messaging/ pictures. It needs to be incorporated into induction activities and combined with other training such as in health and safety and/ or governance regulations. This communication needs more investment than is often allocated as, although some have joined the organisation because of its values, most need help in internalising them. The communication style should be designed to create connection; subtle and gentle, not dogmatic.

4.1.1.2 Behaviour modelling and using the right language as means to communicate values

Employees' behaviours are a valuable means of communicating values. When these values are linked to authentic business decisions that are clearly aligned with co-operative values, staff, especially new staff, are helped to understand (JR, ZA, EP). The experience of working with members in different roles, or job-swopping, contributes to understanding of the co-operative business model (SP):

"...we should be encouraging more staff to recognise the value of their experience and look to retain the more experienced staff, by giving them the opportunity to be 'shuffled around the business', rather than saying 'you need to be thinking about your next opportunity, your next move'. (SP)

In addition, attending members' meetings develops employees' connections with the co-operative model and its values (QF):

"...but if employees were able to go [to delegate meetings] and to actually see, they would be able to hear...it is not just about last month's sales figures, it is not just about....the patronage pay out... you know, at the end of the fiscal year....it is about that longer term...they see themselves, by and large, as stewards of the business" (QF)

For some interviewees (e.g. EP, BY) a habit of using of certain words undermined understanding of the co-operative values messages and caused confusion. As EP says *"how are people supposed to understand?"* EP expresses concern about, for example, the use of the word *"marketing"* in the MOCA message, as he feels this is perceived as *"propaganda"*, and prefers the word *"communication"*, another is the use of the word *"profit"* when *"margin"* is more appropriate. BY expresses a similar concern, although he sees *"our"* as internal, he sees *"marketing"* as an externally focussed activity,

and therefore identifies contradictions within the “*marketing our co-operative advantage*” phrase. He explains in the following quote:

“..we see how there are two words that slightly oppose: ‘marketing’ is externalisation and ‘our’ is completely internal...so you have got that juxtapose that is really difficult to square” (BY)

4.1.2 Social cohesion and super-ordinate identity.

Some interviewees mentioned and/ or alluded to co-operative identity, as part of on-going MOCA strategy implementation. Although there was little reference specifically to social cohesion, the identity building activities were all community focused, and included joint working with other co-operatives and/ or community groups or charities. For example, ZA recalls the early stages of her co-operative credit union’s transition to MOCA implementation:

“I felt that the really pivotal transition period for our organisation ...when we were really getting to look at the heart of who we are...so what is our identity...what is our faith...how are we going to deal with this because we were involved in sub-prime lending...and that I think was a business decision that was rooted in an identity which didn't necessarily fit the co-operative values.” (ZA)

Co-operation amongst co-operatives is a foundation of co-operative values. Participants made reference to this in a number of forms: e.g. local co-operatives working together to communicate the co-operative message (e.g. Keep It Co-op) and to support community events (DW); credit unions offering “*shared branching*” (DW); offering training on co-operative governance to other co-operatives (QF); and fund raising for overseas co-operatives’ development programmes (as outlined by QF below):

“ ...so in a week of fund-raising activities now which we call Co-op week...we raised the amount we raise per person ...that is for the size of the business and aside from the business much more money than other co-ops or credit unions that are larger than us so that is ..and I think...that is... that is our main vehicle for building in that co-operative identity piece ...” (QF)

As part of implementing MOCA, co-operatives work with other businesses with a similar ethos, e.g. creating a supply chain with local family-run or co-operative businesses (BY); providing meals to charity workers (RM); working with ambulance and rescue groups to help people fit child car seats safely (JR). All these activities depend on, and engender amongst employees, a pride in their co-operative, as well as an emotional connection to the co-op and its purpose and a personal commitment to making a difference in their communities (e.g. RM, ZA, JR, DW, QF). Examples include the organisation of a children’s safety fair (DW), and the provision of dairy products to rural events (QF) as part of giving to the community. QF is proud of his co-operative’s role in supporting the local community:

“...we do give back to the community... we are very generous in our sponsorship...” (QF)

It is this pride that will create ambassadors for the co-operative values (ZA, JR). This “*identity piece*” (ZA) is a core part of delivering a MOCA strategy (NH, ZA). ZA is proud of the co-operative ethos but also recognises there are challenges in developing this identity as part of MOCA implementation:

“ ...we are proud of what we do...we know that we don't always get it right...but you can see ...our members can see managers, their branch managers out in the community...not just because they are showing their corporate social responsibility...their kids are there, they are participating, like... we are involved in our community....and so I think...I don't know...that feel good is there but we need to back it up in terms of from a business prospective...so we have a very unique challenge...hard to create your own identity when you are perceived as being another bank...” (ZA)

A concern expressed by some interviewees (e.g. EP, SP) was that if through co-operating, co-operatives moved to more than working together and merged, in order to create efficiencies in purchase or in running primary level functions, there is a danger that the organisation would become so large that the relationship with members would be compromised. Similarly, if parts of the business are in different industry sectors and therefore have differing service delivery mechanisms, it is more challenging for employees to understand the co-operative of which they are part, and to embed the values within the ways of doing business (SP, EP).

“...federalise but not to take over the functions at the primary level but to add something and this is where ... you...you really have to separate your operations and you need people who are closely involved and the membership according to the particular operation but if you were to run a conglomerate, you have got no chance...” (EP).

Building employees' awareness of the co-operative identity relies on their participation in collaborative activities with other co-operatives (local or overseas), and in the community. This participation engenders pride and enthusiasm for the MOCA message. However, merging co-operatives to create operational efficiencies could hinder relationships with members.

4.1.3 Joint rewards programmes

No senior management or international commentator interviewees made reference to this aspect.

4.1.4 Knowledge of the challenges faced by other functions

Some, but no means all, interviewees identified tensions between certain areas of the co-operative and the importance of building bridges between them to implement MOCA (e.g. SP, ZA, PC). These tensions were not so much between functions, but between member-facing elements and those more focused on business objectives (some talked of silos in their organisation). A variety of different solutions are offered for these blockages to be addressed.

A core element of successful MOCA delivery is that employees (and members) feel a close involvement with the co-operative and the decisions it makes. To enable this to happen, it is important that employees have a realistic understanding of the challenges faced by all parts of the co-operative organisation (e.g. EP, SP, QF in particular).

“... I think the [internal] businesses are working together to agree on consistent ways in which they bring MOCA into their processes and practice into their marketing; all being together in this new building will be very helpful...” (SP)

Interviewees accept that there will be trade-offs between the different parts of the organisation to deliver the MOCA strategy and the business objectives, during the process of transformation to a more MOCA oriented culture (ZA). In this credit union example, staff all participate in a mandatory 5-day orientation which takes them off-line, and could therefore reduce the member-customer service experience:

“...and so that [taking people off line] is one of the biggest challenges right now for us...internally...is how can we do all of this without compromising the member experience and right now...” (ZA)

Interview participants are aware of many tensions between the business areas that deal with member engagement and/ or community investment and those that were focused on commercial targets. With the former group often feeling they have to justify their existence (JR, SP).

“It takes community investment dollars, it takes community economic development, it takes environmental initiatives and this all costs money of course, and you need to build the social fabric of communities. So there is that tension... [text removed]...and it’s a very personal opinion here ... but I always feel as though you have to continually prove that our value and what we bring to the organisation from a trust and reputation building perspective... “(JR)

In order to focus leaders’ attention on the co-operative values, one respondent feels she needs to remind her CEO every so often that the primary business objectives are to make a societal contribution, and that the role of money-making within a MOCA strategy is to enable the co-operative to give back to the community (DW), or in the words of their marketing communications to “do good” (ZA). Commercial management is a means of achieving that, and not an end in itself. A key condition for this is that everyone in the organisation understands the challenges in each area, i.e. commercial management and co-operative values, so that these two aspects of the business can support each other (e.g. SP, DW).

“...my leader is great, but he is a CPA, and I remind him, I nudge him and I say ‘your eye is on the scoreboard – it is not on the game’....” (DW)

Interviewees offered ideas on how this gap can be bridged. One solution is to bring both together in one job, for example, QF is responsible for liaising with farmer-members as well as working with HR to increase employee understanding of, and engagement with, the co-operative’s values. However, he cheerfully recognises that

despite the one role, bringing the two sides together is still challenging!

“...my role....I report to two departments...or I am responsible to two departments... so member relations being one of them and HR being the other and... [text removed]....I have not been able to bridge that divide between the priorities of what member relations are looking for...which is really signing up farmers and HR in having then an engaged employee workforce so that..” (QF)

Another way of breaking these silos is to encourage lateral movement of employees within the co-operative; SP aspires to “*spend a year on the road*” helping unit/ store managers understand the co-operative values. However, he is confident that this would be too expensive, so advocates an open-ness to middle management job swapping between these different parts of the business, so that they learn about the challenges faced by each section, as they develop their careers:

“...why are we letting all these people who have a value based commitment, sit in one part of the organisation? Shouldn't the business be saying 'go and work in food for a year... go and spend a year working in food operations'”? (SP)

Another approach is that employees attend members' meetings to observe the priorities discussed; employees will then see that these priorities focus more on their communities and the future than - as may be expected – “*sales figures*” (QF). One large credit union co-operative calls for all employees to identify “*contradictions*” (ZA) whenever they see them in the organisation; this is where the business process seems to conflict with the co-operative values. As these are identified, they are published internally and employees help to address them. The credit union acknowledges that sometimes the contradiction is due to the need to meet statutory controls. Where this is the case, the credit union recognises the

tension, and communicates the reasons for this apparent conflict, so that employees understand, as ZA explains here.

“...they publish it internally for all employees basically to have an insight internet page and it is internal to the organisation and they publish these things on there and now everyone knows of whatever contradictions that we are working on right now...what is the progress towards that...why are those contradictions there...we don't make apologies if for example there is a legislative or compulsory governance related policy in place...” (ZA)

It's vital that all employees are aware of the challenges faced by different parts of the co-operative. Differing objectives around commerce and values caused tensions. Mechanisms for addressing this included: job descriptions that included responsibility for both aspects; career development plans that included job movements between both areas; encouragement to identify and solve 'contradictions' between the co-operative values and its internal business processes.

4.1.5 Summary of findings related to cross-functional coordination and collaboration.

To enable implementation, the MOCA strategy must be coordinated within the whole organisation, and internal silos addressed. Functional silos (e.g. financial objectives, HR's responsibility for employee engagement, units responsible for member relations) and internal tensions are seen as barriers to implementation, and senior co-operative management must develop processes that address this (see e.g. Simkin, 2002; Webb et al., 2005).

Interviewees call for, in particular, policies that enable the mutual understanding of the challenges faced by parts of the co-operative

dealing with members and social goals, and those more focused on business objectives, e.g. financial measures. This would reduce the unproductive confusion that arises from the differing priorities that guide each group's activities (Nakata and Im, 2010). Echoing Piercy (2010), the use of mixed career paths and temporary job-swopping was seen as a mechanism to address this tension, and aid understanding of the MOCA strategy and to therefore influence implementation behaviours.

Understanding of MOCA values throughout the co-operative is regarded as crucial to building this coordination, and internal communication was seen as an important part of achieving this. The focus on internal communication as a crucial influence on employee understanding is in line with van Raaji and Stoelhorst's (2008) conceptual paper. Interview participants did not mention the performance based joint rewards or internal networks that are advocated by Piercy (2010) as aids to developing this understanding. Various communication methods are employed, or advocated, these include: training programmes and workshops, behaviour modelling, coaching, posting pictures of farm families and attending their member meetings. The MOCA message is considered to be complex, and therefore using the right language is vital to avoid confusion and dogma. Management must acknowledge the potential trade-off in which the quality of service received by customers may be reduced as staff are taken off line for training and other activities relating to embedding a MOCA culture.

Although the interviewees made little reference specifically to social cohesion, they valued joint working with other co-operatives and/ or community groups or charities, and saw this as crucial to building the co-operative identity within the co-op organisation. According to Nakata and Im (2010), this helps employees commit to all-encompassing organisational goals and reduces 'silo-ism'. These collaborative activities become joint learning activities (similar to

Ballantyne's (2003) case study), and rely on co-operative specific competences and processes. They have the added benefit of engendering employee pride in the co-operative difference; that creates active ambassadors to represent the co-operative values inside and outside the organisation.

Interviewees saw that the development of processes to support this collaboration creates efficiencies (e.g. credit unions sharing branch outlets). However, they recognised that if this led to organisations merging, there is a danger of a co-operative becoming too large to maintain coordination between its values and financial management. In such a case, the relationship with the member market-place would be compromised, leading to failed or inadequate MOCA implementation.

4.2 Management commitment to the marketing strategy

Management commitment positively influences employee behaviours and the delivery of the strategy (e.g. Ahmed, Rafiq and Saad, 2003; van Raaij and Stoelhorst, 2008; Simkin, 2002). It is crucial that senior and mid-level managers are not only seen to be participating in implementation activities, but also facilitating them (Noble and Mokwa, 1999; Rosier, Morgan and Cadogan, 2010). Three areas are crucial to gaining management commitment to marketing strategy implementation. They are management's trust in leadership support and their involvement in implementation planning, as well as appropriate empowerment and the related training (Babakus et al., 2003; Barton and Ambrosini, 2013).

4.2.1 Trust in senior management decision-making

The interview participants see that successful MOCA implementation requires not only senior managers' understanding of the strategy, but also their leaders' commitment to it. To achieve behaviour changes, this commitment must be visible to all employees. Employee trust in senior management decision-making is vital, as is employee understanding of why and how those decisions are made in relation to a MOCA strategy. Participants recognised that all senior managers face challenges in bringing together the commercial and the values-based parts of the business.

For a MOCA strategy to be implemented it is vital that the MOCA values permeate the whole organisation, influence processes, and in doing so create a distinctive culture that is evident to customer-members (PC, SP, KL). KL sums up the customer response:

"Then they would say, "Hey wait, there is something unique here, there is something different...this organisation actually cares about what I think...they actually want me to participate". (KL)

In the minds of employees this leaders' commitment can be evidenced in many ways, and interviewees gave a variety of examples. In one case the "endless meetings" (ZA), generated both excitement for the future, and anxiety about the implementation of the MOCA strategy (ZA). These meetings were designed to help staff understand the plans for MOCA strategy implementation and to hear their concerns (ZA). In another, the CFO dressed up as an elf in the Santa Grotto – as part of demonstrating his involvement, and the experience appears to have further strengthened his commitment to a values-based marketing strategy (DW). One respondent proudly talked about how the CEO "lives and breathes" the MOCA values, and is seen to do so by staff and customers in the community (ZA). Another referred to their leader's commitment to training all staff in

the co-operative values and MOCA strategy, and the messages around an opt-out arrangement that enables employees who felt they could not work with those values to resign from the co-operative (ZA). Similarly, QF described the current CEO as the conscience of the business, as he/she has driven a lot of investment in communicating with employees about the co-operative values:

“...our new CEO...has been the co-op conscience of [this organisation] and in many ways has driven much of the resources and communications around....certainly internally...why we are a co-operative...what is our co-operative difference...so even within our co-operative values...” (QF)

Statements around co-operative values are complex messages, and interview participants see that it often difficult for all stakeholders to understand how a MOCA strategy can be implemented in the day-to-day business of the co-operative. This therefore requires decision-making by leaders and senior managers, to be clearly seen as informed by the co-operative values (EP, KL). This includes the establishment of performance indicators that drive decision-making, and the related actions, at all levels in the organisation (DW). As a result, the leadership team are trusted to develop and embed MOCA values based processes, it is therefore crucial to recruit the right senior management team (PC, SP, KL). DW emphasises the importance of managers recognising the emotional connection that accompanies financial management in a credit union, and sees these as “*heart*” and “*head*”. For her, the co-operative culture acts as a filter in which bankers will either convert or leave the co-operative:

“The banker ...they come in and they either embrace our difference, or they usually don’t make it.... because they are profit oriented and you know they just don’t think anything beyond that...I call it the head and the heart and credit unions have a lot more heart...” (DW)

Essentially, this decision-making by the senior teams must be based on addressing the unique challenge that co-operatives face; that is of running the business so that it brings together values and commerce (ZA). SP argues that this is achieved when the commercial aspect focuses on members' needs, he recognises that this requires the business to be sustainable:

"...are you aware that working with membership can be really good for your business because you will be able to talk to members about your business and what makes you different?' Marketing our co-op advantage again, and they say 'why are our members interested in that'? My response is, that's why they - hopefully - joined the organisation...." (SP)

To implement the MOCA strategy the leadership must be seen to be unmoveable in their vision and not be distracted by tactical responses to the competition, or new management fads (DW), or products that would exploit any market vulnerabilities (BY). They must have the conviction to stand up for the co-operative values, and plan for their implementation in the longer term, and recognise where "trade-offs" may need to be made (ZA). ZA emphasises the importance of all employees understanding how these decisions are made in the MOCA context:

"... that is why the alignment between culture, and MOCA vision...just the awareness...and the ability to translate and be informed about what are our strategic objectives...you know, you need to be able to speak to that... you need to be able to understand how the decisions that we are making regardless of what area you are in within the organisation...how does this add value and contribute to the brand and to the organisation vision and/or for the strategic objectives...what are the trade-offs that we are having to make..." (ZA).

Other interviewees also warned against a senior management team that directs the co-operative organisation to behave in ways that are similar to the - investor-owned - competition. To stray from the MOCA vision may not be a conscious decision but may be borne

from a lack of understanding the strategy in middle and senior managers. To address this, co-operatives must recruit - and promote - the right type of senior manager; one who understands the business model and is committed to the values (SP, EP, BY, DW). If, or when, this happens, leaders are responsible for “calling foul” and re-dressing the situation (DW).

“...I have also worked for very large credit unions, and I think it really comes down to ...and I know this sounds kind of trite ...but the leader... and I had a really great CEO for a very, very large credit union who was unmovable in his vision; the leader has to call foul if we stray at all on the vision..” (DW)

Leaders must understand the co-operative model, have the conviction to stand up for the values, and focus on member needs. S/he must be trusted to make the right decisions and seen to be involved in the activities around the implementation of MOCA. Senior managers are responsible for establishing processes and performance indicators that align decision-making with the MOCA strategy, and ensuring that sufficient resources are allocated to training all staff in the co-operative values. The senior management team is the conscience of the organisation, therefore it is crucial to recruit the right people to the team.

4.2.2 Middle management understanding of marketing strategy implementation deliverables

Three layers of employees are involved in MOCA strategy implementation: front line staff, middle management, and the senior management team. Although they recognise the vital importance of leaders’ understanding of co-operative values, most interviewees specifically mentioned the role of middle management in this. Its middle managers’ behaviours and decision-making that influences

the actions of the front line employees in MOCA implementation, they must therefore know what MOCA deliverable look like (ZA, JR). This requires a commitment from the leadership team (KL, SP). SP recognises that this requires decisions on the allocation of training resource:

“Which comes back to the whole issue around how much time, effort and money should be spent on training, or ensuring that people at a more senior level have this as part of their role, that is, to communicate and cascade these values [to mid-management]”. (SP)

Examples of supporting middle managers in this way are: coaching around the co-operative values (JR); *‘living the values’* being one of the criteria for promotion and career development (SP); evident engagement of the leadership with MOCA deliverables (DW, KL, DW, QF); an investment in prioritising the cascading of knowledge about the values to middle managers (SP); a mind-set that is cautious of “*snazzy websites*” and instead focuses on ensuring actual MOCA deliverables (EP); recruiting those with the right values (SP, DW, BY) and a wariness of a standard business education (BY, EP). All these create a culture which impacts on a co-operative’s ability to commit to the MOCA strategy. KL emphasises the importance of leaders support for this cultural change:

“...if it is not part of the culture, it is not going to mean much - it has to really start at the leadership...” (KL).

Middle managers commitment to the MOCA strategy impacts on the front-line service delivery. The leadership team are responsible for ensuring managers at all levels understand the co-operative values by investing in processes for: cascading information, coaching, recruiting only those with the right attitude and being wary of a lack of co-operative experience or related education.

4.2.3 Appropriate empowerment and related training

Some interviewees (QF, JR, SP and KL) talked specifically about employee empowerment as a key condition of MOCA implementation. Empowerment enables the required comprehensive service response (KL, JR) as well as internal cultural change and improved understanding of the co-operative model (QF, KL). Personal commitment to the co-operative and its values and training are both pre-requisites for this empowerment (RM, JR). RM provides an example of where her own personal commitment and using her own money, in her dairy co-operative's early days demonstrated MOCA values in action:

"...and for 5 years we did not have a dime...not a dime. I can remember writing cheques - personal cheques - to people when they call in and said "well, my sour cream is bad" so I would send them a \$2 cheque on my cheque-ing account; and I would put it into the expense list and my boss would say "You can't do that", but it sure made a difference to people that I was willing to do it personally..." (RM)

Empowerment supports a culture that prioritises the customers' experience by enabling front line employees to own the issues (KL, JR). A pre-condition for empowerment is not only to recruit people with the right value set but also to have the appropriate training in place to ensure that staff fully understand the MOCA strategy (SP, JR, DW), and feedback mechanisms to manage performance and/ or change processes (to understand how a problem occurred) (KL). JR provides an example from the insurance sector; where front-line staff need the knowledge as well as the power to make decisions that help the client - who is often in a crisis situation - without having to make several internal checks. This enables a quick and empathic response to clients' claims:

"...because if you don't empower those front line people then it is really broken down... [text removed] ... they need to be able to have the knowledge to answer questions and find solutions.

But they also have to have the power to make those decisions because a client generally speaking when he needs help doesn't want to know that you have to call three people to make that right.” (JR)

In one example, employees are given discretion to donate product to local rural events (QF). This empowerment helps them understand the co-operative's purpose and “*who it serves*” (i.e. the rural community). This co-operative also provides training to employees as part of enabling understanding of its purpose (QF). From a differing perspective, JR believes that although training is valuable, it is only suitable where “*the problem*” can easily be articulated, and if the problem is difficult to understand - like the complexity of the co-operative values and a MOCA strategy - an emotional connection to it is needed, and that requires a different type of education (JR).

A management mentoring relationship provides that crucial opportunity to help people develop those connections, and in doing so understand how the co-operative ethos can be embedded in the business service and other co-operative activities (JR):

“ ...being at a co-operative organisation and what that means for you as you do your job every day....like how...what does that mean when you sit down at your desk in the morning at 8.30 or 9.00 or whenever it happens to be when you start work...how is that going to play out in your day... and how does it play with your colleagues ...how does it play out with your boss...how does it play out with your stakeholders when you deal with them every day.... and I think that we need to make...help staff to make those connections...” (JR)

Staff empowerment creates a cultural change, designed to lead to the member-customer service being prioritised. This flexible approach to service needs to be in place for MOCA implementation. An empowerment policy improves staff engagement with the co-

operative ethos, but requires training and feedback mechanisms that improve processes.

4.2.4 Summary of findings related to management commitment to the marketing strategy

Those involved in MOCA strategy implementation form three groups or layers: front line staff, middle managers, and the leadership team. Middle management behaviours and decision-making influence the behaviours of the front line employees in MOCA implementation. Therefore, it's vital that middle managers not only understand what MOCA deliverables look like, but - in line with existing research (Noble and Mokwa, 1999; Novkovic, 2006) - are also committed to their delivery. Concerns were expressed that of the three layers, middle managers were likely to have the lowest level of MOCA understanding (c.f. front line staff and senior managers). Middle managers can be helped to gain this understanding in a variety of ways: e.g. coaching, and cascaded training, leaders modelling behaviours, and job swapping. The leadership team is responsible for ensuring this support is in place.

This management commitment to, and understanding of, MOCA strategy deliverables must be visible to employees, to influence their implementation behaviours. Managers must be seen to live and breathe the MOCA values, and to emphasise their importance to the organisation (this is in line with the market orientation findings of van Raaij and Stoelhorst in 2008). It's important that co-operative employees trust managers' decision-making and understand why and how those decisions are made in relation to a MOCA strategy. The presence of this trust is vital, as the co-op values and ethos messages are complex, and this reflects the findings in Babakus et al., (2003).

Because of the challenges of bringing together the commercial and the values-based elements of the MOCA strategy, the senior team must invest in the development of capabilities, to enable its implementation, e.g. IT systems and training programmes that bring the two together. In addition, they must be seen to be unwavering in their vision for MOCA delivery, so that middle managers and front line staff trust their leader's commitment to MOCA implementation.

Crucial to MOCA implementation is a leadership style that enables employee empowerment. This empowerment requires not only the training and feedback mechanisms that inform internal processes and performance management, but also an emotional connection to the values-based ethos and co-operative purpose. This extends existing research (e.g. Piercy and Cravens, 1995; van Raaij and Stoelhorst, 2008; Rosier, Morgan and Cadogan, 2010) by adding emotional connection to the conditions, e.g. understanding, required for employee empowerment to deliver the marketing strategy.

4.3 Employee identification with the organisation's values and related marketing strategy

Culture influences how employees think and act and therefore must be aligned to the marketing strategy and its implementation (Dobni and Luffman 2000; Hatch and Schultz, 2003; Dobni, 2003). However, debate about how those behaviours are influenced continues (see e.g. Harris, 2000; O' Cass, Ngo and Siahtiri, 2012).

Views on how managers can best enable the appropriate behaviours for marketing strategy implementation differ; some writers call for visible control systems and formalised structures (e.g. Thorpe and Morgan, 2007) and others argue for a culture of empowerment (e.g.

Babakus et al., 2003). The marketing orientation writing, in particular, focuses on behaviours as vital elements in successful implementation (e.g. van Raaij and Stoelhorst, 2008). Ensuring that employee behaviours strengthen relationships with the selected market place requires on-going dialogue with stakeholders, which then informs the organisation's ability to respond flexibly as necessary (de Chernatony and Segal Horn, 2001).

4.3.1 Management style: control systems vs. empowerment

Interview participants believed that for MOCA implementation the management style required a bias towards empowerment policies rather than systems of control (e.g. EP, JR, QF, RM). However KL recognised that empowerment could require a management "*leap of faith*" and its needs embedded processes to review its success. KL describes a credit union's empowerment policy and goes on to explain the need to review the problem, as well as the solution, to improve performance:

"The same credit union, for example, their culture was in serving their members, whoever picked up the bond, whoever made the contact with the member owned that problem, regardless of where it was resolved. So if someone in their call centre or on the front line learned of a problem that a member was having with their mortgage, they didn't transfer the member over to somebody else. They owned that problem till resolution and they made the call to the mortgage department with the member and they became involved in it until it was resolved to the members satisfaction You know, that is how you improve performance, talking about it and asking them is there any other way that you could have resolved this and then kind of let them learn by themselves" (KL)

For all interviewees employee understanding of co-operative purpose and values is a pre-requisite for this type of empowerment (e.g. EP,

JR, QF, RM). EP calls for the avoidance of a “*dogmatic*” management approach to MOCA implementation, and emphasises the importance of creativity in solving problems. RM enables empowerment by communicating MOCA direction as a set of projects. This defining and mapping of goals provides guidance to employees about the actions needed to implement the MOCA strategy. JR expresses concern that her co-operative does not focus sufficiently on providing this direction and guidance:

“...we have got projects and goals that we have to meet...it is just... get it done... and I worry that we don't spend enough time upfront ... thinking about where are we going...is this the actual programme that we need ...or is this the project that we need and spend more time at the front end thinking ...” (JR)

Arguing that a culture of staff empowerment is crucial to MOCA implementation recognises that control systems should be minimised. This requires managers to be confident in the balance between commercial objectives and co-operative values, in day-to-day implementation behaviours, as well as clear mapping of goals, opportunities to reflect on actions, and planning for the future (including how to avoid the re-occurrence of any problems).

4.3.2 Employee commitment to shared organisational values

All interviewees commented variously on the vital importance of employee commitment to the co-operative values in order to implement a MOCA strategy. A policy to recruit (and promote) people who are receptive to the co-operative values is a crucial condition for MOCA delivery. This receptivity in employees supports the development of an emotional connection and personal commitment to co-operative ethos that influences implementation behaviours. For this development, co-operatives need to recognise that: values

should be embedded in how employees do their day to day job (JR); a personal link to the values builds on the right type of training / mentoring (JR, BY, EP, KL); and employee commitment to the values and involvement in co-operative governance and / or community activities aids their understanding of the MOCA strategy (DW, QF, SP, JR, RM). Here, ZA is excited by employees' shared passion for the co-operative ethos, and uses the metaphor that they "*have all drunk the Coolade*":

"...and walking that talk... is just a piece of what you are talking about and again. I don't know if we just all drank the Coolade...or what it is... but if you see...and we encourage this with our staff to share what is...what are you passionate about...what do you do... like do you volunteer...and you would be surprised at how many employees within the organisation truly fit...we are aligned with what this organisation stands for...we are in the community...of our own free will...we are just now talking about it...right...so I think that really set us apart..." (ZA)

In this way, the business activity is authentically linked to the values and offers a distinctiveness that is a competitive advantage (ZA).

4.3.2.1 Commitment to the ethos requires more than simply understanding the values

Interview participants agreed that employee understanding of the values and the co-operative advantage is key to gaining commitment to the ethos and purpose, and therefore to MOCA delivery. However, interviewees' views varied on how to motivate employees to move from simply knowing about the co-operative's purpose to committing to its ethos. Some advocated financial incentives (e.g. QF, EP, BY), as they believed that staff should have "*some skin in the game*" (QF) to motivate them to become more engaged in their co-operative's purpose.

“...they will put the money in and ... [text removed] ... where you have got a successful co-operative people are engaged... they have got to have a commitment and that means putting some money in” (EP)

However, in some interviews, concern was expressed that this approach sent the wrong messages and that employees should choose to become members for the co-operative values, not for financial benefits (SP, DW). When employees are encouraged to become co-operative members and participate in member activities, their understanding of the co-operative values is increased. This leads eventually greater connection with MOCA (SP, JR, QF). SP referred to this journey as a *“funnel of engagement”* (see below).

Other interview participants, with reference to their experience in farmer-owned co-operatives, said that members would buy into the values when they saw the financial benefits of doing so (EP, BY, RM). Research to understand much better how financial incentives influence this commitment would be valuable.

Some interviewees observed that when employees became involved in the co-operative’s community events and activities they became more committed to the values (e.g. DW, JR). One respondent suggested that employees should attend member meetings to aid their understanding and consequentially their commitment (QF). Others called for behaviour modelling by management, and/ or cascaded coaching and in-house training to build understanding and commitment (SP, ZA, JR).

Evidence of this commitment to the co-operative ethos includes: that employees enjoy their job (DW); that they volunteer for community events (DW, JR), and that farmer-members take responsibility for their own co-operative brand and participate in community events (RM). This demonstrates the co-operative values in action, and is

good for business. DW emphasises the role of this excitement about coming to work, as part of the commitment to MOCA values:

*“...but...I feel that the people who really get it enjoy their jobs ... I don't believe work should be drudgery and the credit union has such a great story and mission, and I know my team, anyway, have said that they are excited to come to work...”
(DW)*

Similarly, JR focussed particularly on the need for an emotional bond with the co-operative values and purpose, saying that if the workforce of 5000 were inspired about our values, and living them, they would all become ambassadors representing the MOCA strategy. She offers herself as an example of someone who feels this bond:

“...people may love or hate me but I am constantly talking about it...and maybe people are sick of it, but I can't help myself...because I feel incredibly proud to work for this organisation and I feel an incredible obligation to give back to other people ...” (JR).

4.3.2.2 Building the member-employee engagement funnel

There is a range of levels in which the member-employee engages with the co-operative and most interviewees were keen to see this engagement increase (e.g. SP, QF). SP called this employee journey a *“funnel of engagement”*. It starts with an awareness of the MOCA strategy (via training, behaviour modelling, etc.); moves on to becoming a member (if not already), understanding and supporting the co-operative values. The next step is a commitment to the ethos, and proactivity such as involvement in co-operative governance, and community activities. Part of MOCA implementation is to encourage member-customers and member-employees along this *“funnel”*. SP expressed his frustration at what he saw as missed opportunities in

the past, to build member engagement, despite knowing that this would contribute to achieving MOCA deliverables:

“... [the leadership team] are finally getting the fact that members are loyal customers. But once they [members] become commercially loyal... then what do you do with them? Do they just stop there... or do we then want to bring them up the funnel to actually get more involved in the businesses and the organisation?” (SP)

This journey of engagement - which is part of MOCA implementation - requires employees to understand what members value (BY). EP calls for organisational planning and systems, to capture customer-members' views (EP). Both EP and BY express concern that co-operatives fail to invest in these areas; as EP says:

“...we look at it from the members point of view and the trouble is ...most planning is done from an organisation point of view so you know these are very, very basic things... but you need a set of systems [to capture member views]” (EP)

These comments refer to the importance of the balance between investment in activities that promote business and serve the commercial needs of the organisation, and those that are focussed on building member-customers' and employees' understanding of the co-operative value set. One of the aims of a MOCA strategy is that the two are aligned and support each other (e.g. ZA, JR, SP).

4.3.2.3 Staff recruitment and promotion policies

Crucial for MOCA implementation is the recruitment and/ or career promotion of staff receptive to co-operative values (BY, KL, DW, SP, PC). In one co-operative example, one of the eight criteria for promotion is evidence of how the candidate lives the co-operative values. However, the respondent (SP) criticised this for not being

sufficient evidence; he emphasised his concern with the phrase “*only one of eight!*”

“In the interview process we measure people against a list of competences, but again only one of the eight is co-operative commitment, ‘do they live and breathe our values’. Only one of eight... one of eight... is that enough?” (SP)

At front line level, it is more challenging to change employee mind-sets to align with MOCA behaviours, than to train recruits to do a job, e.g. credit union teller (DW, KL). Applied at all management levels, this policy changes the organisational culture and contributes to the creation of a co-operative identity; this is core to MOCA implementation and enables differentiation from competition in the sector (KL, PC). PC blames the UK’s Co-operative Bank’s downfall not on the co-operative model, but on a recruitment policy that did not require senior management to have an interest in, or connection to, co-operative values:

“..the malady wasn’t the business model ... the malady was the lack of connection to democratic principles and process...[text removed]... in terms of hiring people without any connection to co-op principles, having upper management that at some point did not understand that the co-op principles are the co-op ...you know ...there is political potential for that and if you ignore that then you ignore it at your peril ...and you will quickly move into the short term product gain and increase the gap and ignore what makes the co-op model actually so successful.” (PC)

4.3.2.4 The influence of training and education on MOCA delivery

Some interviewees expressed concern about the dangers of a “*normal business education*” (BY) and /or MBA, as these graduates find it very difficult to adapt to the co-operative model, and can therefore hinder MOCA implementation (BY, EP). BY’s co-operative

provides consultancy to member co-operatives, and he is concerned about the negative impact that such a graduate could have:

“... and you them into this kind of thought process... that’s how long it takes, I think, before they are really singing.. but having said all that we are really careful about the people we take in... so they have a core value set. I mean you take a standard MBA student who hasn’t got a core value set and my god... and stick them inside a co-operative and see how much damage they can do!.... you are mentoring them for ages...before you will let them out!” (BY)

Internal training, however well it explains the co-operative values and MOCA strategy, is insufficient to ensure the understanding that leads to commitment to the values. JR emphasises how employees must be involved in the community work, as this will influence their behaviours when interacting with all stakeholders, including customers and other employees.

“..you can design the most wonderful educational course on co-operatives ...let's call it co-operatives 101 and ask people to sit down and look at their computer screen and go through the module... and I am sure that they will and there will be a retention of information no doubt... but I don't know that that is an inspiring experience...[text removed] ...and I think those [being involved in the community events] are the moments that inspire us ... [text removed].....and touch it and feel it... because you know ...it is intangible otherwise” (JR)

MOCA implementation relies on employees’ shared commitment to the co-operative values. This is more than simply understanding them; it requires an emotional connection to the co-operative advantage. This connection is developed when employees participate in community and governance activities; in this way they become inspired to be ambassadors for the co-operative ethos and purpose.

4.3.3 Internal sharing of market information and intelligence

Continually improving and sharing knowledge of the community's and the member-customers' needs and expectations, is a core requirement of MOCA implementation (e.g. ZA). This needs a particular focus on understanding the future and longer-term needs, threats and hopes of the community served (i.e. stakeholders, potential members and customers). This includes knowledge of their decision-making (e.g. as an individual or family), and how best to communicate (e.g. use of language), as well to monitor the changes in the community (e.g. migration). A CRM-type system for capturing this information (usually via front line staff) is essential; this will store and share the information in order to inform decision-making in implementing the co-op's MOCA strategy. There will be tensions, and decisions required to address the inevitable trade-offs. Therefore the data gathered must be appropriate to enable support for a MOCA strategy. ZA provides an example from her credit union, where to ensure the IT architecture is designed to achieve this internal communication, the involvement of middle managers from all parts of the organisation, is required.

4.3.3.1 Potential resource tensions and trade-offs

Balancing member and community expectations with commercial needs is crucial to MOCA (EP). Decisions as to how much to centralise business operations with the attendant danger of damage to the customer-member relationship, are part of this debate (PC). However the “*endless meetings*” are in danger of - albeit temporarily - drawing staff away from serving customer-members, and therefore reducing the quality of the service experience (ZA):

“... seeing what we have been going through and the tremendous toll that it has been taking internally on our staff and how that...I mean it is not necessarily felt in the external communities but

it is felt ...because the members are waiting longer to get service and because there is no...we are really challenged on the staffing on the front line right now ...” (ZA)

4.3.3.2 Gathering data on member and community needs and expectations

In order to serve customers in a way that aligns with the co-operative values interviewees were clear that a MOCA strategy must be one that truly meets customer-member needs and does not rely on “*pushing product*” (BY) to a market place that may have a vulnerability to be exploited (BY, PC). As part of a MOCA strategy, a co-operative must genuinely understand the pressures that members and their community do and could face, and work to offer services that help to address these (BY, EP, QF, DW, PC, ZA). BY emphasises the importance of co-operative embedded resistance to taking advantage of members’ needs:

“... we would say that the thing that sets us apart is that we would never ever...like never...take advantage of the vulnerability of any member ...” (BY)

However, concern was expressed that too many co-operatives failed to invest sufficiently in understanding these needs and expectations effectively (BY, EP, RM, PC). ZA’s credit union has recently developed a CRM-type system to capture customer-member information to support relationship building. ZA highlights the importance of the role front line staff play in this, as well as getting these insights correct:

“...so in terms of informing because the strategy needs to be...if we are truly going to serve our members needs we need to be led by those insights....not by what we presume we need to do and how we need to show up and so that is why it is being driven... sort of from the bottom up...right... so from the front

line we inform...we provide insight...the challenge right now is how do we measure the accuracy of those insights. (ZA)

Examples of other data collection systems in place, included: a “*working mum filter*”, which is an internal focus group that represents the member-customers’ views (DW), and comprehensive member surveys where the text responses were regarded as especially valuable (BY). DW emphasises the value of her credit union’s internal focus group for coming up with ideas that engage their community such as Santa Grotto photographs:

“We would never have thought of pictures with Santa had we not had the working mum filter... You know we can’t think in a vacuum and come up with clever ideas. This made sense; the client-member response has been positive and heart-warming”. (DW)

Others co-operatives rely on the member delegate representation system, AGMs and similar.

4.3.3.3 Actions demonstrate the co-operative values to all stakeholders

Messages about the co-operative values are key elements in the promotional material such as websites, in-store signage, etc. Members and prospective members, as well as employees, will better understand the co-operative model by its interactions with its communities (DW, JR, ZA). Although this often includes writing a cheque to support a charity or local event (e.g. DW, JR, QF), the most important message is one that demonstrates that the co-operative cares about the community and engages with it, e.g. events like the Santa Grotto, child car seat fitting, donating product to local events, financial awareness workshops. These activities are the co-operative values in action; not only do they aid understanding about the co-operative ethos, they also build reputation inside as well

as outside the organisation (e.g. DW, JR), This builds loyalty and so brings commercial and community benefit together in MOCA delivery, in doing so this supports not only the local community, but also the development of an employee attitude that cares about the community that the co-operative serves. DW stresses the importance of these co-operative values in action as a means to engage employees with the MOCA strategy:

“And why anyone should care; and whenever I get that argument from another credit union person my answer is always....”what have you done to make them care”....” (DW)

MOCA implementation must meet member requirements and expectations, and not exploit perceived vulnerabilities in the market place. This requires knowledge of what members value, as well as future changes in member lifestyles and community needs. Mechanisms for capturing this information include: members’ forums, focus groups, interactions in call centres and branches, and member-customer surveys. To store these datasets, co-operatives are developing co-op-specific CRM systems. However, developing new internal processes is resource hungry and this requires trade-off decisions. The marketing function has a role in the communication of the co-operative identity internally as well as externally. Community-based activities raise awareness of the co-operative values and build a direct connection between all stakeholders; this aids internal sharing of intelligence.

Some concerns were expressed about the political connotations of the term “*co-operative*” within both internal and external audiences. Both international commentators stressed that overall membership was against funding party politics (NH, EP). Interviewed in May 2013, NH comments that the UK Co-operative Group is now giving less to the UK Labour party than in the past, and implies that this change is in response to member lobbying:

“... in the press this week [Co-operative Group] have said that we are not giving as much to the Labour Party ... and there are a lot of co-operative members who don't like that sort of funding being done. If you go to the membership meetings that is one of the questions that people raise.” (NH)

Another participant (RM), who is based in the US, aims to circumvent these political connotations in both her internal and external communications. RM avoids using the word “co-operative” and, instead focuses on farmer-owned and community-based messages:

“...we always say that we are owned by the farm families...we do not use the word “co-operative”... [text removed].. ...I say this line enough to be boring about it... but I think co-operative has a connotation of a Commie plot in a mature ear or age group, and our consumers are older...” (RM)

4.3.4 Summary of findings related to organisational culture that is aligned with the marketing strategy

MOCA implementation requires a bias towards empowerment policies rather than control systems (this runs counter to Thorpe and Morgan's 2007 findings, in which the need for control is emphasised), and requires a management leap of faith, as well as processes to review its success (KL). In order to encourage creative solutions in day-to-day MOCA implementation, a dogmatic approach to internal communication should be avoided (EP). Opportunities must be created for mapping of MOCA goals and communicating MOCA projects to employees (RM), reflection on actions (KL), and planning for future MOCA implementation (JR).

MOCA strategy implementation benefits from the employee having an emotional connection with the co-operative values, over and above simply understanding them. This connection guides how the

values are played out in the jobs employees do, and applies to all decision-making in the organisation, not just for those in client-facing roles (e.g. JR, SP). Therefore, echoing Punjaisri and Wilson, (2007), it's vital to establish a policy of recruiting and promoting people who are receptive to not only understanding but also connecting with the co-operative values and ethos, as this will influence their behaviours to align with MOCA implementation.

A “*funnel of engagement*” (SP) is proposed, in which employees are encouraged to first become co-operative members, and then progress to increasing involvement with co-operative governance and/ or community activities. Although there is consensus that involvement in co-op/ community events contributes to further engagement with the MOCA strategy, it's debatable as to whether financial incentives are an appropriate means to encourage membership. It is likely that these events offer opportunities for internal relationship building between functions and hierarchies as recommended by existing research (e.g. Sashittal and Jassawalla, 2001; Ballantyne 2003; Chimhanzi and Morgan, 2005) and seems to be similar to the socialising that Harris and Ogbonna (2011) refer to for encouraging employee adaptation to cultural norms. Interview participants expected employees at all levels, not only senior management or brand champions, to be responsible for encouraging their colleagues' commitment to the co-operative values. This echoes researchers' calls to encourage employees to be passionate about what the organisation stands for (Cespedes and Piercy, 1996; de Chernatony and Segal Horn, 2003).

Knowledge of member-customer and community needs, hopes and expectations is vital for internal understanding of the member value proposition and the longer term planning for MOCA delivery. This - as found by Gebhardt, Carpenter and Sherry (2006) - requires systems and processes to capture and internally share this information. However Gebhardt, Carpenter and Sherry (2006) focus

on the external market place. The concerns expressed in the co-operative-based empirical data highlighted internal communication and, in line with the extent literature (Punjaisri and Wilson, 2011; King and Grace, 2012), recognised the value of a very personal commitment to the co-op ethos in influencing MOCA behaviours. Although training in co-operative values and purpose is important, a normal business education is likely to hinder MOCA delivery. Some concerns were expressed about potential political connotations of the term co-operative, and it is unclear how much or whether this impacts on the organisation's culture, and therefore the MOCA delivery mechanisms.

Leaders need to be aware that driving the cultural changes required for MOCA strategy delivery requires resource trade-offs, e.g. information sharing takes time, and taking employees off-line for this training is likely to reduce service quality. However, these decisions communicate organisational commitment to MOCA, and therefore potentially lead to employee actions that demonstrate co-operative values.

4.4 Internal processes and competencies

The implementation of a marketing strategy relies on a set of organisational competences and processes (e.g. Piercy 1998a and 1998b; O' Driscoll, Carson and Gilmore, 2000; Sashittal and Jassawalla, 2001).

Moller (2006) argues that as they play such a key role in effective marketing implementation, there is an urgent need for research into how customers create value from a firm's complex offerings. According to the literature, competences and processes must align with; team and group responsibilities, communications structures,

and reward systems (e.g. Ahmed and Rafiq, 1995). There is an emphasis on performance measures, rewards and incentive programmes, and calls for the involvement of customers in the process re-design (via feedback mechanisms) (O' Driscoll, Carson and Gilmore, 2000; van Raaij and Stoelhorst, 2008; Dibb, Simkin and Wilson, 2008).

4.4.1 Competencies as inputs into the marketing strategy implementation process

EP stressed that although the co-operative values inform the co-operative ethos and its identity, they do not provide guidance about the competencies that need to be in place to implement a marketing strategy based on societal contribution. For all interviewees, the key competences required for MOCA implementation related to ensuring the business's connection to the co-operative values. They see such competencies as inimitable, and therefore as a means to differentiate a co-operative from its competitors, and provide commercial sustainability. BY refers to these co-operative specific competencies as "*ploys*", and sees them as enabling MOCA strategy to differentiate the co-operative's offering:

"And the best one is in strategy...if you look at various elements of strategy...competitive strategy...one of them is 'ploys'... where you develop things and tell them to the [co-operative] organisation that other organisations can't understand..." (BY)

Interviewees recognise that internal stresses exist, and a crucial MOCA competency is the ability to address tensions between commercial objectives and co-operative values. Implementation requires the co-operative to act in a way that brings these two together. This requires a clear articulation of the MOCA strategy

from the leadership and management, and an awareness of the importance of avoiding a tactical response to competition in a way that may lose sight of co-operative identity. To support this, leaders need to be educated in the co-operative ethos and purpose, have a sound understanding of the member's value proposition, and be committed to the co-operative values.

Decision-making that takes account of the MOCA strategy can influence investment in co-operative specific IT systems (ZA, EP), strategies for collaboration with other co-operatives and organisations with a similar ethos (BY, DW), and social media plans (NH, PC, QF, ZA). For example, PC calls for co-operatives to investigate how they can use social media to grow young people's engagement with co-operatives and their societal values (social media issues are addressed in more detail in 4.4.1.5 below):

“... [youth] spend... [text removed]... a fair bit of their lives on some form of social media and if co-ops are inherently more social ... how have we engaged around that how do we work effectively with that particularly with the new generation?” (PC)

The competency themes that have emerged are: leaders' decision-making to be aligned with the co-operative values (QF); the ability to address conflicts and trade-offs between business service requirements and co-op values (ZA); sound understanding of the member value proposition (including feedback mechanisms in place) (BY, SP); collaboration with other co-operatives including unified messaging (RM, DW); IT systems that support the alignment of values with service delivery by storing information about members' lifestyles, pressures, and longer term plans (ZA, RM, BY); and the use of social media to, in particular, relate understanding of the co-op values and purpose to young people (NH, PC).

4.4.1.1 The alignment of leadership's decision-making with the co-operative values

Some participants expressed concern about co-operatives focusing too much on a strategy for business growth and, as a result failing to prioritise co-operative values (EP, DW, BY, PC). They gave examples where, to replace a retiree imbued with the ethos, co-operatives had hired leaders who had no relationship with the co-operative values, and limited understanding of the business model and co-operative purpose. This can result in a focus on short-term gain that leads to profit taking (EP, PC). For PC, this is unethical behaviour that disregards the values that form the co-operative advantage:

“For me it revolves around that longer term needs of members versus short term financial gain and decision making which the shorter that cycle is the more likely it to lead to profit taking and unethical behaviour.” (PC)

According to EP, where senior managers are unaware of the co-operative agenda, they set objectives that are akin to those in the investor-owned sector and seek further growth by acquisition. He gives an example in the agriculture industry, in which the new management decided to buy a food processing business:

“... but again there is a lot of work to be done to get people to understand... because a lot of the trouble is that say in agriculture but when they get to a certain size they hire somebody in ... and who does not understand the model and then he starts taking them off and he wants to...I have seen them do it and they want to buy a lot of food processing businesses and so forth...the members can't control it because they are in different markets that are beyond their understanding...” (EP)

Such new managers usually don't understand the co-op's membership structure, and the significance of shared values. As a result, they can lose control (EP) and, as EP goes on to comment,

the co-operative is demutualised, and becomes an investor-owned firm:

“...and then within two years, it is converted into a company... [and] ...demutualised” (EP).

Competition in certain industry sectors could create a pressure that overwhelms the co-operative ethos. In order to avoid leaders unconsciously undermining MOCA-focused competencies, interviewees - KL, ZA, DW, BY in particular - call for long-term leadership education that is based on the co-operative philosophy. This type of education will help leaders embed the shared co-operative values that are so crucial for MOCA delivery. KL has completed a Masters in Co-operative Management at St Mary's University in Canada. He felt that because his management studies had been in the context of the co-operative philosophy, and alongside other managers from co-operatives in a range of industry sectors, his resilience in maintaining the co-operative values in the face of competition in his sector, had been strengthened:

“...what I like so much about the St Mary's programme is because it really does drive home through meanings and through interaction with the cohorts, that there is a shared philosophy across whole sectors. It is not unique to credit unions, it is not unique to purchasing co-operatives, it is not unique to any particular sector but if you don't ... if there is not a long term education channel for future leaders, that the pressures of competitiveness against industrial organisations is going to overwhelm the philosophy” (KL).

4.4.1.2 Addressing tensions in MOCA implementation

Providing a service aligned with co-operative values requires additional resource and therefore trade-offs; e.g. the extra time in the call centre, or branch office, to explain the values to customers, or

the financial literacy workshops, or working with members to guide them in achieving their financial goals (ZA, DW, KL). This work, as well as training staff in the MOCA strategy, takes them off-line - at all levels - with the danger of reducing service quality; it also takes resource and therefore impacts on financial surpluses (ZA). ZA recognizes this tension, and is aware that others in her co-operative do too. Although confident that the planned changes will become a core competence, and in the longer term, transform the co-operative to a sustainable business model, ZA is concerned about juggling these conflicting pressures during that change period. As she says *"...the concern right now is let's get through this in the best way possible"* (ZA).

In his interview, SP recalled the adverse publicity in which pressure selling and cost cutting at Co-operative Funeralcare in the UK had been revealed by a Channel 4 Dispatches investigation (see also <http://www.channel4.com/info/press/news/co-operative-funeralcare-apologises-after-dispatches-investigation>). His view was that this could not have happened if business processes had been designed to incorporate co-operative values. SP emphasised the importance of helping employees understand the co-operative values as part of their business training, so that they can better understand any tensions between commerce and values. Employees should be able to advise customers on the best products, in an open and honest manner that prioritises what is best for the customer, rather than following a set of processes linked to short term business objectives:

"... to say this is not the right product for you despite the fact that you say you want it. Ideally that could be implemented across the business as part of staff training.... it would be that, rather than saying simply 'this is the process you must follow', employees would be helped to understand that by following this process 'you will live the values of openness and honesty'" (SP).

Other participants (e.g. JR, ZA) expressed concern that as some internal processes within a regulated sector, such as finance or insurance, are inflexible, this could appear to conflict with the co-operative's "*true nature*" (JR) of doing all they can to help customers (who are all members). They therefore call for diligence in ensuring that employees understand these tensions, and can explain the reasons for this inflexibility to member-customers (ZA). Like the competition they need "*to make money*" (ZA), but unlike the competition they believe that this should not happen at the expense of serving customer-members. For JR, bringing together insurance processes and co-operative values in the service offering is a MOCA competency that differentiates her co-operative from others, i.e. non-co-operatives, in insurance. For example, her co-operative nurtures a culture of being empathetic when dealing with claimants, recognising that for the customer-member this may be one of the worst times in their life. JR believes that pursuing a policy of looking for ways to cover, and not to decline, claims "*sets us apart*" (JR), and at the same time this has proven to be good for generating further business.

4.4.1.3 Sound understanding of the member value proposition.

The co-operative advantage is not an automatic result of embedding the co-op values; it requires listening to members to learn what activities are of value to them (BY, SP, RM, DW). This - which BY refers to as "*the member value proposition*" - informs the co-operative's strategic direction and the development of related competences for MOCA implementation. Participants (e.g. BY, EP, RM, ZA) highlight the importance of managers and leaders being able to internally communicate - with conviction - the co-operative value proposition. For example, RM comments that all co-operatives should be – but often are not - clear about their purpose and what business they are in. In the case of her co-operative it's "*keeping*

dairy farmers farming... not selling cheese" (RM). Without this clear articulation, the commitment of members and employees will be undermined and MOCA implementation damaged (BY, RM). Leaders and managers usually know the co-operative's purpose well, but often fail to articulate it (EP, JR). RM agrees, and emphasises the importance of clarity of employee understanding, about the co-operative's purpose, and the value proposition for members and member-customers. So if a member were to ask:

"What is in it for me? ... and the Co-op is going "I can't be really clear what is in it for either of us"...so the bigger issues to me are clearly the purpose and 'what business are we in?'" (RM)

Further problems occur if co-operatives cannot - or do not - measure the member value proposition, or assess and monitor how it might be changing (BY). As part of its consultancy service, BY's co-operative develops tools, and teaches techniques, to help agricultural co-operatives do this. ZA provides an example where, in her credit union, feedback about the financial advice given is collected from customers (she refers to them in the quote below as *"the public"*). However, it's worth noting that to do this well requires extended call time, and she questions the impact of this *"doing a very good thing"* on the business's sustainability:

"... call centre [staff] were measured on all of these aspects, so from an operations point of view... from the public's perception we are doing a very good thing ...and it feels good...but how do you create that alignment between feeling good... and actually doing the right thing from the business perspective..." (ZA)

A key competency for the development of customer-member value is to ensure mechanisms are in place to enable the customer-member's views to be heard by management (EP, SP, BY). The emphasis should be on encouraging feedback from members (employees and customers), not simply inviting it (EP); and

guaranteeing that it will proactively inform change and drive improvements. Co-operatives have to find ways to gather information about their market place, and how a difference can be made in their community (ZA). This includes creating and maintaining a dialogue with members that enables them to contribute to decision-making (SP, EP). EP calls for a system of local envoys who would, for example, be available at the local co-operative store. This need not be a manager, just someone who is there to discuss an idea, a complaint, or an observation. This envoy would have a direct communication line with a higher tier, and would be a sort of local representative, who knows that he/ she is going to be listened to (EP). This would enable a dialogue between customer/ member and co-operative, and would enable co-operative decision-making to better reflect what members and customers value:

“... you have got to find your way to contribute to the decision making...for members to contribute and there to be a real dialogue...and I mean what I would like to see is what I would call local envoys who - if they were somebody I knew was available at my local shop” (EP)

Keeping the value proposition for customer-members in sight is a key MOCA competency that helps to defend against the danger of being too focused on the sector competition (RM, BY, PC, DW). One of the outcomes of a MOCA strategy implementation should be that customer-members engage in a dialogue that is much more than a simple economic transaction, and this requires the co-operative to be relevant to its members and the communities it serves (PC).

“... how do you increase engagement with your members so they are more committed to working with you, how do you anticipate where their next needs are, how do you respond to their future needs, how do you make yourself relevant in more than just the simple... the economic transaction?” (PC)

A large part of this co-operative value proposition is contributing to the community in line with co-operative values. The related MOCA competence is working out how to do this effectively, i.e. in ways that inform the co-operative's strategic direction, and make things better for people (DW, BY, PC). For DW this is the co-operative's responsibility:

“That is our responsibility...I believe that is really our duty to figure out how to do it ...I look at our products and services as basically a means in which we make money so that we can give back to the community. It is not just for profit that goes in our pocket; we pay the bills with it but then we also spend a lot of money giving back to the community...” (DW)

However, for many it remains a challenge to find the best ways to engage with their community, in order to learn what the community values now and in the future. PC's comments here exemplify the concerns that many interviewees expressed:

“...how do you increase engagement with your members so they are more committed to working with you, how do you interact where their next needs are, how do you respond to their future needs, how do you make yourself relevant in more than just the simple... the economic transaction?” (PC)

4.4.1.4 Collaboration with other co-operatives.

Co-operation among co-operatives is one of the co-operative principles (based on putting the values into action), and some participants (e.g. BY, DW, QF, KL) saw this as a significant part of MOCA delivery. In their view, co-operatives must work together to develop competencies in bringing together the co-operative values and commercial thinking, in order to ensure the survival of the co-operative model. They cited a variety of ways of working together; e.g. regional small food-related businesses working together in the

supply chain with local co-ops to secure retailer-customers (BY), local co-ops in different product sectors campaigning together about the co-operative values message, or different credit unions sharing their branch network (DW, RM). Another, cited by KL, is the joint development of MOCA marketing materials that can be customised by different credit unions to save development costs:

“... assemble a variety of marketing materials that are in template format where you know, maybe 80% of the content is already written but it has some capabilities to be customised for each individual credit union and we will put those materials out on the Internet so that multiple credit unions can access these materials simultaneously as a library” (KL)

One example of working together is where credit unions in the US recognised the opportunities presented by the Bank of America decision in October 2011 to charge a monthly fee on debit cards (DW). This gave rise to a campaign that encouraged bank customers to move their money to credit unions (e.g. New York Post, 2011), and provided an opportunity to communicate the co-operative values to potential new customer-members. Working with other credit unions to create and promote what came to be known as Bank Transfer Day, is a core MOCA delivery competency. In DW's co-operative, this campaign developed into the “*Keep it Co-op*” campaign that included all the credit unions - and some other co-operatives - in Northern New Mexico. It laid the foundation for the development of “*shared branching*”; this is where customers can use each other's credit union branches:

“...but the Keep it Co-op campaign also includes all the credit unions in Northern New Mexico. We all market together now under that mantra. It's great when we can bring in a grocery store, pre-school, and a beer co-op, that's lovely because I love beer....but it is also....The credit unions are now marketing together under that Keep it Co-op campaign...one of the big things that I pushed for [our credit union] to do is shared branching...” (DW)

Other interviewees talked about collaborating with local government and municipalities to help local communities and this in ZA's words "*speaks to our MOCA strategy*". ZA gives an example, in which the credit union has developed financial programmes that support people in "*going green*" (ZA) by linking loan products to home energy, sustainability around housing, and reducing carbon footprint:

"... a lot of the type of work that we are doing to improve our local communities requires cooperation and participation with our local municipalities or our government...we do have to partner with a lot of the Crown corporations and so...you know...home energy...the environment and whole sustainability piece around our housing... trying to reduce our carbon footprint..."
(ZA)

Similarly, JR's insurance co-operative works with police and fire services at community events helping local people fit child car seats. However as ZA warns, co-operatives need to ensure that sufficient resources are allocated to each collaboration project, and to prioritise the projects pursued based on the co-op's purpose. This requires the ability to recognise where organisational areas are faltering or are vulnerable due to insufficient resources:

"...collaboration is great...I think collaborating all at the same time given the fact that the organisation is going through so much change all at the same time ... was probably not one of the smartest ideas of learning that we can take forward from this...is picking and choosing what we need to collaborate on...how we need to do that and for what purpose..." (ZA)

4.4.1.5 IT systems, apps, and social media.

To support MOCA implementation, it's vital to know about members' and customers' long-term hopes and expectations, and to understand how their communities are changing. Capturing this

information requires a dialogue and aids the development of stronger relationships with the community. This informs the detail of the MOCA strategy and its implementation. Co-op specific CRM-type IT systems have been and are being developed to capture and store these data sets (e.g. DW, ZA). This is particularly of interest in the credit unions (where all customers are members).

One participant emphasised the importance of having a full conversation with loan applicants, in order to “*hear their story*”, to help applicants for a loan (DW). They have an IT system that captures this information, and consequently, when member-customers apply for a loan, DW’s credit union is able to draw on more evidence than simply a credit score. Another credit union stores the information about a member’s personal ambitions, and “*their dreams*”, in a CRM type system in the call centre, which they call a Member Relationship Management system (ZA). This enables the conversation to be followed up on by the call centre or other staff based in a branch:

“...we want to be able to have a customer relationship management wall that gives us...so if a member walks into a standalone branch we would be able to see what is their total relationship with us.” (ZA)

The call centre and branches try “*to share community impact stories*” and, in this way, the credit union does what it can to connect member-customers with community groups that may be helpful to them (ZA). This knowledge informs the organisation’s activities at a community level.

Other IT systems include that for shared branching; this is a technology that enables collaboration with other co-operatives to serve their customers. This was driven by feedback from member-customers, and is seen as an example of a MOCA strategy influencing IT investment to deliver business benefits (DW). Another

is the use of apps; RM has developed a “*gratitude app*”, which enables her dairy co-operative to thank farmer owners for volunteering in their community. For RM, this recognition of their contribution supports MOCA delivery:

“... we have built an app where we can reward volunteers by logging their time and post to Facebook. But that has nothing to do with co-operatives directly, but it sure really has a great deal to do with one of the co-operative principles; that is attention to community. That commitment to community has been a drumbeat for about 7-8 years” (RM)

Understanding how co-operatives can engage young people is a vital competency that still needs to be developed (PC, ZA, NH, QF). Both PC and NH comment on a new generation, i.e. millennials, who are seeking a values set that represents more than merely financial gain, and both see this as presenting an opportunity for co-ops to engage around their community, and make a contribution. NH talked about young people’s enthusiasm for developing co-operatives in order to make a difference in their world:

“... these volunteers...young people learning how to do it so that they can go and develop co-operatives and it was just a lifetime experience to be helping us...it was amazing ...it was just so participatory ... absolutely amazing ... [text removed] ... it is about making a difference...” (NH)

PC expresses concern that this represents a vital part of future MOCA implementation, but has not yet been considered sufficiently:

“... but I think that is one area where we haven’t done....had a good serious look particularly where the youth are at, to some extent there is some talk out there about you know about youth ... looking for a different kind of values ... [text removed] ...but I think there is a piece of work to be done on engagement around social media ...and if we are looking at the MOCA difference in the future, how does social media influence that because if engagement and communication is happening its primarily through those ...” (PC)

Social media and/ or app development could provide platforms for mentoring and sharing information about the co-operative values and ethos (PC, NH, ZA, RM). Most board members are well above the average population age (particularly in the rural areas) and this may be the reason for insufficient attention being given to the opportunities to target young people, as part of a MOCA strategy (PC). However, this is an area where co-operatives could develop distinctive competencies that encourage the younger generation to engage with the co-op values (PC, QF, NH, ZA). Some participants (PC, ZA, NH) called for research into understanding how co-operatives can work with young people in this way.

Addressing the tensions and stresses caused by bringing together MOCA values and business objectives requires co-operative specific competencies. These include: trust in leaders' and managers' commitment to the MOCA strategy and evidence of their related decision-making and resource allocation; mechanisms to gather information about customer-member expectations, and competencies in converting that to MOCA deliverables; employee understanding of - and connection to - the shared co-op values that guide actions. These competencies then become inimitable "*ploys*" (BY) that enable competitive advantage.

The development of, and support for, these competences requires leaders to be educated in how the co-operative can benefit from its differentiated identity when competing in the market place, e.g. collaboration with similar organisations, resource allocations and trade-offs; investment in training and internal communication to aid employee understanding of co-operative values and member expectations (this enables empowerment and increases engagement with external stakeholders e.g. young people, local community events); processes to address the tensions and mechanisms that

capture customer-member feedback and guide actions; and effective use of IT systems.

4.4.2 Processes to measure marketing strategy implementation competencies.

Most interviewees commented on the importance of measuring MOCA implementation success, and to inform decision-making. However this took different forms. In most cases, these were member and / or customer surveys with a mix of text-based responses and quantitative scores. All emphasised that MOCA success is not just about sales figures or membership growth (while recognising these have an important role). Member engagement success was measured by some in the form of participation at the AGM (ZA, PC) and strong democratic competition for board member positions (QF, PC). In this example quotation, QF explains his view that strong competition for delegates' places is a sign of a healthy co-operative democracy:

"... and we are very lucky here at the co-operative...I would say we have a fairly healthy democracy... and democratic function so incoming directors are challenged by incoming...up and coming directors... so you have always got competition for places to be delegates..." (QF)

Many interviewees made reference to surveys and similar measures of the perceptions of members and customers, as a means to assess the success of MOCA implementation. These usually sought to capture member-customer views on communication about the co-op model, the reasons that member-customers sign up or stayed loyal, as well as their "*willingness to recommend*" accompanied by a more open ended question that asks for the reasons behind this rating (BY, DW, JR). This quote from DW represents the views of many

other participants; they found the text responses to be more valuable, and thought provoking, than the numerical scores:

“This survey is called “the Net Promoter’s Score” which is a wonderful tool that a lot of American Fortune 500 companies use. It asks just a very open ended question; “why did you rate us the way that you did?” (DW)

Other measures include: sales growth, member loyalty, public awareness that the organization is a co-operative (e.g. BY, QF, DW) and how much member-customers *“feel that we are a co-op”* (JR). Part of NH’s MOCA delivery objectives are that co-operatives are perceived as part of a global movement, and a serious business model, with the co-operative values holding all that together (NH). Her success measures are linked to website hits and dwell times, as well as tweets and re-tweets, however she recognises that these are simplistic and are not proxies for knowing how many people understand the co-operative model and the global nature of the movement:

“...this is the number of the hits and dwell times on the website, these are the tweets that we had but it is not the same as really getting to understand it and ... [text removed] ... this is about showing that you are part of the global movement and that we are a serious business model and that we can act in a professional way...” (NH).

In addition to these measures of external public-facing perception, some co-operatives recognised the importance of gathering information on employee understanding of co-operative values, in order to deliver a MOCA strategy. JR provides an example, where employees are asked to assess their co-operative’s corporate citizenship and levels of community investment:

“...when it comes to our annual engagement survey...I think that we have done a reasonably decent job of communicating internally because one of the questions is “Do you think that The Co-operators is a good corporate citizen and does a lot

of good community investment" and I think our score is something like 98%" (JR).

Other internal measures of MOCA competencies included: the level of employee engagement in terms of the percentage of employees who have invested in co-op non-voting shares (QF); numbers of farmers who have signed-up for co-op development training (QF); farmer-member engagement with the co-operative values using text questionnaires (BY); and monitoring the front-line staff's ability to meaningfully discuss co-operative values with member-customers (ZA).

While recognising that it is difficult to measure the impact of community contribution, DW counts attendance at events as a means of assessing how worthwhile they are to run, e.g. the Santa's Grotto has been so successful it is now hosted in every branch. However, JR is more cautious, emphasising the importance of avoiding over-stating claims about her co-operative's societal impact:

"... so my point with that is that we try to be very authentic when we measure what we do and it is not easy...it is very difficult... because social impact is a very hard thing to measure and it takes years...years and years and years to quantify it and to make a reasonable statement about it...[text removed]. .. so again we do try to be very careful with it to make sure that we do not overstate it and that we are being accurate and that we are being reasonable with our statements." (JR)

4.4.2.1 Should growth be a success measure?

Interviewees recognised that although the merging of co-operatives may create business efficiencies, it creates potential for inconsistent MOCA messages from the various parts of a – federalised – organisation. This makes the engagement of members-customers and delivery of a MOCA strategy more challenging, and likely to alienate members (EP, SP, PC). EP, in particular, argues strongly

for co-operatives to stay in the sector and marketplace with which they are familiar, *“as operating in completely different markets are never going to engage people”* (EP). DW warns against growth as a means to prove something, i.e. *“for ego”*:

“...it is not so fine trying to ‘grow for growth’s sake’, you know for ego....and to somehow think that bigger is better” (DW)

This view recognises that in a bigger co-operative, internal communication is increasingly problematic as is democratic engagement; however others see growth as a part of business sustainability (PC, QF, JR), and as a validation of the MOCA strategy (ZA). Although internal communication, in a growing co-operative, presents challenges, JR’s view is that they simply have to find a way to address this:

“...but again size does get in the way... so I think it makes it more difficult but I think it just means we all have to get better at what we do.....better at communicating...better at coaching....better at mentoring....and better at putting in systems to sort of help overcome some of those challenges...rather than looking at it as a barrier, I prefer to look at it as...you know ... well that is a fence we can jump if we all jump together...” (JR)

PC and ZA call for research into finding a balance of co-operative size and its impact on employee engagement with the values; as well as promotion of the co-operative and how that aligns with its longer term success. ZA’s credit union recognises that currently it can’t cope with expansion outside of its geographic area – even though it sees opportunities for growth elsewhere – because it is struggling to address the current *“contradictions”* described above, and can’t risk damaging relations with member-customers by taking on another large project (in addition to MOCA strategy implementation):

“...right now we are committed to staying local... [text removed] ...we are not looking to expand externally right now because it is the right thing to do for our members” (ZA)

MOCA implementation requires methods, based on quantitative and qualitative processes, in place to measure success. These include: member surveys/ questionnaires (including text responses); membership and sales growth; percentage of employees engaged with the co-op community activities and co-op governance; public awareness of the co-operative model; and participation at co-op-community events.

Success often leads to growth that, on the one hand, is seen as part of co-operative business sustainability, and on the other as creating problems for internal communication and member engagement. Co-operatives need to find the appropriate balance between these.

4.4.3 The ability to learn, adapt marketing strategy implementation competences, and develop dynamic capabilities.

A crucial part of MOCA implementation is to change the mind-set of employees and managers from a traditional business outlook with similar objectives to industry competitors, to one based on co-operative values (e.g. SP, ZA). Where employees have been with the co-operative for a long time, they may understand the ethos. However, despite that experience, they may continue to need help in unlearning some decision-making approaches. SP and BY in particular emphasise that management and leadership teams need to be alert to detecting any move to a traditional investor-owned approach. In ZA's credit union, a compulsory 5-day orientation programme was introduced as part of encouraging the unlearning of

past commercial priorities, with the option to “*opt out*” (ZA) and leave the co-operative if the employee decided they didn’t feel comfortable with the values. ZA is proud of her credit union’s commitment to ensuring the right people work there (particularly at the level of management and leadership teams):

“...we considered it quite revolutionary with the ‘Opt out’ programme with the new recruits because it is so important... and I really take a lot of pride in this... but our Board and our Executive are committed to having the right people work within the organisation and I think that integrity needs to start at the leadership level because there are a lot of managers [who] ... [text removed] ...don’t perceive themselves as being an active member of a co-operative....” (ZA)

Another example of this mind-set transition is in the co-operative’s promotional activities, which - in SP’s view - initially did not contain sufficient reference to co-operative values to be part of a MOCA strategy:

“... there was no reference to what makes us different and that is something that elected members and boards’ committees have picked up on and have challenged marketing to say ‘shouldn’t there be more reference at a high level, to our co-operative difference and our MOCA strategy’ in what is out there in our public facing campaigns; why aren’t we talking about it in our TV campaigns” (SP).

Member representatives, such as SP, challenged this and senior managers agreed to re-consider. SP is pleased to see a change of attitude in the executive as they have adapted the marketing communication brief:

“There has been a commitment from our new executive to re-look at our marketing and to re-visit the brief those people have been given...” (SP)

Part of the transformation to MOCA implementation is aligning the day-to-day working pattern not only with delivering the service, but also with co-operative values. The first part may not be new to staff,

but the second usually is, and this change has to evolve (ZA, JR). ZA gives the example of a new MOCA aligned product introduction, and seeking employee and member input to guide and make the required changes. ZA seems to relish the participation of all stakeholders and how that contributes to authenticity in her credit union's move towards MOCA implementation:

“It is a learning opportunity for us...we know we are not going to get it right the first time...so go on this journey with us and lets figure it out together....and so the members continued to be involved and so I felt that was a very refreshing result...because it really does speak to the authenticity again and the integrity because the commitment is there for us to get it right but we are not promising we have got it right... right now...there is still a lot of understanding to be had and we need you to tell us what we need to do differently...how can we get better...so it is a very participatory kind of feel right now between marketing, members and front line...” (ZA)

Transforming the co-operative to one that facilitates MOCA strategy implementation requires a lot of thinking about the fundamentals. EP stresses that this includes the basics such as ensuring employees understand the co-operative model and related values:

“... unless you start from the model, and then people understand the model, you are almost on a hiding to nothing... because they have to get certain key things...” (EP)

Senior managers and leaders must recognise the need for internal changes and articulate the co-operative ethos clearly to all employees, using the right language (BY). This includes acknowledging that the barriers all come from a past position in which as BY says *“we don't want to call ourselves co-ops”*. Using the right words helps co-operative values to become embedded as a belief system within the organisation at all levels (BY, JR, EP, ZA). BY emphasises the importance of teaching members to talk about the co-operative values, i.e. using the words and how doing that can and should impact on decision making within the business:

“... if we don’t explain it and we don’t use the language, then our members will never use the words because you have got to allow them space to be able to explain what it is they are...and so that is why we started really looking at that ... (BY)

Creating and developing this mind-set is an on-going challenge. However as perceptions adapt, exciting and creative initiatives emerge (BY, EP). These are the MOCA competencies that other – investor-owned – organisations cannot develop, and that differentiator is key to the co-operative advantage. Inimitable plays evolve as competencies are learnt (and in some cases unlearnt); this leads to increased co-operative business sustainability and competitive advantage.

Enabling a co-operative to implement a MOCA strategy is an on-going process. Crucial elements of the organisational transformation are recognition of the need to change, understanding what changes are needed, as well as how to implement them. Leaders need to cascade information about the required changes throughout the co-operative and accept that changes take time and will not necessarily work out as planned every time.

4.4.4 Summary of findings related to internal processes and competencies.

For all participants, the key competences required for MOCA implementation related to ensuring the business’s connection to the co-operative values, in a way that differentiates the co-op from competition in its industry sector, while providing commercial benefits. It is recognised that there are stresses, and a core MOCA competency is the ability to identify and address the tensions

between sustainable business objectives and co-operative values. This requires a clear articulation of the MOCA strategy from leaders and managers.

In line with findings by Madhavaram and Hunt (2008), co-operative specific competencies, that are inimitable, facilitate the implementation of a MOCA strategy so that the co-operative's offering is differentiated in its market place. Examples of such competencies include: the ability to address conflicts and trade-offs between business service requirements and co-op values; sound understanding of the member value proposition (including feedback mechanisms to hear member views); collaboration with other co-ops and unified messaging; IT systems that support the alignment of values with service delivery (e.g. storing CRM information about members' lifestyles and longer term plans, enabling members to access their accounts at other credit union branches); and the use of social media to aid young people's understanding of the co-op structure and purpose. These examples of competencies echo findings in Dibb, Simkin and Wilson (2008) that recognise the value of regular data updating in the marketing information system, and those by Fahy et al. (2006) who call for recognition of the role of internal supporting capabilities and processes in addition to those which are market-based.

MOCA implementation competencies can be undermined if the co-operative's leadership team focuses too much on a strategy for growth. Ambitious commercial objectives, akin to investor-owned, could lead to losing sight of co-operative values and purpose. In O' Driscoll, Carson and Gilmore's (2000) terms, this is generative learning. It requires long-term education for leaders, to help them embed the co-operative philosophy (for all types of co-ops) in making decisions around strategy and resource allocation.

A range of hard and soft market-based measures is used in the implementation of a MOCA strategy. The development of MOCA competencies and the unlearning of behaviours linked to a traditional business outlook (as articulated by Cespedes and Piercy, 1996; Vorhies and Morgan, 2005), are informed by these measures. O' Driscoll, Carson and Gilmore (2000) call this competency development adaptive learning.

The crucial MOCA competency is a commitment to longer-term customer-member needs, rather than short-term financial gain. The latter shortens the business cycle, and leads to profit taking and unethical behaviour (PC, EP). Not only should business processes be designed to incorporate co-operative values, employees need to be helped to understand this linkage as part of their training, and the actions in which they see the organisation involved (SP).

Addressing the tensions between sustainable commercial objectives and co-operative values, has challenges, but the process of doing this creates competencies that provide competitive advantage. These tensions are not recognised to any extent in the existing research literature.

4.5 A revised framework

This research study seeks to investigate the internal mechanisms that potentially cause MOCA implementation behaviours. Critical realism's approach to analysis and synthesis is defined by its commitment to explaining the mechanisms that potentially cause a phenomenon to exist. This essentially abductive approach leads to rounds of framework building whereby improved understanding emerges from previous rounds, and the knowledge produced is context specific (in this case the MOCA context).

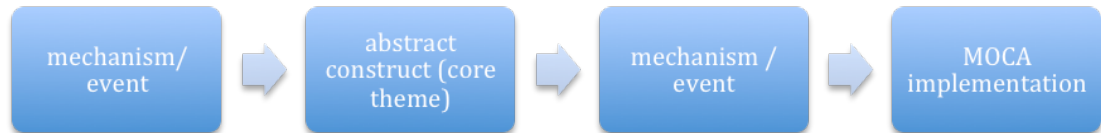
4.5.1 Emergent themes

The findings from interviews with co-operative senior managers and international commentators were analysed within the framework developed from the literature (see Chapter Two – Literature Review). This analysis enabled the identification of a range of sub-themes; all of which informed understanding of the mechanisms that potentially could hinder or enable MOCA implementation. Where there were commonalities these sub-themes were brought together. Three core themes emerged:

- Employee understanding of MOCA strategy at all levels in the co-operative,
- Embedded policies and processes aligned with the MOCA strategy.
- Employee trust in leaders' commitment to the MOCA strategy.

As discussed in the methodology chapter (see Chapter Three), these are presented as abstract constructs (see e.g. Spiggle, 1994; Gioia, Corley and Hamilton, 2012) and explained in the following text (see Section 4.5.2) and in the form of a revised framework (see Diagram 9 in Section 4.5.6). These core themes enabled the identification of abstract constructs that are potentially caused by mechanisms and events, and potentially cause the mechanisms and events that in turn cause MOCA implementation. This is in line with a critical realist approach (Fleetwood, 2005; Maxwell, 2012; Ryan et al., 2012). Diagram 4 summarises this conceptual approach.

Diagram 4: How the mechanism/ events/ are connected to the abstract construct and potentially cause MOCA implementation



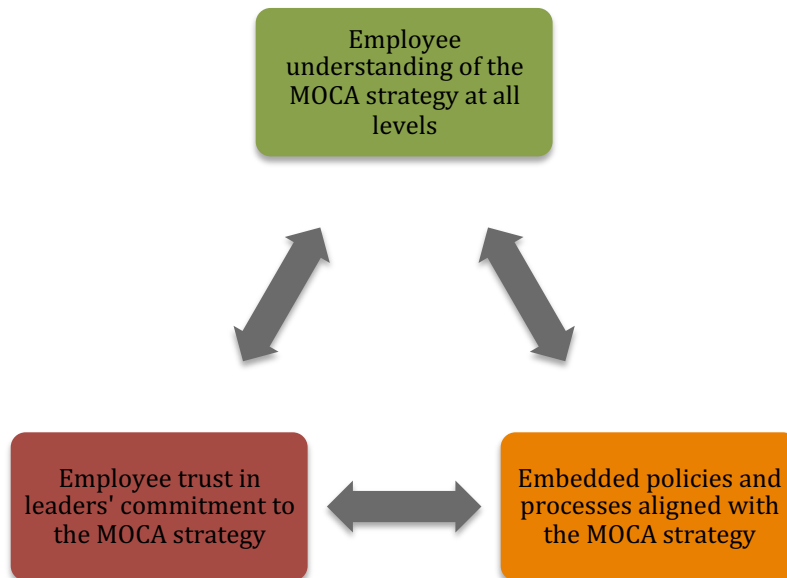
Source: adapted from Spiggle (1994), Fleetwood (2005), Maxwell (2012), Ryan et al., (2012).

This knowledge, from the first tranche of interviews, has enabled the literature-based framework to be adapted for the MOCA context. The following text (4.5.2) explains this adaptation.

4.5.2 Adaptation of the literature based framework

A framework, developed from the existing literature (see Diagram 1), informed the gathering and initial analysis of the co-operative-based interview data from senior managers and commentators in a number of co-operatives. This literature-based framework offered a template that enabled these interview data to be broken down and - taking an abductive approach - synthesised to inform a revised framework (see e.g. Ryan et al., 2012).

Diagram 5: Three abstract constructs: (i.e. mechanisms and structures with enduring properties) that potentially cause MOCA implementation.



This resulting framework (see Diagram 9 in Section 4.5.6) reflects the co-operative context as represented by the perceptions of the interviewees (senior managers and international commentators). These three core themes are inter-dependent, and inform three abstract constructs that potentially cause MOCA delivery behaviours (see Diagram 4). Each of these abstract constructs is discussed below, and the mechanisms and events that potentially cause and are caused by the constructs, are identified.

4.5.3 Employee understanding of MOCA strategy at all levels in the co-operative

As EP summarises in the brief quotation below, MOCA implementation relies on behaviours that are influenced by internal understanding of the MOCA strategy and the co-op purpose:

“...it is just the basic understanding of what the organisation is about, what a market is, what a co-operative does...” (EP)

A variety of methods are employed, or advocated, to build this understanding, these include: training sessions (KL, ZA, SP, EP, BY), behaviour modelling (JR, DW), coaching, participation in community events (QF, DW, JR, RM), and joint working with other co-operatives (DW, QF), and internal communication such as posting pictures of farm families and attending their member meetings (QF, RM, EP, NH, BY, SP, PC). To be effective this understanding relies on the organisation's leadership team allocating sufficient resources and demonstrating commitment by being seen by front line and mid-management employees to live and breathe the co-operative values and, in doing so, model the behaviours required for MOCA implementation.

Those in the co-operative involved in implementing MOCA strategy form three layers: front line staff, middle management, and the leadership team. Leaders and middle managers must be able to map and articulate MOCA strategy deliverables. Their behaviours and decision-making influences the behaviours of the front-line in implementing MOCA. Middle managers can be helped to understand these deliverables in a variety of ways: e.g. coaching (JR), and cascaded training (SP, PC), leaders modelling behaviours (JR, DW), job swapping (SP). The leadership team are responsible for ensuring this personal development is in place as a means to raise the level of engagement with the co-operative values throughout the organisation and, as QF explains in the following quote, more work is needed in this area:

“...and in building that awareness in amongst our employees and engaging with our employees... and I think most will say “Yes we are a co-operative” but how they articulate that and how they define that would be fairly...you would have a wide range

of answers there...so that would be my first measure is to raise that engagement...” (QF)

Employee commitment to the co-operative ethos requires a personal emotional connection that relies on understanding of the MOCA strategy. This guides how the co-op values are played out in the job they do, and building of a shared co-operative identity. This is relevant to all decision-making in the organisation, not just for those in client-facing front line roles. Therefore, it's vital to establish a policy of recruiting and promoting people who are receptive to the co-operative ethos (SP, DW, KL).

The marketing function has a role in communicating the co-operative identity internally, as well as externally. Community based activities raise awareness of the co-operative values, and build a direct connection between stakeholders (e.g. DW, JR, NH, QF). This awareness influences behaviours to be aligned with the MOCA strategy, and so creates ambassadors for the co-operative ethos, see for example the following comment from ZA.

“...if we do our job well... we have essentially turned all of our employees and our membership into ambassadors for [named co-op] and for the co-operative” (ZA).

Employees are enthused by this personal commitment to participate in joint working with other co-ops and/ or community groups or charities. Although the focus of these activities is to communicate co-operative values to an external audience, they also play a role in aiding employee understanding about, and commitment to, the shared co-op ethos (JR). For example, JR emphasises the importance of employees not merely knowing the values, but understanding how these impact on the way an employee does their job:

“...being at a co-operative organisation and what that means for you as you do your job every day....like how... [text removed] ...how is that going to play out in your day... and how does it

play with your colleagues ...how does it play out with your boss...how does it play out with your stakeholders when you deal with them every day.... and I think that we need to make...help staff to make those connections...” (JR)

This creates a virtuous circle that encourages further participation in community and collaborative activities. Employee understanding and therefore their behaviours are influenced by the behaviours of others in the co-operative and the language used (e.g. PC, BY, EP). The data show that staff who have the opportunity to observe member meetings see senior managers modelling MOCA related behaviours and work with members, better understand, and connect with, the co-operative purpose and MOCA ethos (e.g. SP, DW).

Prioritising differing outcomes, around commerce and values, has caused internal tensions (this finding concurs with writers on co-operatives, see e.g. Birchall, 2014; Monni, Novelli and Pera, 2016). With improved understanding of the MOCA values, employees are better placed to recognise the challenges faced by other parts of the co-operative in implementing MOCA. However, this requires leaders to ensure that middle managers across all parts of the organisation understand and share MOCA objectives.

Not only should business processes be designed to incorporate co-operative values, employees need to be helped to understand this linkage as part of their development. This development process is a funnel of engagement along which employee-members journey. This engagement starts with awareness of co-operative values and ethos, becomes understanding, and subsequently leads to commitment to the shared identity. This movement along the funnel is a MOCA strategy deliverable, as it leads to employee behaviours that align co-op values with commercial needs. The journey may begin with a vague awareness that co-operatives are different, and relies on internal communication to develop this understanding (QF, BY).

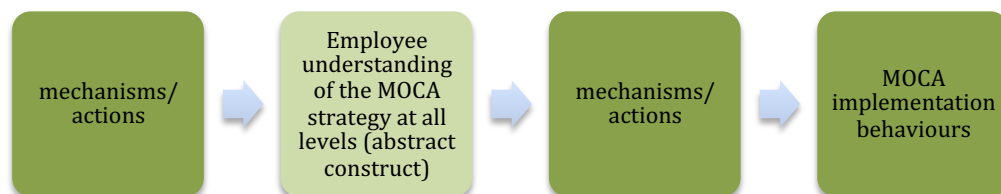
“...the guy coming into the plant...the dairy processing plant and is...doing his 6-2 shift is not thinking too deeply about the co-operative difference and why....you know...we need to have this alignment between purpose and values to be quite honest...but intuitively or intangibly they know there is a difference there and that...you know, they don’t want to be working for the dairy processing plant down the street or whatever...” (QF)

Participants have differing views as to whether financial incentives are an appropriate trigger for employees to start this engagement.

Simkin (2000) finds that education more than culture influences management practices in marketing delivery, and interviewees emphasise that education in co-operative values must include living the values through community involvement. Where management education is offered, it must be in the co-operative context (BY, EP). It is important that training resources are not focused on some groups at the expense of others (SP, JR). Similar to Noble and Mokwa’s (1999) findings, the front line service delivery is influenced by middle managers’ commitment to the MOCA strategy. Co-operative leaders are responsible for ensuring management understanding of the values, with processes for: cascading information, coaching, recruiting only those with the right attitude and wariness of a lack of co-op experience or education.

Employee understanding of MOCA strategy is one of these crucial mechanisms that need to be in place to generate the behaviours required for MOCA strategy delivery. This understanding must be embedded at all levels in the organisation. To build on understanding to develop commitment to the co-operative values, training in itself is insufficient, hearts and minds must be won. This is summarised in Diagram 5 and the following text.

Diagram 6: The mechanism/ actions that potentially cause and are potentially caused by employee understanding of MOCA ethos at all levels in the co-operative



The mechanisms and/ or events that potentially cause this abstract construct are:

- Increased employee participation with co-op community activities and /or governance;
- Actions to build a shared identity (incl. e.g. engagement with co-op education and training, internal communications);
- Involvement in member and community-based activities, e.g. attending meetings
- Internal coaching, training, induction, orientation, and behaviour modelling by others in the organisation
- Co-ordination and collaboration between different parts of the co-operative business, e.g. job swapping;
- Leaders' guidance in articulating and mapping MOCA strategy deliverables (the alignment of leadership's decision-making with co-op values).

In turn, employee understanding of MOCA strategy at all levels generates the following mechanisms and/ or events:

- A personal connection and pride that creates ambassadors for the co-op values;

- Increased employee participation with co-op community activities and /or governance;
- Ability to identify and address tensions between commercial and co-operative objectives;
- The ability to incorporate MOCA values in decision making at all levels, including day-to-day interactions.

4.5.4 Embedded policies and processes aligned with MOCA strategy.

Ensuring that the appropriate processes and policies aligned with MOCA ethos are embedded in the co-operative organisation, is seen as one of these crucial mechanisms that influence behaviours and so generate the events that enable MOCA strategy delivery, i.e. what happens.

All the senior managers commented on the creation of tensions and inefficiencies, where the different parts of the co-operative organisation work to differing sub-priorities. Issues around prioritisation include, e.g. member relationships (e.g. SP, RM), employee engagement with the MOCA ethos (e.g. JR, BY, DW), staff recruitment and promotion (e.g. SP, DW, BY, EP), and sales targets and other benchmarks (e.g. DW, SP, NH). To address these, all management and leadership teams need to be alert to the challenges faced by different parts of the co-operative organisation. These are barriers to MOCA implementation, and various policies to address them are proposed: e.g. combining responsibilities for membership and employee engagement in one role (QF); career development plans that encourage 'job swapping' between commerce and membership areas (SP); systems that gather feedback from members and employees (KL, DW, ZA, EP); calls to identify these contradictions and encourage open discussion

internally to address them (ZA); and staff recruitment and promotion processes at all levels that emphasise living the co-operative values (DW, ZA, SP, PC).

The internal processes cited by participants, aim to promote understanding of co-operative values throughout the organisation. In addition, they complement policies around training, internal communications and recruitment that are designed to improve internal understanding and therefore generate MOCA behaviours. BY expresses his frustration at the lack of MOCA understanding in front line staff:

“... and when the girl asks me for my card... I say ‘it’s alright I will just leave my divi with the co-op, they need the money’ and she won’t have a clue of what I am talking about... not a clue ...”
(BY).

There is debate as to whether financial incentives are an appropriate means to encourage employee engagement, as on the one hand they may distract from the co-op’s societal contribution ethos (SP), but on the other, these incentives provide employees with a financial interest, however small, in the co-operative (QF, EP). This tension is an example of the challenge of bringing together co-operative values with its commercial aspects.

There is consensus that employee involvement in community and member related events furthers internal engagement with the MOCA strategy (JR, RM, NH, QF), and therefore policies need to be in place to encourage such involvement. Employee understanding of the co-op ethos requires leaders to invest in internal communications and training, and staff recruitment and promotion policies that focus on ensuring receptivity to these messages. Some participants expressed wariness of a normal business education in management as it could hinder this type of investment (EP, BY, KL). Instead they

called for management education to be set in the context of co-operative values. EP is certain that “*professional managers*” have a culture of market exploitation, and are therefore wholly unsuitable for a role in a co-operative as their outlook can cause problems:

“... because most of the people who are recruited as professional managers have no concept outside of what we would call exploiting the market ...and it is very difficult when if people have come through the normal business education system...it is so foreign to them and ..I mean that really is the root of the problem...” (EP)

Internal training and communication is designed to adjust employees’ mind-sets, and help them unlearn past practices and priorities (see Cespedes and Piercy, 1996). The empirical data recognise the importance of a culture change for MOCA implementation. However, these activities take staff time and resources, and managers must acknowledge that the quality of service received by member-customers may be reduced. ZA recognises the importance of making these changes for the longer term:

“ ... we are going through this process right now but they have a long term view on how this will benefit and enrich our membership over the long term and really create that sustainable business model...the concern right now is let's get through this in the best way possible” (ZA)

Benchmarking is a crucial process in implementing a MOCA strategy, and quantitative and qualitative measures are used. These include: member-customer surveys (including text responses) (DW, JR, BY); membership and sales growth (ZA, JR); percentage of employees ‘engaged’ with the co-op community activities and co-op governance (QF, RM, QF, PC); public awareness of the co-operative model (QF, NH); and feedback systems to examine how a problem could have occurred (KL, EP). These measures foster the unlearning of past

behaviours that may have been linked to a traditional business outlook.

In order to ensure that MOCA implementation meets customer-member requirements and expectations, and does not exploit their vulnerabilities in the market place, the co-operative must ensure it is aware of the members' value proposition. This requires processes for gathering and interpreting data about customer-member lifestyles, community needs, and potential future changes (see van Raaji and Stoelhurst (2008) who advocate accessible ICT systems, and Dibb, Simkin and Wilson (2008) who call for regular MIS updates). Mechanisms for capturing and storing this information include: AGMs (PC, QF, SP), members' forums (SP), focus groups (DW), interactions in call centres and branches (ZA, DW), member-customer surveys (BY, JR, DW) and co-op-specific CRM-type IT systems (ZA, DW).

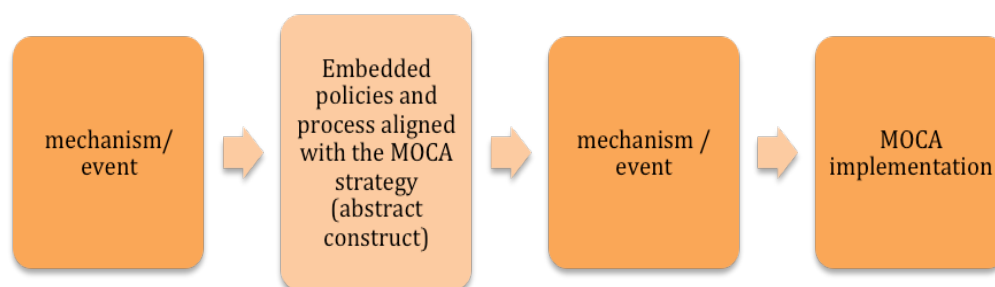
Some concern was expressed that processes can hinder the co-operative ethos and that, in implementing MOCA, staff need to be supported to recognise where this is happening (JR). JR sees this type of empowered approach to interacting with customer-members as core to the co-operative identity and its competitive advantage:

"... sometimes we bend the rules a little bit and maybe go a little above and beyond....yes....absolutely...and I think that is what sets us apart...so again I think there are some business processes that get in our way....and prevent us from maybe being as cooperative as we would like but I think that we try to balance it out... and when we can we try to be very co-operative and try to find ways to make things right...." (JR)

A culture of staff empowerment, and the attendant minimisation of management control systems, is crucial to achieving this. KL emphasised that empowerment often requires a management "*leap of faith*". It also requires a commitment to internal understanding of

how the appropriate balance is retained between financial and MOCA objectives in day-to-day implementation behaviours; as well as policies to clearly articulate MOCA deliverables, create opportunities to reflect on actions, and to plan for the future (including how to avoid the re-occurrence of any problems). It's important to consult employees on how best to operationalize this most effectively (see Simkin, 2002). Policies and processes aligned with the MOCA strategy need to be embedded in the co-operative culture and operation. This is summarised in Diagram 7 and the text below.

Diagram 7: The mechanism/ events/ actions that potentially cause and are potentially caused by embedded policies and processes aligned with the MOCA strategy



The following mechanisms/ events potentially cause embedded policies and processes aligned with the MOCA strategy:

- Methods for recognising and addressing tensions between the various parts of the business that are concerned with: commercial priorities, member relationships, and embedding co-op values;
- Incentive schemes for employee engagement with co-op values (including career development and financial incentives;
- CRM type and other IT systems to gather, store and interpret data about member-customer expectations and 'value

propositions' and disseminate this internally to decision makers;

- Systems to consult employees how best to implement MOCA;
- Hard and soft benchmarks to measure MOCA implementation success, and in doing so change mind-sets and unlearn past (pre-MOCA) behaviours.

Embedded policies and processes aligned with the MOCA strategy potentially cause the following:

- Empowerment strategies that rely on the clear communication of MOCA objectives, feedback mechanisms, and opportunities to reflect on actions and plan for the future.
- Employee engagement with community-based events

The embedding of these policies and processes is driven by a commitment from leaders and managers to ensuring the allocation of the appropriate resource.

4.5.5 Trust in leaders' commitment to the MOCA strategy.

MOCA strategy implementation must be coordinated within the whole organisation, and this requires employees to trust that leaders are committed to the MOCA strategy. Interestingly, this extends the findings - that leaders' commitment to the strategy is crucial to its delivery - in research by van Raaji and Stoelhurst (2008), and Ahmed, Rafiq and Saad's (2003) work on internal marketing. The co-operative data emphasise employee trust in leaders' commitment, not merely the commitment itself.

To gain this trust, leaders must be able to not only articulate the co-operative values, but also use appropriate language to do this; e.g. words such as surplus not profit (EP). This is vital as the MOCA

message is a complex one. It's important that employees understand why and how managers make decisions in relation to a MOCA strategy (KL, QF, DW). In order to encourage creative solutions in day-to-day MOCA implementation, leaders must encourage flexibility in decision-making, and ensure internal messages are not rigid or too doctrinaire (RM, EP). In this quote, EP warns against a dogmatic approach to MOCA delivery behaviours:

"...I am not much into religion, but I know people have things that they recite and...you know...how often the problems of the world are because people are stuck with dogma..." (EP)

It is vital that leaders are seen to not only behave in line with co-operative values, but also seen to be involved in the activities around the implementation of MOCA (ZA, DW, SP, PC, QF). ZA is clearly very proud of her CEO, and the work she does in the community:

"... when you see that from our CEO...she is very visible in the community...she is on a whole different level...like in terms of talking about sharing what [our credit union] does..." (ZA)

These behaviours will support and inform understanding of the co-op purpose throughout the organisation and, even where there are differing sub-objectives, build co-ordination between different units, e.g. those dealing with members and social goals, and those more focused on commercial objectives. In this way, leaders are responsible for modelling behaviours, and cascading understanding of the co-operative model and commitment to the MOCA strategy, throughout the organisation (SP, JR). This is consistent with findings - albeit based on investor-owned firms - by Hunt, Wood and Chonko (1989) and Badovick and Beatty (1987).

Leaders must be seen to be unwavering in their vision for MOCA implementation, and their support for the development of co-

operative specific competencies (e.g. QF, DW, SP). These competencies bring together the commercial and the values-based elements of the co-operative's strategy. They are inimitable and can enable competitive advantage; BY refers to these competencies as "*ploys*". Consistent with Cespedes and Piercy (1996), interviewees called for the development of such competences for MOCA implementation. ZA recognises that although leaders in her co-operative are committed to investing in competence development to align with MOCA brand values, it's a struggle:

"... but when you see the effort.... you can also see the commitment that the Board of Executives have around making sure that we have brand alignment...we are doing the right thing in terms of "Yes...it is painful right now" (ZA)

Examples of competencies that require leaders to invest in for MOCA implementation, include: mechanisms to address tensions and trade-offs between business service requirements and co-operative values (ZA, JR, SP); an organisational commitment to prioritise customer-member needs in the long term, over short-term financial gain (EP, BY, PC); sound understanding of the member value proposition (including mechanisms to hear customer-member views) (DW, EP, BY, KL, ZA); collaboration with other co-operatives and unified messaging about co-operative values (DW, BY); prioritisation of an empowerment culture over one that relies on control systems (KL, DW); IT systems that support the alignment of values with service delivery (e.g. storing information about members' lifestyles and longer term plans, enabling members to access their accounts at the branches of other credit unions) (ZA, DW); and the use of social media to help young people gain knowledge of the co-operative model and its value set (NH, PC).

Some interviewees argued that these competencies could be undermined if co-operative leaders focus too much on a strategy for

growth, as this approach potentially compromises internal communication and engagement with the customer-member (EP, DW). However, some saw growth as part of co-operative business sustainability (e.g. JR, PC, ZA). Others called for the creation of efficiencies by the development of processes to support collaboration between co-operatives (DW, BY). Additionally, a single co-operative that offers a variety of service types, may find it more challenging to embed the values into the way it does business (SP). PC and ZA, in particular, recognise that co-operative leaders need to find the appropriate balance between the apparent efficiencies of centralisation or federalisation, and the additional difficulties this can make for member relationships and the democracy that is core to MOCA implementation. PC recognises that tensions are inevitable, and that finding the right balance is challenging:

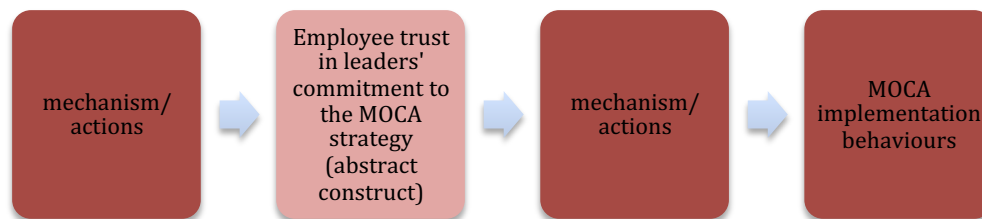
“...with any Federation there is a tendency to centralise power, but if you do that too much then you pull away from the kind of democratic integration on the ground, they don’t hold that tension well, I think you need to hold that tension, I think it is a fine balance but I think you have got to have the guts to do it, I think that those ones are the most effective.” (PC)

As the conscience of the co-operative, leaders must guard against complacency and recognise that ambitious commercial objectives (often akin to investor-owned businesses), could lead to losing sight of the co-operative values and purpose (DW, SP, EP, BY). Therefore, it is vital that education programmes, that embed the co-operative philosophy, are available for co-op leaders and senior managers (EP, BY). It is also crucial that policies are in place to recruit the leaders and senior managers with the right mind-set (SP, DW).

This trust is driven by a style of leadership that demonstrates commitment to the MOCA strategy by ensuring all employees understand MOCA values, and that the policies and processes that

embed the MOCA strategy are in place. This is summarised in Diagram 8 and the text below:

Diagram 8: The mechanism/ events/ actions that potentially cause, and are potentially caused by, trust in leadership commitment to the MOCA strategy.



Employee trust in leaders' commitment to the MOCA strategy is potentially caused by:

- Leaders' and senior managers' being seen to make decisions in a manner that is openly linked to the MOCA strategy:
- The language used by leaders and senior managers to articulate the MOCA messages;
- The prioritising of staff empowerment over management control systems (this supports staff engagement);
- The embedding of policies around the communication of and receptivity to the co-op values messages;
- Leadership team involvement with the development of MOCA related competences;
- Leaders being seen as the conscience of the organisation and participating in collaborations, community and membership activities (and in doing so modelling behaviours);

Employee trust in leaders' commitment to the MOCA strategy potentially causes the following:

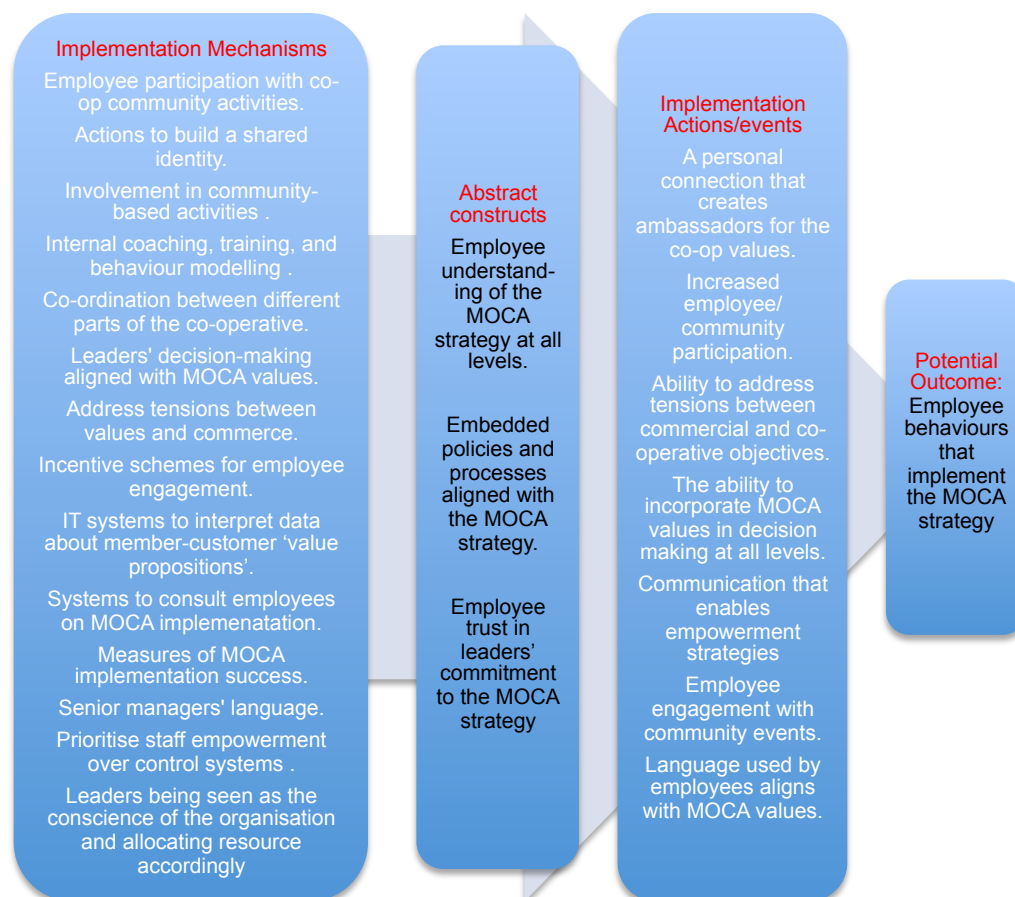
- The use of internal language to articulate the MOCA messages;
- The prioritising of staff empowerment over management control systems (this supports staff engagement);
- Internal engagement with the development of MOCA related competences;
- Wider participation in community and membership activities (and in doing so models behaviours);
- Internal support at middle and lower levels for allocating resource to addressing MOCA related trade-offs;
- Organisational commitment to a long-term MOCA strategy (and the minimising of short term tactical responses to the competitor actions).

Employee trust in leaders' commitment to the MOCA strategy is driven by embedded policies and processes aligned with the MOCA strategy and employee understanding of the MOCA strategy at all levels.

4.5.6 The Second Round of Framework Building

The analysis and synthesis of the first tranche of interview data enabled the development of a framework (see Diagram 9). This framework is based on interviews with senior managers and commentators and is structured in a similar manner to that in Diagram 4 (see Section 4.5). Summarising the discussion presented above, it shows the mechanisms that cause the three abstract constructs discussed above, and those mechanisms that are caused by the constructs, and in turn cause MOCA implementation.

Diagram 9: Data structure from the first tranche of interviews (MOCA specific)



The abstract concepts listed in the second column in Diagram 9, provided a structure for the next round of data gathering. This was in the context of a single co-operative and interviews were undertaken with senior middle and unit managers. The related analysis and synthesis is presented in Chapter 5.

4.6 Chapter Summary

The findings presented here result from the interviews undertaken with senior managers and international commentators. To aid

analysis, the interview data are presented within a framework developed from extant literature on the implementation of a marketing strategy undertaken within the context of investor-owned firms. Although these interview data relied only on the perspective of senior managers and two international commentators, they enabled the initial framework to be adapted to reflect the co-operative context.

The revised framework consists of three abstract constructs. Each of these is potentially caused by mechanisms and events in the co-operative organisation. In turn, each has the potential to cause events that potentially lead to MOCA implementation. This revised framework represents a second round of framework building and as such contributes to understanding of the circumstances and conditions required for MOCA implementation.

Consistent with critical realism's preference for an intensive approach, a second tranche of data has been collected, and this has informed a third round of framework building. In this, interviews were undertaken with managers at three different levels in single co-operative (XYZ). This is discussed in the following chapter.

5 CHAPTER FIVE: FINDINGS – PART TWO

This chapter begins with a brief background to XYZ co-operative. It goes on to present the findings from interviews with six managers in this co-operative; that is two senior managers, two middle managers and two unit managers.

The first tranche of interviews (see Chapter Four) provided a perspective on MOCA implementation from a range of co-operative types, sizes and country bases. To build on the perspective of those in the earlier interviews, the views of managers at different levels in a single co-operative (XYZ) were heard. Obtaining the views of XYZ senior managers provided an opportunity to compare these with data from the first tranche of interviews. If the XYZ senior managers had demonstrated a very different perspective, the conclusion may be drawn that the organisation was in some way out of line with other co-operatives claiming to be committed to MOCA implementation. However, this was not the case.

Senior managers' views are also valuable for their comparison with the middle and unit managers' responses within the context of a single co-operative. The interviews with the latter group demonstrated a more hands on perspective to implementation, its objectives and its challenges. The views of middle and unit managers often articulated local and specific challenges to implementation, it was important to include this consideration of a more localised - rather than movement-wide - explanation (see Chapter Three).

This chapter ends with a synthesis of the themes that emerged from this analysis and offers a revised framework to guide MOCA implementation.

5.1 The XYZ Co-operative Society: an illustrative co-operative example.

Many co-operatives are committed to a MOCA strategy, and one such UK based co-operative is the XYZ Co-operative Society. It is a large consumer-owned co-operative that claims to work towards a fairer world. Customers are members or non-members.

The XYZ Co-operative claims to have a strong commitment to investing in the communities with which it trades through responsible trading, local sourcing, community projects and charitable work. It does this by: supporting co-operative development through its Co-operative Futures project; supporting employee volunteering in local community groups, contributing to food-banks, reducing energy consumption across the business, recycling its waste and ensuring all electricity used by the business comes from renewable sources.

Central to its commitment to embedding the co-operative values in its culture, and working towards a shared understanding of co-operative values and a MOCA strategy, XYZ has recognised the complexity of the co-operative advantage message and has simplified it by selecting four themes based on co-operative values to guide its business practice. XYZ co-operative uses a framework based on Democracy, Openness, Equality and Social Responsibility to inform a range of benchmarks, e.g. Colleague Council attendance, hours worked by employees in the community. These guide an internal 'steering wheel', which is made up of a set of benchmark measures for marketing strategy implementation.

In this way, XYZ co-operative works to achieve the shared value identified by Porter and Kramer (2011) as well as make additional contributions to society in line with the social responsibility to which Crane et al. (2014) refer. It seems that XYZ's purpose brings

together both ideas. XYZ supported the data gathering for this research study by nominating interviewees.

5.2 Interview findings from XYZ co-operative.

This section presents the views of managers in three levels of the XYZ co-operative. It uses the three abstract constructs identified in the previous chapter as a framework for analysis of the XYZ interview data. Like the analysis of findings from the first tranche of interviews (see Chapter Four), this initial deductive approach provided a foundation for synthesis and, as a consequence, framework revision. This provides further probing to explain the conditions and circumstances that need to be in place for MOCA implementation to take place.

Semi-structured interviews were undertaken with six managers at three levels within the co-operative: senior management, middle management and the unit managers. See Chapter Three for a list of interviewees and their roles.

The findings are presented under headings based on the abstract constructs in the framework developed in the previous chapter. These are:

- Employee understanding of the MOCA strategy at all levels'
- Embedded policies and processes aligned with the MOCA strategy'
- Employee trust in leaders' commitment to the MOCA strategy

Under each of these headings, the data are presented in the context of the role and level of the interviewee, in order to enable straightforward comparisons and contrasts between management levels.

5.2.1 Employee understanding of MOCA strategy at all levels.

The interviews with nine senior co-operative managers and two commentators demonstrated that in order to support front-line staff, middle management must know what MOCA deliverables look like, and be able to communicate them effectively (see Chapter Four). To embrace MOCA values, employees need not only to understand them, but also to trust managers' and leaders' commitment and related decision-making. To be well equipped to lead MOCA strategy formulation and implementation, leaders must not only invest in intelligence gathering about member-customers' longer-term needs and expectations, they must also be educated within the co-op philosophy. The MOCA message is complex, and actions - such as collaboration with other co-operatives - communicates values, improves understanding, and engenders employee pride in, and commitment to, the co-operative values.

5.2.1.1 The views of two senior people in XYZ co-operative.

Both XYZ senior managers interviewed (1T, 1B) agree that understanding of the MOCA strategy at all organisational levels is core to MOCA implementation. Like the earlier senior manager interviewees they recognise that the MOCA message is complex, as 1T says:

"... understanding the values, it is a very complicated thing..." (1T).

Both emphasised, in particular, the importance of front line employees understanding the MOCA values, so that they explain it to customers, as the following quote from 1B explains:

"...for many years people have said "Wouldn't it be nice at least if the girls on the checkout at least knew what Co-op meant"... so if

you went in there and she said to you "Have you got a membership card" and you said "No" and then "What is this Co-op thing all about and why should I sign up"... and historically... very few of them would be able to give you an answer to that .." (1B)

Crucial to MOCA implementation, at XYZ, is bringing together two groups with differing priorities: the co-op activists and those who are more focused on commercial objectives. To enable MOCA implementation, it's vital that both groups understand each other's viewpoints and priorities (1T). This bringing together mirrors comments made in the first tranche of interviews. As 1T expresses her concern here, this challenge is not confined to XYZ, but is found throughout the movement:

"But the problems always in the movement has been that there have been those sort of absolute activists of the co-operation and the movement versus those that can do a commercial job for you; and never the twain shall meet" (1T)

To ensure the MOCA strategy is authentic, it is vital that the organisation's behaviours reflect the messages that are being delivered externally (1T, 1B). As 1T emphasises here, if the co-operative is going to make ethical claims, its behaviours must match them:

"... and if you can't create that, then you are creating a very visible sham for people to throw rocks at, and that for me is where the biggest problem occurs in the movement" (1T)

Both 1T and 1B recognise that this potential internal tension has historically been a challenge for the co-operative. Addressing it requires internal communications to be changed to disseminate the MOCA message, and to do so in a way that is meaningful to all employees. In this quote, 1B explains that this must be a simple message:

“... so we set about creating a story for our people about what the Co-op is...of course you start with the pioneers and you take the ICA declarations and all that stuff but frankly they are never going to read that...you have to get it down to a very simple message and here... (1B)

1T and 1B are clear that employee hearts and minds must be won for MOCA behaviours to occur, and they emphasise the value of an internally shared understanding of the MOCA strategy to achieve this. Recognising the complexity of the co-operative values message, XYZ has distilled the MOCA message into four themes: Democracy, Openness, Equality and Social Responsibility; they call this ‘DOES’. Employees talk in these terms as a form of internal, - even esoteric - language, as 1B explains here:

“...we have a language we speak within the Society and that reflects our values and in each of the elements of the four - DOES, oh yes, we tell the story of what the Co-op is...and we have been doing that for probably 7 or 8 years now and I think it has got a real attraction and so people "talk" the language of the Co-op here... (1B)

This DOES language is communicated to all new staff at an induction at the start of employment, and is reinforced by the unit managers in day-to-day use. External inspectors assess levels of understanding, and behaviours are guided and measured by the Steering Wheel benchmarks, e.g. AGM attendance. As a result of putting DOES communications in place, the CEO is pleased to observe an increased sense of belonging and commitment to a shared co-operative ethos (1B).

5.2.1.2 The views of two middle managers in XYZ co-operative.

When developing the DOES internal communication, as part of a MOCA strategy, management were surprised, and disappointed, at the low levels of understanding revealed in early staff surveys (2T). As 2T explains here, this early research at XYZ demonstrated that although employees saw this co-operative as a preferred place to work, they lacked confidence in their understanding of co-operative values and purpose:

“...one of the things that was a real shaker was in one of the early colleague surveys...one of the satisfaction surveys that we did....colleagues...we asked the question "Would you confidently be able to explain the co-operative values and principles"... and the word confidently was a real sticking point...and the results were quite shocking to us...that people got the co-operative bit as a feel...nice place to work...employer of choice... (2T)

As middle managers, both appreciate that it is challenging for anyone to know how to implement the MOCA strategy in their work, i.e. to know what needs to be done (2M, 2T). There was therefore a need for XYZ to provide guidance to employees on how to act in line with co-operative values (2M, 2T). This led to the development of DOES messages, which draw on the fundamentals of co-operative values. As 2T explains here, an internal communication toolkit was created, to help employees understand the co-op model and its social responsibility ethos (in order to guide them in MOCA delivery):

“..so we spent a lot of time developing what is our DOES values...so we defined everything down under Democracy, Openness, Equality and Social Responsibility ...and have used those as our hooks to everything else...and from a co-operative social responsibility point of view... we have looked at how those things link together ...under our co-operative identity... (2T)

Both middle managers are very positive about the DOES communications toolkit as a means for internal communication, and they make reference to its fun and inclusive style. An achieved level

of understanding within a unit, e.g. a store, is recognised with the award of a plaque. Both are clear that unit managers are responsible for ensuring their team understands of these messages. In this quote, 2T explains that the buzz created by this award led to high levels of employee engagement:

"...it was a real focus... on getting some buzz...and some energy... around that...our colleague engagement last year hit the highest it had been ever..." (2T).

This engagement is part of an employee shift from liking the co-operative they worked for, to being proud of it and its co-operative values and ethos (2T).

Both 2M and 2T recognise that in communicating DOES, XYZ aims to focus on empowerment as a means of embedding co-operative values in its business delivery. However, in doing so, it asks people to go 'above and beyond' the basic service in, as 2T explains here, a problematic trading environment:

"... in a very difficult trading period... you know ... we are asking above and beyond...that change process is quite big for us ...particularly in the retail world and things have changed there with discounters and whatever else.." (2T)

This empowered mind-set relies on a commitment to the co-operative, as well as a confidence to recognise how to drive change in the business, and a preparedness to reflect on how to add value in way that works towards the co-op purpose (2T). As 2T outlines here:

"...it is about making the link...to what is the benefit...what is the return on the investment....as a co-operative this is our money...this is our business...if I am going to spend 4 hours doing something...there isn't just my physical job of serving customers to put money in the till...how is it going to add value in a different way...how is adding value to me as the individual so I can make more...add value and more contribution to what we are doing ..." (2T).

2T observes that when senior managers join the co-operative, most are very quick to understand MOCA implementation. From her experience of interviewing for staff recruitment, she believes applicants were attracted to the organisation by its value set (2T):

“... it was their choice that out of all the job opportunities that they had that they would chose this job because of the way in which the Co-operative manages its business and engages with its people...” (2T)

Some new senior managers, however enthusiastic, can take longer to understand how to implement MOCA, and 2T sees the AGM as one of the key learning opportunities for these people. At this event, senior managers are expected to answer questions from members (usually customers and / or employees) about how the co-operative's strategic decision-making relates to the values, as 2T explains here:

“one of the best educational interventions that we ensure that senior managers experience is at our AGM to sit in a room with the members who have decided that they will take a day... a Saturday...out of their busy personal schedules to turn up to a meeting and they are absolutely having their say...” (2T)

2T gives an example of such a question:

“should we be selling holidays on aeroplanes ...does that sit with our ethical values and our environmental agenda...?” (2T).

Another part of this internal communication uses an internal staff magazine, which regularly focuses on explaining each of the elements of DOES. As 2M explains in the following quote:

“...this is our internal colleague magazine - we actually have a whole section of the magazine that is branded as DOES so this is a democracy page – that is what we are doing on

democracy...and you know, the openness and equality, diversity, and that sort of thing...social responsibility...” (2M).

As in some of first interview tranche (see Chapter Four) these XYZ middle managers see helping young people know more about the co-operative model as part of MOCA strategy implementation. But, while the former focus was on the use of social media, XYZ has been working with schools in their region (2T):

“ ...we have set up...a developing young people strategy...and we have got a team of people who are delivering that for us in our business under what we have said in the areas in which you want us because we have agreed that strategy with you...” (2T).

2M feels, that although employee understanding is improving, DOES/MOCA is not ‘shouted about’ enough, and that next steps are to build on the store accreditation and to ensure external stakeholders, such as members and customers, hear the DOES messages. This point is summarised in the following quote:

“I do think it [the DOES communications toolkit] has made a big difference. But we probably don’t shout as much as much as we possibly could. I think this is the next part of the journey now, knowing that the stores are now accrediting themselves ...” (2M)

As a middle manager, 2M recognises that it’s difficult for staff to know how to implement the values in their work place. They both (2T, 2M) see MOCA implementation being brought together in three main components: i) internal communications e.g. induction, management presentations, staff magazine; ii) the DOES accreditation process; and iii) the Steering Wheel measures (2M). In this way, communication and benchmarks come together to develop understanding and to influence behaviours (2M), and the DOES scheme becomes part of employees’ day-to-day decision-making

and actions. Managers recognise that employees must “*get it*” as this understanding guides behaviours; this includes interactions with customers, and decision-making around priorities, such as how best to use their time, and any necessary changes to put in place (2M).

5.2.1.3 The views of two unit managers at XYZ co-operative

Although all employees receive head office based induction training, it is the accreditation process and the Steering Wheel benchmark measures that guide expectations (3M, 3L). Both unit managers are clear that it is this combination of understanding DOES/MOCA, and the related performance measures, that are vital for employees to know their role in implementation. Additional communication is delivered in a number of ways, e.g. via displays in-store and the staff area, in the nursery workplace, an on-line package (3M), at performance reviews, during engagement with community activities (3M, 3L), and what 3L calls the “*listening and feedback*” process, as well as the everyday experience of working in the co-operative. 3L says that it can take time for employees to develop this understanding but when they do, it is embedded and they don’t need reminding:

“But when they have got it, though... it is so embedded straight away...it is not something that you have to keep coming back to and reminding them...I think it takes a while for a colleague to understand...you sometimes have a...how they do things with the values... and how they play their part...” (3L)

Both unit managers see part of MOCA implementation as engaging non-employees and expanding membership, e.g. childcare parents and store customers, and they actively encourage staff – and parents – to be more involved in co-operative governance (3L, 3M). 3L uses the example of childcare (in the co-operative nursery she manages):

“ ...having excellent relationships with parents is all based on communication...a lot of the difference...because we ask our parents loads of information [about the co-op ethos] ... just trying to really tailor what we do in child care for our parents for our children... so that communication is really so important...” (3L)

As store manager, 3M believes that some staff join the co-operative because they are sympathetic to its value set, and he sees that this collective understanding holds the team together in challenging times:

“.. we are busier so the team aspect is really important ... that we work together to hold the values there ...” (3M)

However, 3L's perception is that many new employees find it hard to grasp the co-operative values and purpose. This recruitment challenge is clearly seen as an issue by managers at all levels in XYZ co-operative. Getting the mind-set right is crucial to the MOCA behaviours and decision-making (3L). In talking about her personal experience as she started at the co-operative, 3L reflects on her own difficulties in grasping the MOCA message. She feels that at the start of her employment, she had struggled to understand how the values impacted on MOCA actions:

“... [I] struggled a little bit with that change over period... but they say that they can see a difference in me and how I talk about [XYZ], so it is trying to get the frame of mind right...because it makes a difference, it really does...like the community work that we do....it does really...everybody can get involved...it really does make a difference...” (3L)

Both 3L and 3M see the day-to-day job, combined with the work in the community, as illustrations of the MOCA strategy in action, and as activities that contribute to employee understanding (3L, 3M). The

shared commitment to co-op values is core to holding the team together; this is especially vital when competitive pressures are on the increase (3M). 3M is confident that all till staff can explain the values on which the co-operative advantage is built. 3M emphasises both the importance of these messages, and that MOCA is challenging to implement:

“...this message is getting stronger because this [training] room and everything...it is all about promoting these values and it shows that as we advance it is getting stronger and stronger as we get bigger... it is sort of the case that it is easy to say but it is harder to do...and I think it is something we stand by and we work by....” (3M)

To think in the MOCA way, employees need reassurance that MOCA is the right strategy, and this comes from seeing - from their behaviours - that managers are committed (3L). 3L is very aware of the manager's role in modelling behaviours:

“...and you do [as a manager] have to be committed ...to and reassure them ...that it does work and it does take time for them to understand what part they play...” (3L)

Both 3M and 3L commented on the high expectations that the co-operative has of all employees, and their personal commitment to the values. 3M called this a two-way process in which the co-operative business expects commitment and enthusiasm for its ethos, but also provides support and guidance. Similarly, 3L notices a focus on staff and career development that she had not come across in her previous - non-co-operative - nursery workplace (3L). As 3L explains here, staff are expected to be enthusiastic about the values and prepared to go “*above and beyond*” the basic job role:

“But expectations are great as well...yes...we expect our colleagues to give more than just turn up for work and to do a decent job...we expect them to contribute...we expect them to challenge things...we expect them to put their head above the

parapet...we expect them to be enthusiastic around things that ...are above and beyond ...” (3L)

3M expressed pride in the leadership team at XYZ co-operative, in areas such as waste reduction, energy saving. He sees this ethos as part of the MOCA strategy, and the co-operative values in action. This includes, e.g. providing water at local community events, and making other donations (3M).

5.2.1.4 Understanding of MOCA ethos and strategy at all levels of the co-op – in summary

Senior, middle and unit managers in XYZ co-operative all agree that employee understanding of the co-op values is vital for the implementation of a MOCA strategy. This is because understanding supports the right behaviours, and is consistent with comments made by the earlier senior management interviewees. Employee and organisational behaviour must reflect the messages that are being delivered externally, to ensure that MOCA is seen as authentic and not a sham (1T). Both middle and unit managers make reference to the need for employees to do more than the normal service delivery, to implement MOCA.

These relevant behaviours are not just about the interaction with the customers and / or members, but also about the employees deciding how best to use their time, and other resources available to them, and how much they identify and drive internal changes (2M). Like many in the first tranche of interviews, XYZ participants are keen to see employees have a personal commitment to co-op values in order to influence the appropriate behaviours. It should be noted that the XYZ CEO commented that although a sound objective to work towards, this is an ambitious one and not usually achievable (1B).

All interviewees (in both tranches of data collection) agree that the MOCA message is complex. The XYZ approach has been to simplify and adapt it into four themes: Democracy, Open-ness, Equality and Social Responsibility (DOES). DOES not only draws on the fundamentals of co-operative values, but also presents them in clear language, and it's worth noting that EP called for careful use of language in order to reduce potential confusion within the co-operative. 3L's perception is that many new employees find it hard to grasp the co-operative ethos when they first join. This challenge at the recruitment stage is clearly seen as an issue by managers at all levels in XYZ, and mirrors concerns expressed in the first tranche of interviews (see Chapter Four), in particular JR. In her view, creating a personal connection, so that the values are "*part of you*" (JR) is crucial to creating MOCA behaviours, and that requires the right mind-set. Similarly, 1T and 1B are clear that employee hearts and minds must be won for MOCA behaviours to occur, and like the earlier tranche of interviewees, 1T and 1B are putting internal communications in place to achieve this. Similarly, RM – in the first tranche of interviews – makes use of a range of communications to build understanding of a MOCA strategy, in what she calls a series of "*brushes on the cheek*" (RM).

XYZ co-operative's internal communications toolkit (note that NH also uses the term toolkit – see Chapter Four) takes the form of: induction training; reinforcement by unit management and in work place communication; and behaviours that are guided by the benchmarks (as in the Steering Wheel); participating in local co-op supported events; and managers modelling behaviours and demonstrating their own commitment. It is clear that the unit managers recognise their leading role in this internal communication process (3L, 3M). This list is similar to the communications mentioned in the first tranches of interviews. Other means of communication include: management presentations and related events, an employee magazine, an on-line information package, in-

work displays. Additional communications relate to internal behaviours and processes, e.g. Colleague Council listening and feedback, the Performance Review structure, and involvement in community activities, as all illustrate the co-operative values in action (3L, 3M). As part of this embedding of MOCA behaviours, both see the daily job tasks, combined with the work in the community, as illustrations of the MOCA strategy in action, and as activities that contribute to employee understanding (3L, 3M). This view is similar to the views from the first tranche of interviews, (see e.g. JR, DW, QF, PC).

The communications toolkit is designed to be fun; success, i.e. understanding of co-op values, is rewarded by DOES accreditation - and a plaque - and these create a buzz in the workplace. This leads to high levels of staff engagement and a pride in co-operative values (2T, 2M). One indication of success is an increased sense of belonging and commitment to a shared co-operative ethos amongst employees (this is seen by 1B as a mediator between internal communications and MOCA behaviours), and links to personal connection (an area emphasised by JR), and mind-set. This shared understanding of day-to-day actions, aids the bringing together of the co-op activists with those who are more commercially orientated; this alignment is important for MOCA implementation (1T) (and is a strong theme from the first tranche of interviews, and in particular ZA's comments).

Of all the XYZ interviewees, the two unit managers had the most people reporting directly to them; one commented that it is more challenging to manage an empowered than a controlled team. The other (3M) did not agree so specifically, but saw the shared values as playing a key role in holding the team together and being especially vital as competitive pressures increase. Nevertheless, there is consensus that staff need to be in a position to make their own decisions as to how they make best use of their time, and how

best to respond to customers, and this can be difficult for new staff to grasp (2T, 1T). This is because MOCA implementation depends on local autonomy, with the co-op ethos driven by employees. For this empowerment, they need to understand the co-op values and where they take the co-operative, in order to be pro-active in MOCA implementation. This emphasis on empowerment concurs with comments from the senior managers in the first tranche of interviewees (e.g. KL, ZA, JR).

MOCA strategy implementation requires that staff feel empowered. Empowerment relies on a commitment to the co-operative business, and a confidence in recognising both its direction (see 3L) and how to drive change in it (2M, 2T). To 'think in the MOCA way', employees need reassurance that MOCA is the right strategy; this comes from seeing that leadership and management behave in a way that demonstrates commitment, and provides guidance on the implementation of MOCA strategy (3L). This view is consistent with many of the earlier tranche of interviews, e.g. JR, KL, who called for a management style of empowerment.

When developing the 4-theme DOES communications toolkit, initial market research indicated that although staff viewed DOES and the MOCA strategy positively, they lacked confidence in their understanding, and wanted guidance in what to do to integrate the values into their day-to-day work (2M, 2T). Interestingly, this is one of JR's major concerns, that employees should not only know the values and co-operative purpose but, more importantly, understand how they are a crucial part of each employee's daily tasks.

3M is confident that all staff at the till in his store can explain how the co-operative differs from other types of organisations. This contrasts with the first tranche of interviews in which BY and SP express frustration that in co-operative retail, the till staff appear to have little idea about the values, and both call for this to be addressed.

The XYZ co-op has high expectations of employees, and the unit managers saw this as a two-way process in which the co-operative business expects commitment and enthusiasm, but also provides support and guidance (3M, 3L). 3L comments favourably on a focus on staff and career development that she had not come across in her previous non-co-op nursery workplace (3L). In the unit managers' experience, while some staff join for the values, other new employees find the MOCA message difficult to grasp (3M, 3L). This view reflects comments by some in the earlier tranche of interviewees (e.g. JR, SP, ZA, KL). According to the middle managers, some new senior managers are slow, while others are quick, to get it, and the AGM provides a key learning opportunity for new middle and senior managers (2M, 2T). In reflecting on improving MOCA delivery in the future 2M feels that, although internal understanding is improving, DOES/MOCA is not "*shouted about*" enough (2T). Like the other XYZ interviewees, 3L wants to see an increase in employee understanding of the detail of co-op values (beyond DOES) and calls for a further development of internal communication about the MOCA strategy and the plans for implementation.

With reference to "Employee understanding of MOCA strategy at all levels", the comments from XYZ co-operative were consistent with those from the earlier tranche of interviewees. However, XYZ interviewees place greater emphasis on this understanding as a pre-condition for MOCA behaviours.

5.2.2 Internal processes and policies aligned with MOCA values.

The first tranche of interviews (see Chapter Four) demonstrated that embedding MOCA related competences requires processes to hear, and to share internally, the customer-member voice. MOCA implementation requires coordination throughout the co-operative, and this calls for internal communication policies that enable understanding of the delivery challenges faced in the different parts of the co-operative. In addition, a range of benchmark measures influences and informs the development, and effectiveness, of MOCA competencies.

5.2.2.1 *The views of two leaders/ senior managers in XYZ co-operative:*

Both 1T and 1B see the MOCA strategy as, on the face of it, a very appealing story for co-operatives to tell internally as well as externally. Although the focus of each participant's concern differs slightly, both relate to customer-member interpretation of the messages in the MOCA communications. 1T fears there is a danger that these messages could set employee and customer-member expectations too high, and the co-op may then be unable to deliver on its values based promise. This can then cause disillusion and reduced trust in the co-op offer. Similarly, 1B is concerned that the MOCA promise is often too vague and open to misinterpretation. This too can cause disillusion and reduced trust. He says that to tell a convincing story about MOCA delivery, XYZ must be able to measure and therefore demonstrate the value of its activities and their contribution to the community and the co-operative purpose (1B). These measures are re-visited annually (1B), and examples include: "*hours spent working in the community*", attendance at Colleague Council (1B). XYZ calls this set of benchmarks their steering wheel, and it is designed to communicate messages around

the co-operative being what 1B calls “*a different kind of business*”. As the following quote explains, this approach changes decision-making from supporting behaviours related to “*nice things*” that align with the values set, to a focus on those activities that can be measured to demonstrate MOCA implementation:

“ ... you need to be able to measure it in order to have a convincing story, you need to be able to demonstrate how and what the value has been to the business and so for a couple of years we found that really difficult because we just liked doing nice things... [so] ... we moved ourselves from just doing nice things that made us feel good into doing nice things but ones we could demonstrate where we are adding value into the community and we measure it, we measure everything.” (1B)

As it measures activities’ outcomes, the Steering Wheel approach ensures that its benchmarks are “*front of [employees’] mind*” at all levels in the organisation (1T). In this way, the MOCA mind-set is embedded in employees’ daily activities:

“So [with this approach] you are starting to measure things that then place an importance in the minds of those who are dealing with day-to-day activities. So that helps. (1T)

Although 1T emphasises the importance of policies and processes that integrate the co-op values into what employees are expected to do on a day-to-day basis, she is clear that this must provide a framework within which employees are free to decide how to respond to customers (1T). As MOCA delivery behaviours are driven by employees’ decision-making, it’s important that a manager’s style is not seen as controlling (1T). Nevertheless, managers must be clearly committed to the MOCA strategy, or it will be seen as inauthentic:

“if you [i.e. management] don’t recognise [that employees drive the MOCA implementation] and only give it lip service then you will fall foul immediately... (1T)

To deliver this, and align external MOCA messages with internal actions requires investment in employee development:

“I think that you have to start integrating the values into the way that you employ people and you deal with them on a day to day basis, because you cannot have a values organisation externally that is misaligned with its internal application. So you have got to invest in people and there is no other way. You have got to allow more freedom for people to make decisions...” (1T)

1T believes this is particularly challenging in very big co-operatives, and firmly believes that growth is not an appropriate measure of MOCA success. This is because she (1T) sees that growth drives the need for centralised structures and control systems that could damage relationships with members and the local community base. As this works against integrating the values into the employees' daily activities 1T calls for a policy of local autonomy in which stores are empowered to, for example, purchase local produce. She (1T) recognises that centralised purchasing systems may need to be altered to enable this.

1T observes that some co-op leaders have made the mistake of focusing too much on growth strategies at the expense of values. This has led to a focus on short-term business targets, when they should be considering the growth in the movement in the longer term:

“I am sure that success, profitability, membership numbers might be another measure. There are lots of measures, but you can hit targets... but it doesn't...you know the co-operative movement has been going for a hell of a long time. You hit a short term targets and most people can achieve that; but it does not necessarily grow the movement for the next 100 years.” (1T)

1B recognises that the policy of listening to members' concerns has necessitated commercial trade off decisions, for example making free coffee - from a well-known coffee brand - available in stores would be good for business because it drives traffic into the store. However, members objected to that brand because it's not fairly traded (1B). As 1B explains here:

" ..so for instance I would if I was given a free hand give free coffee in our stores because that is what the people like...because customers like this, it is one of the most successful brands in the country and if I want to attract people in, Costa coffee would be a good supply brand. At the moment the members believe that Costa are not an ethically appropriate business for me to deal with so I don't deal with them..." (1B)

In the future, the CEO (1B) wants to see MOCA implementation involving members more, and that the next stage would be to engage with them more at an individual - not just at the representative board - level. Although XYZ has established a forum as an additional means to communicate with member-customers, at this stage, 1B is unsure whether it effectively achieves its objectives:

"I get considerable correspondence from members so in that way I do know what they like and what they don't like...do we have a forum where they can...where we gather those together...no ...not I don't think effectively...we do have this Member Strategy Committee which we created for that purpose and these are elected by the membership, separate from the Board, who are supposed to be almost representatives of their local areas and bring to the Membership Strategy Committee the thoughts of members...now I don't think this works as effectively as we would like..." (1B)

5.2.2.2 The views of two middle managers in XYZ co-operative:

For the middle managers, the MOCA/ DOES implementation process offers a toolkit of internal communications, about the co-operative

values and its purpose of creating a fairer world (2M). The middle managers value this as it provides guidance, audit systems and benchmark measures (as in the Steering Wheel) at all sites and for all units (2T). There is an accreditation system for each unit, in which employees are recognised as a group, for their knowledge of co-operative values and how they each contribute to MOCA/ DOES (2M). This relates to the Steering Wheel measures, and is also a means of identifying and sharing best practice (2M, 2T). In this way the toolkit develops staff understanding of co-operative values, and therefore enables empowerment (2T, 2M). This makes a positive difference to the culture that supports MOCA delivery. 2M explains the type of evidence required from employee-colleagues in a unit, to obtain accreditation:

“...so like ‘what evidence?’ was that colleagues knew and understood the purpose statement so working together to create a better, fairer world. We want everybody to understand that is our purpose, so when [the assessor] goes in they should be able to talk about that statement, understand examples of DOES in action. So in democracy, ‘had they been to an AGM where they have voted?’...” (2M)

2M sees the Steering Wheel as driving everything that XYZ Co-operative Society does, and emphasises that even though its benchmarks are sometimes challenging, she has not observed any internal resistance. By focusing on these measures, employees are not only keen to see their unit excel, but also to do better (2M). The steering wheel benchmarks are used at various levels and trading groups within XYZ and, as 2M explains here, each has its own set of measures:

“I think they are seated at different levels because we have a Society Steering Wheel, and then it gets broken down into a Group Steering Wheel, so that would look different to what the overall Society Target looks like, and then they get a Branch Steering Wheel, so I think people are all different...and so it builds up ...” (2M)

Each set of Steering Wheel results is available for all employees to see (2M). Examples of benchmark measures include: attendance at Colleague Councils (therefore managers support attendance even when stores are busy), number of members attending the AGM, time worked in the community (2M, 2T). The benchmarks guide agenda setting at meetings and, in this way, understanding is cascaded within the co-operative as a whole (2M).

The senior management team review the Steering Wheel measures annually, to ensure that they drive the right actions (2M). In addition, information about how performance has been improved against the benchmarks is shared throughout the co-operative (2M). While the Steering Wheel has been in place, 2M has seen increased employee understanding of both the process and the scoring methods. In this quote, 2M gives the example of improved employee understanding of customer loyalty level measures:

“They will know those types of things in stores now, whereas 3 years ago if you had said ‘how loyal are your customers?’, nobody probably would have had a clue. But now they know what the score is, and they understand what the process is, how it gets measured...” (2M)

The middle managers see that XYZ is not only committed to DOES/MOCA implementation, but also their co-op accepts that there are continuing opportunities for improvement (2M). In 2013 (this interview took place in July 2014), an audit process was undertaken at all sites, to assess employee understanding of the co-op values and the MOCA strategy, and how they interacted with each other (2T). Although 2T found that receiving this feedback was tough, i.e. “*brutal*”, she recognises it was a valuable exercise, and included some positive comments:

“...this [audit] is quite brutal in that there is no hiding place...it is quite exposing...and we were so delighted...with what we were being told....not everything out there is rosy...we know that....ok... it is hard work ...and we are not great at everything...” (2T)

In addition to the Steering Wheel benchmarks, there is the Colleague Satisfaction Survey, which measures employee-colleague engagement (2T). Although - back in 2013 - this indicated that the Co-operative was seen as a preferred employer, some of the feedback from these surveys on levels of MOCA understanding was very negative (2T). However, as employee understanding has improved, one of the success measures is that record numbers of employee-members attended the recent AGM (2T):

“...we had a record number of members attend our AGM last year....754 members at the AGM... that was an increase of probably 200 ...year on year...” (2T).

Like some in the earlier tranche of interviewees, XYZ uses a “*would you recommend?*” question and a 1-10 scale, to measure customer satisfaction. These scores are seen as outcomes of employee behaviours and feedback into internal measures. Colleague Councils meet regularly and bring employee representatives together to share ideas about best practice (linked to positive survey responses), and to be a sounding board for proposed changes to MOCA delivery. Council members represent all functions and parts of the co-operative, and clearly feel confident in challenging ideas, as 2M explains in this quote:

“...we do have cross functional teams at different levels and so, for example, Colleague Councils, we have actually got representatives from ... [text removed] ... all levels who actually go along to Forum events where they will discuss and they will have regular meetings through the course of the year

and they actually discuss any issues that are going on with their site and then share best practice amongst themselves ...
(2M)

XYZ has grown and acquired new stores and other units, and this has required a process for integrating existing staff in the form of joint events and induction training, as well as other systems of internal communication, e.g. a magazine distributed to employees (and co-operative members) (2M). 2M recognises that explaining about the opportunities that a MOCA strategy presents for competitive advantage, is challenging. 2M sees the financial benefits of being a member as an important incentive to employee engagement with the co-operative and its values and, as part of that, developing employee understanding. 2T builds on that point by emphasising her confidence in employee understanding of how the co-ops align ethical values with commercial activity to create a competitive market-place positioning:

“...competitive advantage as well as the co-operative advantage and it is.... and sometimes it is about choice as well as...as a cooperative customer... you have got that fine line between quality of choice and aligned to your ethical values...yes there is lots of that I would think but...yea...and colleagues understand that...” (2T)

Although MOCA implementation aims to bring together the co-op values with the business offering, like the senior managers (1T and 1B), the middle managers appreciate that trade-offs are an inevitable part of MOCA delivery. 2T gave the example where members wanted to end in-store cigarette sales, but management – supported by market research – showed that this would have damaged store traffic to such an extent that the store would be unsustainable:

“... do you remember the cigarettes debate we had at the AGMS and we actually brought in an independent person because the members were saying is it ethical to be selling cigarettes.... and we physically had to go and show this is how much the

business sells and if we did not do that...this many people would not come into our stores so ...do you really want to have that debate ..” (2T)

2M and 2T are clearly proud to work at XYZ. 2M says that other co-ops admire the DOES scheme for implementing MOCA. However, it is worth noting that the CEO comments that some in the movement say that the DOES scheme represents an oversimplification of the co-operative values (1B).

5.2.2.3 The views of two unit managers:

The unit managers reported positively on the external communications in place to engage customer-members, e.g. nursery parents, store customers. They were also positive about the processes and policies that demonstrate MOCA in action to employees and, in so doing, enable them to understand the co-operative values and to feel empowered to act in line with them. Examples include:

- Store staff are prompted at the till to ask if a customer is a member, and trained to lead a conversation about the co-operative values (3M);
- There is an embedded process to engage parents via the parent representative group and direct contact with nursery managers (3L);
- Colleague Council representatives are proactive in asking staff about how things are going at work, this reminds employees that they “*can have their say*” and that this is part of co-operative values in action (3L);
- The feedback process not only aids understanding of co-op ethos, but has also achieved positive changes, e.g. the paperwork related to annual performance reviews is much

improved leading to a higher quality conversation and less of a tick-box exercise (3L);

- The medicine form in the nursery has also been improved following staff feedback to the Colleague Council (3L).

These activities all remind staff that they are empowered to implement a MOCA strategy in their various roles. The following quote from 3M explains that prompting till staff to ask customers for their co-op membership card has helped their own engagement with the MOCA values:

“we do ask... generically anyway and it is prompted on the tills....and it is asked generically but when you have the personal feel ...you can sort of say "Have you got the card today" or left it or ...so all that sort of thing helps and it is the case that a lot of that is about getting them to remember it ... (3M)

These changes have occurred because employee-colleagues not only feel empowered to call for changes, but also because they knew “*where they were going*”, i.e. they understood the organisation’s MOCA strategy (3L). 3L links the improved paperwork to clarity of strategic direction:

“...it was quite good to see... because you have colleagues that you know where they are going... you know what they are going to kind of say when they come in... and then you have those where you think..."OK, where are you going?" ... but the paperwork was really good....it really sorted it (3L)

Internal displays within the nursery workplace remind staff of co-operative values and the MOCA strategy, as does the induction training and the Steering Wheel measures (3L). In-store displays serve the same function in retail (3M).

3L recognises that although it's a challenge to explain to employees how the nursery's parents and children fit with the MOCA strategy in day-to-day activities, she feels that the working environment aids that communication. In addition, 3L recognises that aligning her decision-making with co-operative values makes achieving business objectives challenging:

“... as a manager... yes ...a co-operative nursery is different because you take responsibility for your own...you run it like your own business but you work within the co-op values ...so I would say it is more difficult .. (3L)

3L feels that the co-operative gives her more autonomy than in a private nursery, however she has to empower and trust staff rather than dictate to them. Although the DOES framework provides guidance, this need to encourage pro-activity in staff makes managing them more difficult:

“... because I try to get them to come up with the ideas to get them to think for themselves [as part of the Co-op ethos]...so it is more difficult...” (3L)

As a store manager, 3M recognises that the co-operative loyalty cards offer a financial incentive to become co-operative members, and accepts that this could lead to people (employees and customers) joining for financial reasons, rather than support for the co-op values. However, he is keen to expand membership as the data gathered by the card usage informs in-store promotions, and helps him meet the store's commercial objectives (3M). He supports this strategy by arguing that members receive a lot of information about the co-operative, and are therefore encouraged to become more engaged with its values. 3M explains that as members start to use their in-store vouchers, they visit the store more often, and as a result are likely to become more engaged with MOCA and the values:

“... [receiving] the vouchers is nice... because it is an extra incentive...but obviously I think it is nice that they feel part of the movement as well ...because once a member they become a lot more involved...they get that casting vote...they are invited to the AGM...and the annual meetings... and that sort of promotes the difference that we have and that opportunity ...” (3M)

For 3M, increased membership builds a stronger XYZ co-operative, and to achieve this growth, he believes that the values and the MOCA strategy should be more heavily promoted than they are currently: *“I think we do a lot...we do a lot but I still don't think it is as heavily promoted”*.

3M expresses concern that there are a number of differing regional co-operative groups operating in the area (near his store), and the membership cards are not interchangeable. The resulting customer confusion and frustration creates a barrier to building a sound relationship with them (3M) (1T makes similar comments), as 3M explains here:

“ ... because we [all UK Co-op stores] obviously all share the signage which comes from central group but unfortunately... all of our members cards are different and they don't cross over... so that is potentially someway of frustrating people” (3M)

Clearly this lack of co-ordination between differing co-operative groups in the UK has a damaging impact on the co-operative image.

5.2.2.4 Internal processes and policies aligned with MOCA values - in summary

A MOCA strategy informs an approach to business that is an attractive story to tell customers, staff and local communities (and can therefore offer a competitive advantage). However, there is a danger that expectations can be set so high that the co-operative fails to deliver and therefore loses the trust of all stakeholders (1T).

Adding to this problem, the CEO recognises that messages around co-operative values can be vague and therefore difficult to understand. This latter view mirrors many from the first tranche of interviews, except that their focus was more on the complexity of the MOCA message, (e.g. EP, BY, RM). To address this vagueness, and to improve clarity of understanding, the CEO emphasises the importance of measuring implementation achievements, and XYZ uses a set of benchmarks (which they call the Steering Wheel). These act both as measures and as guidance for the day-to-day implementation of a MOCA strategy. Although most senior managers in the earlier interviews made reference to measures of MOCA success (e.g. DW, RM, QF), none talked about such a comprehensive set or placed as much emphasis on them as XYZ does. These XYZ benchmarks are part of a comprehensive internal communications process designed to develop understanding of co-operative values and the MOCA strategy and in so doing to influence employee behaviours.

Past internal surveys – usually text based – had indicated that although employees saw XYZ as a preferred employer, they were often unaware of the co-operative values. This is consistent with similar research results from surveys undertaken by the earlier interviewees (e.g. QF, DW, BY). Such results motivated the co-ops represented to increase their focus on developing processes for internal communications to support employee understanding of the co-op values and MOCA strategy.

Interviewees talked enthusiastically about a communications toolkit (as did NH in the first tranche of interviews). This toolkit includes: guidance to managers; and audit / feedback systems; followed by accreditation, and then on going benchmarking, as well as induction and in-workplace displays (this is consistent with examples from the first tranche of interviews, e.g. RM, DW, SP); and other feedback systems.

Although growth is, in general, not seen as a suitable organisational objective in itself, some believe that increasing member numbers would strengthen the co-operative. As members receive store discounts, there is a financial incentive to join; and as members they receive information about co-op values and this could increase engagement with the movement. However, consistent with the first interviews, opinion is divided. Like SP, 1T believes XYZ's policy creates a confused message; whereas QF along with the XYZ store manager (3M) support limited financial incentives to encourage employees (and other stakeholders) to engage with and/ or join the co-operative. Some saw this incentive-isation as a mechanism to move employees along the funnel of engagement (this is the phase that SP uses to describe the process of engaging employees with co-operative values). This offers opportunities for greater local engagement, as emphasised by 1T in XYZ co-operative, and reflects a local community focus articulated by, in particular, RM and DW in the first tranche of interviews. However, others expressed concern that a focus on growth could lead to short term decision making, and like the first interviewees, felt that such an approach works against co-operative values.

Again, consistent with the earlier interviewees (e.g. ZA), the XYZ CEO recognised that decisions around trade-offs between values and commerce sometimes had to be made, e.g. around stocking cigarettes, and branded coffee that was not fairly traded (1B). In this case, internal communications were put in place to explain this decision-making process, and how this approach aligned with the co-operative's longer-term strategy. Alongside policies and processes, internal communication is seen as a crucial pre-condition for employee understanding of the MOCA strategy.

5.2.3 Trust in leadership commitment to MOCA

Interviewees in the first tranche called for leaders and managers to clearly articulate how to address the tensions between sustainable business objectives and co-operative values. If the leadership team's focus is akin to an investor-owned, attempts to develop the right behaviours for MOCA implementation are undermined. To demonstrate their commitment, leaders must be seen to allocate resources to developing MOCA capabilities, and the leadership style must be one that enables staff empowerment (and this requires investment in employee training and feedback mechanisms).

5.2.3.1 *The views of two senior managers in XYZ:*

The CEO emphasises that the co-operative's purpose is to work towards a fairer world, and various sub-businesses within XYZ are a means to achieve that purpose (1B). Mirroring the earlier interviewees, 1B is clear that the co-op is fundamentally a different kind of business from a traditional investor-owned one, as it is driven by its values (1B). Like some (but not all) of the first tranche of interviewees, 1T says that co-operative leaders must be wary of too much focus on business expansion. 1T uses the UK-based Co-op Bank's failure as an example to warn against a growth strategy:

“They [the Co-operative bank] had a very nice niche in the market and should have stuck to it; growth again has been the substance of the failures.” (1T)

Its brand related communications messages and the behaviours of all who represent the co-operative must align with the values (1B, 1T). The senior managers from XYZ co-operative (1T, 1B) emphasise the crucial importance of evident leadership commitment to co-op values in order to “*take staff with them*” (1T). They (1T, 1B) are very conscious that the problems at the Co-op Bank had

damaged the overall co-operative brand image in the UK. 1B says that, as a result, XYZ will have to rely much more on its regional - rather than national co-operative - branding, and that “*will be hard work*” (1B).

1T recognises that despite the large number of employees who are committed to co-op values, leading an organisation implementing a MOCA strategy is challenging:

“But basically leadership still plays a huge part of getting things to happen and what you find in the movement is that there are those absolutely passionate people who if you cut them in half would say “Co-op” in the middle. But the problem is that they are not good at leading others; they don’t have the capacity to take people with them. So what you find is, that there is a small little cohort of people who get the vision, but that’s not big enough to influence a large organisation. So you have really got to have a very different person [leading the organisation]...” (1T)

Leaders must work to ensure that internal understanding of the MOCA strategy creates a linkage between the commercial and activists’ perspective (1T). MOCA implementation is not only dependent on management competencies, but also on managers being seen to be committed and not merely paying lip service to the values (1T, 1B). There are many passionate member activists, who care hugely about the co-op values, but who don’t have the required business management skills (1T). Therefore the senior leaders in place must be able to bring both commerce and values together in running the co-operative business (1T). In this quote, 1T explains her concern that there is a divide within the structure of the co-operative, with commercial and the more values-focused membership not understanding each other’s role and purpose:

“Here you have got commerciality, there you have got members, and they haven’t really integrated particularly. You know, the Membership people look after membership, and the

Membership people don't get Commercial, and the Commercial people don't get Membership" (1T).

To address this, the CEO is clear that senior managers must be ambassadors for the co-operative and its values - in their behaviours as well as their words - and therefore evidence of this is a criterion for staff recruitment and progression (1B). 1B makes reference - a bit tongue in cheek - to a MOCA language and a cult way of thinking in which XYZ colleagues talk in one language; one that is based on co-operative values:

"...it is a bit like that...this is a cult...you know... We have got this expression if you are not on the bus then you need to go...because we all talk in one language..." (1B)

The CEO has found it hard to change the mind-set at senior level. Therefore, when recruiting senior managers, he looks for a passion and a personal connection with the co-operative values, as well as the business skills (1B). This approach is accompanied by a policy of recruiting people with the right mind-set, and of investing in their development as much as possible (1B). 1B explains this approach in the following:

"I try to grow as many of my people as possible...that is the best way ...recruit the right people right down and watch them grow...and the majority of this team here are people who have grown through ... [text removed]... There is no point somebody saying "Oh yes, of course, I will change my behaviours, I will become". Unless I believe it is a passion then I am not interested. I can't...at that level it is harder to convert..." (1B)

To develop the appropriate capabilities, new managers must learn that the business is driven by the co-op's democratic character and values, and not by shareholders (1B). Both 1T and 1B recognise this can be demanding at all levels (1B) and that it usually creates

additional costs, e.g. the CSR managers. Therefore - as 1B explains in this quote - implementing MOCA precludes a price driven business strategy:

“....but it can't be driven on price, you have to throw all the things out. If I want to drive a price driven business, a lot of this stuff would have to disappear because you can't pay for the [CSR managers] of this world, the whole infrastructure you have got to support that coveted marketing message becomes unsustainable, so we are in an interesting place...” (1B)

As MOCA implementation relies on the people in the business, it needs to be understood by them so that behaviours are aligned (1T). However, employees are often unnerved by a change of strategy, therefore, in the move towards the implementation of a MOCA strategy, co-op management must know what to tell their teams, and how to support them (1T). As 1T says in the following quote, this requires very competent managers who are committed to MOCA implementation:

“You are very dependent upon the competence of a Manager - as an individual - and how much they are really in tune or how much they are playing lip service to what's there.” (1T)

Like many in the earlier interviews, 1T recognises the importance of winning employee hearts and minds for MOCA implementation, and that this can be a challenging task. However, as she emphasises here, achieving this is more vital than the usual interpretation of marketing as products, or promotional material (1T):

“...unless you apply those values in what you are as an organisation, and align them, not just in your product. So for me marketing this is about the entire brand; it is not about the fascia, the brochure, and the product. It is about how it integrates because it a value that is beyond that; it is value that is in the very heart of people. And that is the difference for me. So I

think that what we are setting out to do [i.e. implement MOCA] is huge ...” (1T)

1T sees an obsession with growth as being at the heart of the UK Co-op Bank’s problems and is concerned that there is too much focus on growth at XYZ co-operative. However, the CEO takes a slightly different approach claiming that XYZ’s focus is not on growth, but on achieving the co-op’s purpose and that requires diversification (1B). For example, 1B calls for an internal debate as to whether food retail is the right business for XYZ to be in, and whether diversification away from retail is a better means to build the co-operative advantage and achieve the co-op purpose. 1B says that is the reason that XYZ divested its motor business and he expresses concern that, in food retail, a price focus is taking over from values in the customers’ minds:

“I am happy to say ...better than anybody... we work harder at it here to make sure our front end staff in retail understand what we want them to understand which is the core values...the issue we have at the moment is that I don't think that this is what is driving customers into stores...they have moved into price only.” (1B)

Both 1B and 1T recognise the importance of building a local and/ or regional identity. Here, 1T emphasises that MOCA can only be implemented on a local or regional basis or the essence of co-operatives will be lost:

“ ..you know the point about co-operatives were that they sit in a community...they are not national” (1T)

1T expressed concern that the image of the co-op movement is damaged by its connection to a political party, and that this impacts adversely on employee perceptions, and could reduce their engagement with MOCA implementation. 1T uses the word

“*horrified*” to describe some people’s attitudes to their co-operative’s political donations:

“a lot of people are quite horrified to think that they donate monies to organisations such as the Labour Party”. (1T)

5.2.3.2 The views of two middle managers in XYZ co-operative:

The middle level managers are proud of XYZ’s move towards an empowerment culture, and see that the leadership team have worked to ensure that employees at all levels are encouraged to proactively make changes and establish priorities that align the business activities with the co-operative’s values (2T). This needs to be a self-managed (i.e. removal of control systems) process (2T), which is two-way and recognises employee expectations as well as their responsibilities (2T). However, 2T sees that this, and an empowerment philosophy that expects proactivity, is challenging for new staff – especially those with no co-op background – to grasp (2T). In this quote, 2T (as the CSR manager) is emphasising the importance of a culture of commitment to proactively making positive changes that reflect the values, in every aspect of the co-operative:

*“I am talking 15-20 years ago...and actually if I went into a retail branch and I saw something and thought that is not quite right...I might have a bit of a mutter to myself...but not really interfere...now it...all of us are charged and very active in going wherever in our business ...and feeding back what we feel was great...what we felt needed to be looked at and what...or any challenges that we see...and that happens on a regular basis...and that is the difference with others coming into our business...that is quite difficult for them to grasp ... “
(2T)*

Employee behaviours are crucial to MOCA implementation; this is in terms of both contribution to the MOCA delivery and the impact that internal behaviours have on employee expectations (2T). This is recognised and driven by the senior team (and other managers), and

as 2T explains here, reiterating those messages helps all employees to get it:

“...so what is your right to expect...from others... and in the business... but what are your responsibilities to contribute as well as ...and bring in that together... to reiterate those messages and... because as I said...the cycle of employment is you bring new people into your business that...do they get it...and we want everybody to get it... “ (2T).

The middle managers are clear that they - and the leadership team - must be seen to live the values both internally and externally, in their behaviours, as part of generating confidence in the MOCA strategy. The senior team helping in the retail stores at Christmas is an example of working co-operatively (2T). All managers are expected to communicate the co-operative values to external audiences, and 2T is proud of this shared expectation. She gives the example of the work she does with young people in schools. In this way, management and leadership not only act as ambassadors for the co-operative's values, but are also finding out about what is going on in their local communities, so that they can serve them better. As 2T explains here:

“Part of the role of a leadership team member is that you are required.... as part of that role to have an ambassador role outside of the organisation ...and the rationale behind that.. is one about being the community retailer ...giving back to our communities but also ...from the personal development....taking the blinkers off and looking what else is going on out there but sharing that co-operative [ethos]...” (2T)

2T emphasises the importance of focusing on the longer term, and on aiming to pass an improved co-operative business onto the next generation, as she explains in this quotation:

“...but as a co-operative our business...as I say... I have been here a long time but something that was said to me very early on in my career.... is my role is to pass this business on to the next generation in a better state than I got it...” (2T)

2M and 2T are clearly proud of what they see as their leaders' commitment to supporting the MOCA implementation, in the form of DOES messages and measures. They evidence this with an example drawn from the annual managers' forum. At this event, the CEO invites questions on the day, and the whole executive are available to answer these questions. 2M expresses pride in the CEO's ability and willingness to answer all questions, and both 2M and 2T see this as a demonstration of his commitment to the MOCA strategy. 2M explains in the following quote:

“So he [the CEO] is really, really for it and in those forums he is really open if anyone asks him a question he will answer it as best he can or he will find out the answer for them...and that is really nice that they actually have access to the Chief Exec ... and you won't get that in many organisations...and certainly not with that very open honest...not 'Oh, tell me what the questions are beforehand so that I can prepare'...he really just goes in there and has a conversation with them...” (2M)

As part of their roles, both 2M and 2T work to ensure understanding of DOES/MOCA throughout the organisation and they, along with other management levels, appreciate and feel supported by their CEO's endorsement.

Although, 2M is excited by growth as an indicator of success, she expressed concern that the national co-op faces challenges because of its size. She wants to see XYZ stay at its current local level, as she relies on local events to hear member and customer views. 2M's view is that if the co-operative gets any larger it will be difficult to maintain interactions with members (and this mirrors views expressed by 1T):

“...because a lot of what we focus on is about ... local and... community and that sort of thing...and I think the bigger you get the more difficult it is to do that on a local level and still be a locally relevant community ...” (2M)

5.2.3.3 Note: Two unit managers:

Interestingly the two unit managers (3L and 3M) do not talk about leadership specifically, but instead focus on the processes and policies they work with. They are clearly conscious that embedding employee understanding of MOCA/DOES is key to developing the appropriate behaviours.

5.2.3.4 Trust in leaders' commitment to MOCA strategy – in summary

Implementation of a MOCA strategy depends on the co-operative being able to bring together the business offering, e.g. retail, insurance, with the co-operative values (linked to societal contribution). Internal understanding of the MOCA strategy is the core linkage between these two areas and is a potential cause of MOCA implementation behaviours. Consistent with comments from the earlier interviews, the leadership team are responsible for building this understanding and, as the MOCA message is a complex one, their evident commitment to MOCA is crucial to influencing this. Both tranches of interviewees emphasised the importance of employee trust in their leader's commitment to the MOCA strategy. Some, in the earlier interviews, referred to the CEO or the leadership team as the co-operative's conscience, and although the XYZ interviewees did not put it in this way, 2T evidently admires the CEO's ability and willingness to answer unprepared questions relating to MOCA at events for all employees in XYZ. This echoes the views expressed earlier in the first tranche of interviewees (see Chapter Four). For example, KL, QF and DW talked about values

being led from the top; ZA and JR expressed pride in their leadership team for the community work they do.

Like the earlier interviewees (see in particular ZA, DW, QF), the leaders and middle managers at XYZ not only act as ambassadors for the co-operative's values, but are also finding out about what is going on their local communities, so that they can serve them better (2T). As senior managers must be ambassadors (both internally and externally) for the co-operative and its values (in their behaviours as well as their words), evidence of this commitment is a criterion for staff recruitment and progression in XYZ (1B). This is consistent with comments from the first tranche of interviewees (e.g. SP, DW).

The XYZ CEO has found that it's difficult to change mind-sets at senior level, and therefore has committed to developing people internally to help them understand that the co-op is driven by its values, not shareholders. Similarly, 1T emphasises that hearts and minds must be won. This approach is consistent with many earlier interviewees, e.g. JR advocates a coaching approach to support mid-level managers and build a personal connection with MOCA; DW sees the MOCA culture as a filter in which financiers will leave if they don't engage with co-operative values; and EP and BY warn against a short-term approach similar to those with an investor-owned mind-set. This reflects an emphasis seen in both tranches of interviewees on the crucial importance of recruiting people with the right attitude and mind-set at all levels in the co-operative, so that they are receptive to developing a personal connection with the MOCA strategy.

It is important to avoid confusing or conflicting strategy messages, as this will unnerve employees (1T). Leaders must ensure managers know what to tell their teams. The CEO, at XYZ co-operative, talks of an internal language that is spoken by those who are "*on the bus*"

(1B). This focus on the use of a MOCA related language is consistent with comments in earlier interviews (e.g. EP, and BY).

XYZ interviewees at both senior and middle manager level recognise that the co-op identity has to be developed and led locally, and therefore to achieve the co-operative purpose, the focus should not be on growth, but on appropriate business diversification. This reflects some views from the earlier tranche of interviews, e.g. ZA, DW, NH, whereas others, e.g. JR, PC believe that growth is not in itself damaging but simply needs to be managed.

The XYZ interview participants did not talk in terms of MOCA competencies linked to competitive advantage in the market place (as some did in the earlier interviews, e.g. BY, DW, PC), however they recognised the importance of supporting MOCA capabilities. In particular, those organisational capabilities that support an empowerment policy, e.g. internal communication and the use of benchmark measures. Consistent with the earlier interviews, these capabilities focus on developing employee understanding of the co-operative values and MOCA strategy. Both tranches of interviews emphasised that to build this crucial capability, requires employee trust in leaders' commitment to the MOCA strategy. Although not inconsistent with the views of the earlier interviewees, the data collected in XYZ provided more practical examples of the factors that influenced MOCA understanding internally. In addition to the trust referred to above, XYZ placed greater emphasis on an internal communication plan, in addition to internal processes and benchmarks as crucial capabilities for MOCA implementation.

The view (expressed by 1T) that associations between co-operatives and political parties are now out-dated is consistent, with comments on political associations made by some interviewees in the first tranche of interviews (e.g. NH, EP, RM).

5.3 A third round of framework building.

This chapter, Chapter Five, has presented the findings from interviews with senior, middle and unit managers in a single organisation (XYZ co-operative). Findings from the first tranche of interviews (see Chapter Four) enabled the adaptation of the framework (see Diagram 5 in Section 4.5.2), which had itself been developed from the literature review (see Chapter Two). The empirical data gathered from interviews in XYZ are analysed in Section 5.2 above and, in this section (5.3), the findings are synthesised to inform a further adaptation of the framework, in order to guide MOCA implementation. This third round of framework building is in line with a critical realist worldview.

In general, the interview data from XYZ senior managers reflected the views of senior managers from other co-operatives in the earlier tranche of interviews. Obtaining the views of middle managers and the more junior unit managers provided further insights into how a MOCA strategy could be implemented and what the practical challenges may be. These insights enabled a further round of framework building. For example, although the first tranche of interviews (see Chapter Four) had identified a number of measures of MOCA success, these related only to the interaction with the customer and/or member (e.g. net promoters' scoring) not internally with the employee. However, the XYZ interviewees emphasised benchmarks, in the form of their 'Steering Wheel', as internal measures of MOCA implementation activity and as means to guide employees' implementation behaviours. By communicating to employees about how MOCA is implemented in day-to-day co-operative activities, and by measuring delivery achievements, the steering wheel represents a process that supports MOCA delivery. As 1B emphasises, one of the aims of the steering wheel measures

is to demonstrate that the co-operative has a different way of doing business:

“...a simplified steering wheel is at each store so it is all...we are working really very hard to make it feel like you work for a different type of business...” (1B).

There is consensus in the empirical data, that understanding of the co-op values and ethos is a crucial pre-condition for MOCA delivery behaviours. These relate, for example, to how change is driven and decisions made around prioritising time and other resources for implementation. In addition, many participants - from both tranches of interviewees - wanted to see employees develop a personal connection with the co-operative values. It was acknowledged that forming this depth of connection is difficult, and not always possible. The interview data inform a continuum in which employees move from engagement to understanding to personal commitment and pride in the co-operative values and the MOCA strategy. Although the co-operative aims to progress colleagues along this continuum, this is a gradual process, as 2T outlines here:

“...and I use the phrase ...moving people from liking this organisation to being proud of this organisation...” (2T)

Although employee understanding is a vital pre-condition for implementation behaviours, there was agreement that personal connection is an additional benefit and cannot, and need not, be expected in every employee. Participants (in both tranches of interviews) recognised that, at the very least, delivery of a MOCA strategy required employee awareness that co-operative values must be closely aligned with commercial decisions, and that this is part of understanding the MOCA strategy. Therefore, the abstract construct in Diagram 5, *“Employee understanding of MOCA strategy at all levels”*, remains in the revised framework as a pre-condition for MOCA behaviours. However, instead of being reciprocally

connected to “*Employee trust in leaders' commitment to the MOCA strategy*” and “*Embedded policies and processes aligned with the MOCA strategy*” (see Diagram 5 in Section 4.5.2), this construct is potentially caused by both internal communications and a combination of processes and benchmarks.

For unit managers, this understanding of the importance of aligning co-operative values with the business service enables opportunities to develop team cohesion around the ethos. However, it also creates a tougher environment in which to manage. This latter challenge is because employees are being asked to go “*above and beyond*” (3L) their standard service delivery duties. The emphasis in XYZ is very much on management at all levels ensuring their teams understand not only the co-operative values, but also how the values are embedded in day-to-day MOCA delivery. The approach at unit/ store level is an accreditation process that aims to empower employees to decide they want to learn - and therefore gain understanding - as 2M proudly explains:

“So this isn’t about the execs saying ‘you need to learn this and you need to do it like this’...we are actually empowering - right down to colleagues on tills to say ‘you learn it and tell us when you know it, and then we will award you for doing it...’ (2M).

Although the first tranche of interviewees made reference to some internal communications, this was very much in the context of emphasising the importance of employee understanding, and processes that engender that understanding. However, the interviewees in XYZ referred to internal communications about MOCA in a variety of forms, and their value as part of a planned MOCA delivery. In addition, XYZ had processes in place for measuring the impact of these communications on internal understanding, e.g. awarding a plaque to each unit that could demonstrate a certain level of understanding.

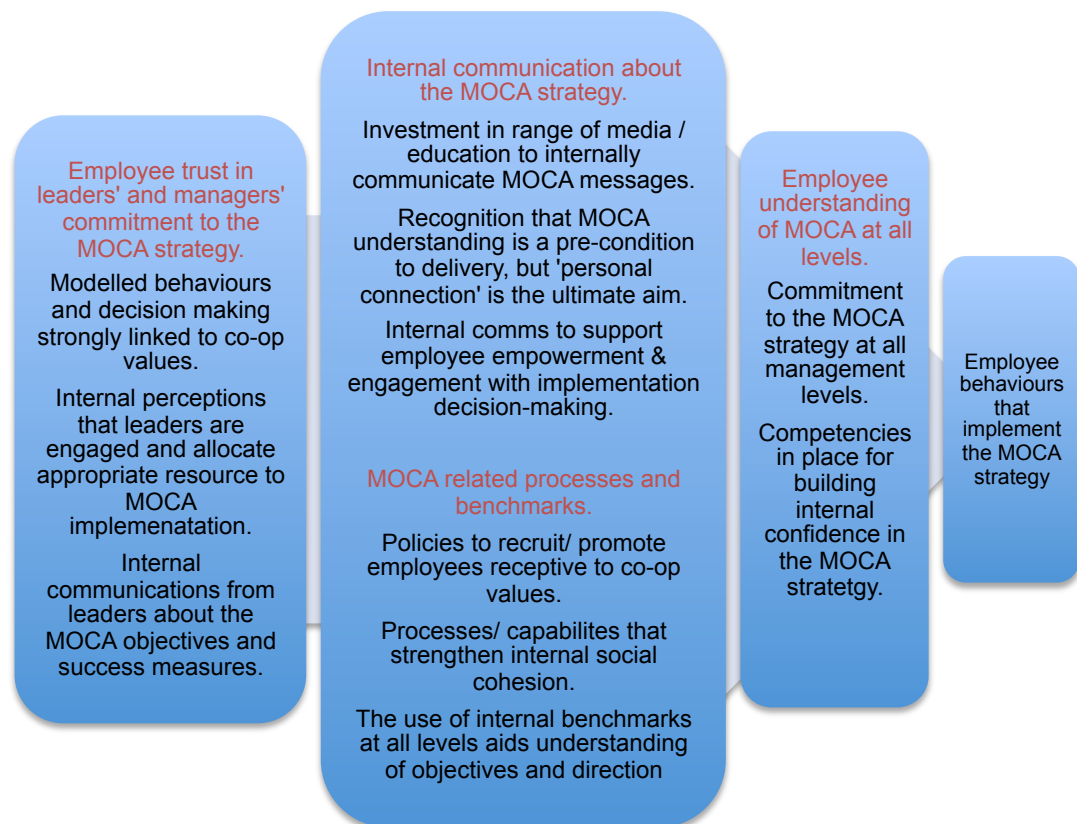
These communications take a range of forms and - in addition to the management modelled behaviours referred to above - include: in work displays; magazines for employees; AGM invitations; induction and training sessions with co-operative-wide recognition for improved MOCA understanding within the unit; the use of certain language and words; and participation in local co-operative supported events. In addition, MOCA understanding is developed by embedding the values in internal paperwork processes such as performance reviews and meeting agenda templates. This level of understanding requires the co-op to invest in effective internal communications. Therefore, following interviews in XYZ, the framework is adapted to demonstrate that “*Internal MOCA communications*” is an abstract construct in its own right (see Diagram 10), not a subset of “*Embedded policies and processes aligned with the MOCA strategy*” or “*Employee understanding of the MOCA strategy at all levels*” (as in Diagram 5 in Section 4.5.2), and needs to be in place for employee understanding, and consequently for MOCA behaviours.

Similarly, in XYZ, there is a range of internal processes and policies that support and enable MOCA delivery and, by being in place, contribute to levels of employee understanding. These include: a requirement for commitment to the values for recruitment and promotion, career development opportunities linked to the co-operative values, and extensive feedback systems to hear employee views and establish the extent of their understanding of MOCA delivery. Although internal measures and benchmarks were not emphasised by senior managers in the first tranche of interviews, they were seen by all managers in XYZ co-operative to play a vital role in MOCA implementation. Therefore, the abstract construct of “*Embedded policies and processes aligned with the MOCA strategy*” (see 4.5.3), has evolved to one that emphasises not only processes but also benchmarks (see Diagram 10).

Middle managers in XYZ were clearly proud of their CEO's ability to articulate business decisions in the context of co-operative values and the MOCA strategy, and this was an important foundation for their own commitment. Unit managers recognised the value of a sense of belonging and collaborative spirit created by the shared values, and the sense of direction that the MOCA strategy provides to employees. They also recognise the significant challenges in managing an empowered team to deliver MOCA behaviours, and that key to success is employee trust in not only leaders' commitment to the MOCA strategy, but also the commitment of managers at all levels. This trust is vital in order to generate employee engagement with the co-operative values and the MOCA strategy. Employees look for evidence of this trustworthy-ness in the extent that the organisation invests in internal MOCA communication and in processes and benchmarks related to the MOCA strategy. Therefore the framework has expanded the abstract construct "*Employee trust in leaders' commitment to the MOCA strategy*" (see 4.5.2) to include trust in managers' commitment. In addition, this construct has been re-positioned from its reciprocal connection to "*Employee understanding of the MOCA strategy at all levels*" and "*Embedded policies and processes aligned with the MOCA strategy*" in the earlier framework (see Diagram 5) to demonstrate that this is a pre-condition for "*Internal MOCA communication*" and "*MOCA related processes and benchmarks*" (see Diagram 10).

In summarising the above, it can therefore be concluded that internal MOCA understanding at all levels, is a pre-condition for the behaviours required for the implementation of MOCA strategy. This internal understanding is potentially caused by both internal MOCA communication and MOCA related processes and benchmarks. To exist, these latter two constructs depend on "*Employee trust in leaders' and managers' commitment to the MOCA strategy*" (see Diagram 10).

Diagram 10: Framework for MOCA implementation



5.4 Chapter Summary

This chapter, and the one before it, considered the empirical findings of this research study. As in Chapter Four, the empirical data are analysed and synthesised to build a series of frameworks, building on the literature-based framework. Data from the first tranche of interviews enabled a first adaptation, and the XYZ co-operative interview data enabled a further revision of the framework. A final conceptualisation is summarised in Diagram 10 above (see Section 5.3). The following chapter explores each of the abstract constructs

in Diagram 10, and their related mechanisms, and reflects on their relationship to existing research literature.

6 CHAPTER SIX: DISCUSSION

A co-operative's purpose focuses on contributing to both economic and social benefits in the community in which it operates (see e.g. Spear, 2000; Bernardi and Koppa, 2011). As part of this, a 'Marketing our Co-operative Advantage' (MOCA) strategy is designed to support the societal contribution element. Effective implementation of a MOCA strategy requires all employees in the organisation to behave in a way that aligns co-operative values with the business service provided (Spear, 2000; Webb et al., 2005; Calderwood and Freathy, 2014). Creating those behaviours requires co-operative leaders and managers to understand the internal mechanisms and events that potentially cause MOCA implementation.

This research study aims to investigate the mechanisms inside the co-operative that potentially cause MOCA implementation behaviours to occur. To do this a tentative framework was developed from the literature (see Diagram 1). This framework guided the gathering of interview data from expert informants in co-operatives and acted as a template for the empirical data analysis. The first findings chapter (Chapter Four) presents these data using this template and, following synthesis, identifies three emergent themes (in the form of abstract constructs). These themes inform the mechanisms that influence MOCA implementation behaviours, and in doing so offer a revised conceptual framework. The second findings chapter (Chapter Five) uses the revised framework to probe further and analyse the interview data findings from one co-operative. Again, following synthesis, the framework is further revised. This new framework (see Diagram 10) adds to knowledge in the marketing strategy implementation domain. In addition, by identifying the mechanisms that potentially cause MOCA strategy implementation

behaviours, it provides guidance to co-operative leaders and managers.

Drawing on the findings presented in Chapters Four and Five, Chapter Six discusses the key themes within each construct in the new framework. This chapter discusses how these findings:

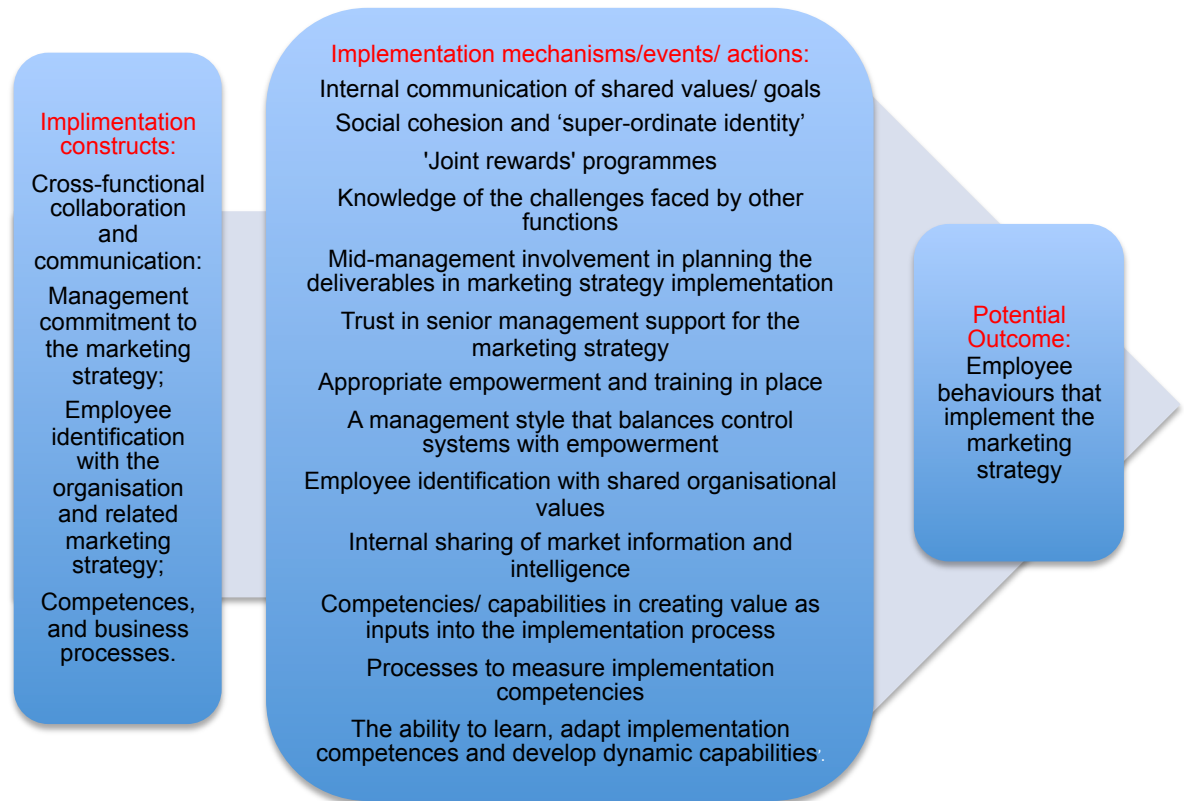
- Echo and extend existing theory,
- Respond to gaps in the literature identified by earlier writers,
- Identify opportunities for further research, and
- Inform management practice.

The purpose of this chapter is to consider how the empirical findings build on previous research in the areas of marketing strategy implementation and co-operatives' marketing of their social contribution values and ethos. The chapter starts with a summary of the rounds of framework building. In line with a critical realism ontology, and as advised by Reibstein, Day and Wind (2009), to avoid the reductionist approach, this chapter goes on to explain the causal path to MOCA implementation in depth (see 6.2). This discussion chapter concludes with a summary of guidance to co-operative leaders on MOCA strategy implementation.

6.1 Summary of the Rounds of Framework Building

A tentative framework was developed from the extant literature (see Diagram 11 reproduced below from section 5.3). This framework is the result of two rounds of revision. The initial framework is developed from the existing literature (see 2.5). Subsequent revisions were based on two separate tranches of interview data gathering in the context of co-operatives implementing a MOCA strategy.

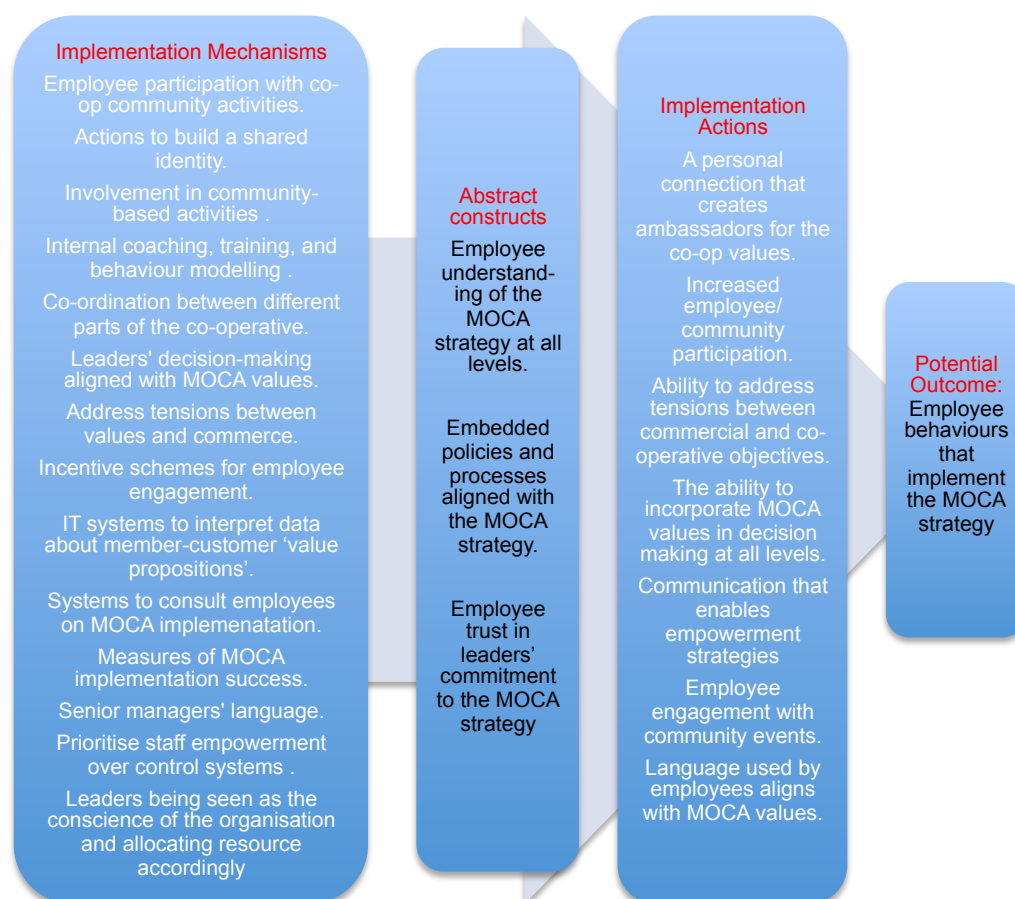
Diagram 11: Marketing strategy implementation: a tentative framework (based on investor-owned businesses in the extant literature) re-produced from Chapter Two



The above framework offered a structure to guide the gathering of interview data from senior managers and international commentators. Following analysis and synthesis of these data, a revised framework was developed (see Diagram 12). As in the framework developed from the extant literature (Diagram 11), these events potentially cause the employee behaviours that implement a marketing strategy; however in this framework (see Diagram 112) that marketing strategy is specifically a 'Marketing our Co-operative Advantage' (MOCA) strategy. As can be seen in Diagram 12, these three constructs (see second column) drive, and are driven by, a range of causal mechanisms (see Diagram 13 below, and Sections

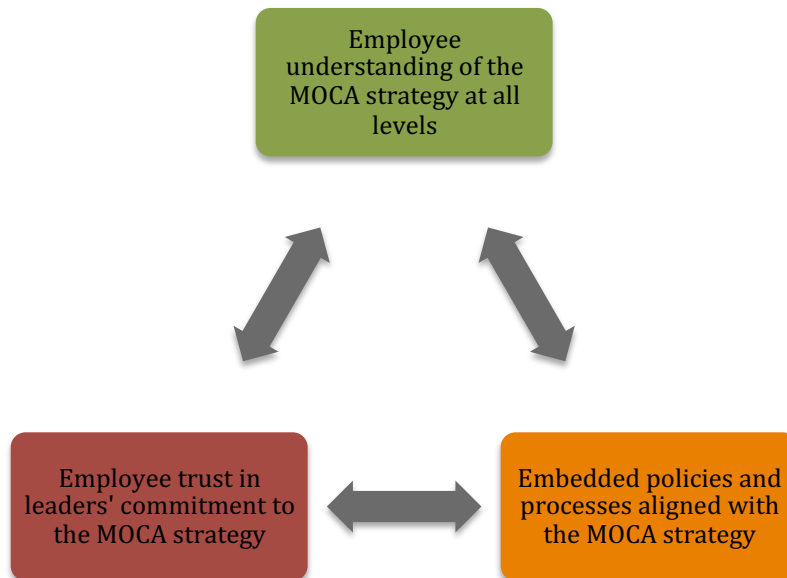
4.5.3, 4.5.4, and 4.5.5 in Chapter Four for detailed discussion of these and the transcript data on which they are based). The causal mechanisms that potentially cause each of these constructs are listed in the first column. The events that are potentially caused by the abstract construct are listed in the third column (see Diagram 12 below).

Diagram 12: Data structure from the first tranche of interviews (MOCA specific) reproduced from Chapter Four



The three abstracts constructs are interdependent and Diagram 13 below illustrates this relationship.

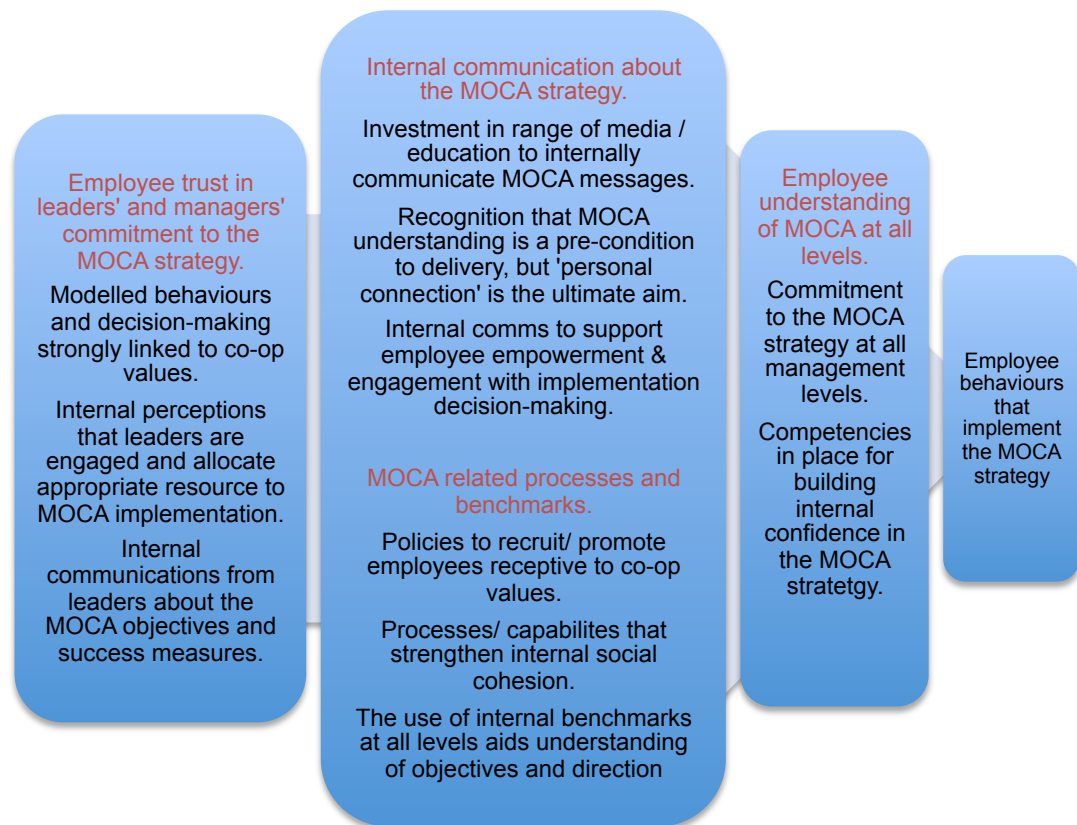
Diagram 13: Three interdependent abstract constructs that potentially cause MOCA implementation (based on the first tranche of interviews), re-produced from Chapter Four



These abstract constructs formed the basis of the analysis of the second tranche of data gathering, in which managers at three levels in a single co-operative organisation were interviewed. This enabled a further round of framework building, and the above framework was revised.

Analysis of the data gathered from a single co-operative added to the data gathered in the first tranches of interviews, and accordingly added to the knowledge gained about MOCA implementation. This enabled the framework to be further revised. The revisions, and the transcript data on which they are based, are discussed in depth in Section 5.3. The resulting framework is reproduced here (see Diagram 14). This enabled not only a theoretical contribution to be made, but also guidance to be provided to co-operatives in the implementation of a MOCA strategy (see 6.5).

Diagram 14: A framework to guide MOCA implementation re-produced from Chapter Five



There are four abstract constructs, and each is coloured red in the above framework and the related 'enduring properties' (as referred to by critical realism proponents, e.g. Fleetwood, 2005; Reed, 2011) are summarised in the black text below the red construct heading (see Diagram 14). In Sections 6.2 and 6.3 these are discussed in depth. This discussion includes an explanation as to how the empirical data enabled the initial literature based conceptualisation to be adapted, and how the MOCA implementation framework differs from, echoes and extends the existing theory in relation to the implementation of a marketing strategy.

As can be seen from the above diagram frameworks, none of the mechanisms or actions identified from the extant literature (which is based on investor-owned firms) is especially inappropriate for MOCA implementation. However, it is the emphasis in MOCA implementation that is different. One example of this variation is that the extant literature is based on investor-owned businesses and discusses the importance of management commitment to the marketing strategy. However for MOCA implementation, the importance of co-operative employees trusting that management are committed to the MOCA strategy is highlighted, and the issue of trust emphasised. Another example from the literature is the focus on the internal sharing of market intelligence, whereas in co-operatives the emphasis is on the importance of internal sharing and understanding of the co-operative values, in order to implement the MOCA strategy. Although the current literature recognises 'joint rewards' as one means to incentivise employees behaviours to be in line with the marketing strategy, the managers' focus in co-operatives is much more on employee mind-set and receptivity to co-op values. A further example is the co-operative emphasis on employee understanding of and, where possible, personal commitment to the values; whereas, in the extant literature, the development of implementation competencies is considered sufficient. In a similar vein, although the co-operative participants valued a MOCA mind-set in employees, the extant literature is very wary of this type of what could be an unquestioning mind-set.

In addition, during these rounds of framework building, the abstract constructs that potentially cause marketing strategy implementation have evolved. In the extant literature, they are:

- Cross-functional collaboration and communication;
- Management commitment to the marketing strategy;
- Employee identification with the organisation and related marketing strategy;
- Competences and business processes.

Current literature offers little insight into their possible inter-connections or inter-dependence. Whereas in the context of a MOCA-based marketing strategy, the abstract constructs that potentially cause implementation are inter-connected and dependent (see Chapters Four and Five for the related empirical data) and are listed below:

- Employee trust in leaders' and managers' commitment to the MOCA strategy.
- Internal communication about the MOCA strategy.
- MOCA related processes and benchmarks.
- Employee understanding of MOCA at all levels.

The evolution in framework building from that based on the extant literature, to the two based on empirical data is explained in detail in the following section (6.2).

6.2 The causal path to MOCA implementation.

In general, the XYZ interview participants' perspectives reflected the views of interviewees in senior management roles (i.e. the first tranche of interviews). Obtaining the views of middle and unit managers provided further insights into what needed to be in place for MOCA strategy implementation. For example, in XYZ co-operative, benchmarks and targets are emphasised in a number of areas and at all levels within the organisation. For the co-operative, these not only shape behaviours that align with the MOCA strategy, but also clearly instruct on the actions required for its delivery. In addition, middle managers were clearly proud of the leader's ability to articulate business decisions in the context of co-operative values. Unit managers recognised the value of a sense of belonging and collaborative spirit created by a shared ethos, and sense of direction.

However, they also recognised the - not insignificant - challenges in managing an empowered team who are expected to go above and beyond as they embed MOCA values in their daily tasks.

There was consensus that an understanding of the co-operative values and ethos is a crucial pre-requisite for the MOCA delivery behaviours. However, many participants wanted to see employees make a stronger commitment to the values in the form of a personal connection. Interviewees acknowledged that this is difficult, but that it should be aimed for as part of the management of MOCA implementation.

The influences on this understanding of the MOCA strategy and its related ethos fall into two main themes: internal MOCA communication and MOCA related processes and benchmarks. Internal communication takes many forms including coaching, behaviour modelling, training, attending member events, job-swopping, and work-place displays. MOCA related processes support and encourage the development of mind-sets that are receptive to the co-operative ethos and related competencies, while benchmarks measure the achievement of MOCA implementation activities.

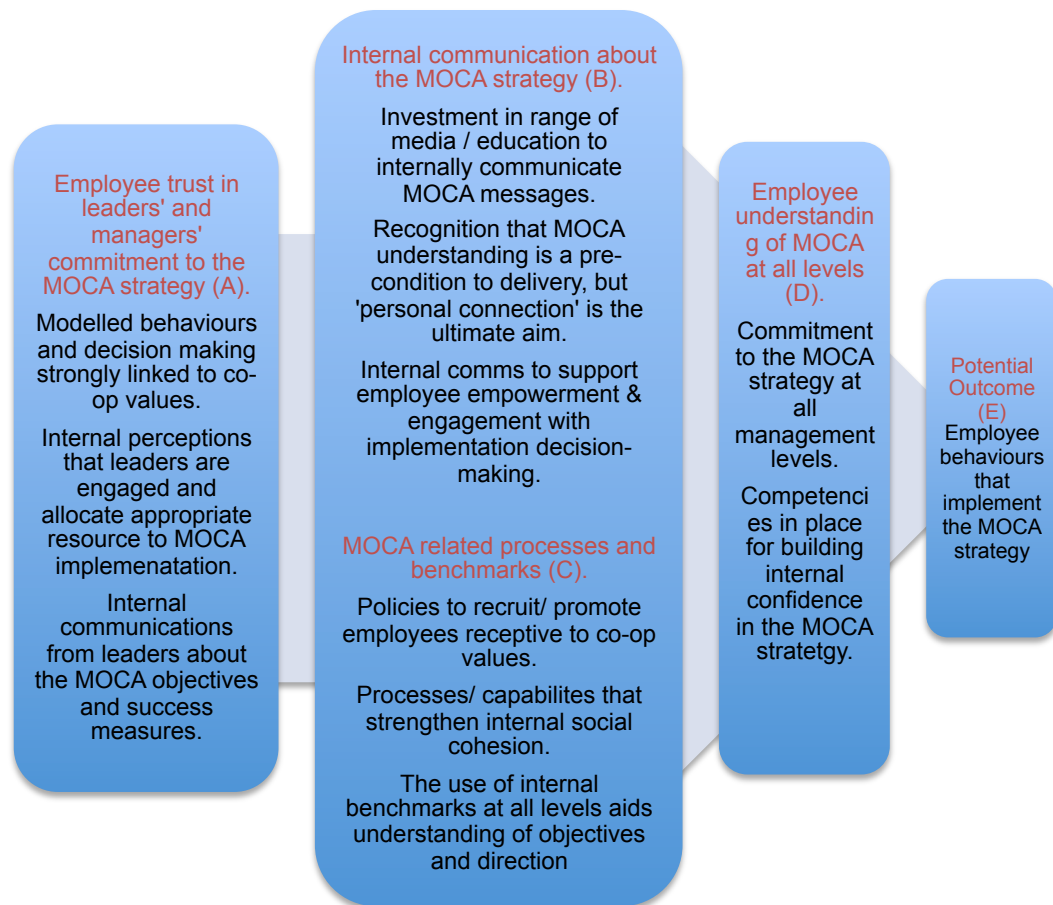
To exist, all the above require not only the leadership team's commitment to the MOCA strategy, but also employee trust and confidence in the team's commitment. This is developed by, e.g. leaders engaging in activities related to MOCA implementation, leaders' explanations of how business decision-making takes place in the context of co-operative values, and the use of certain words and language.

The next section re-presents the new framework and discusses how and where empirical findings compare to current knowledge and contribute to filling gaps in it.

6.3 Implementation of a MOCA strategy: a revised framework

As can be seen in the summary framework (see Diagram 14) the empirical data demonstrate that MOCA implementation behaviours depend on MOCA understanding at all levels within the co-operative. The mechanisms that enable MOCA understanding are internal communication of the MOCA strategy and embedded processes and benchmarks. Both of these constructs must align with co-operative values. The existence of these two constructs is dependent on a leadership and management team that is observably committed to the MOCA strategy and its related ethos. These abstract constructs have enduring properties that create the potential for implementation; in critical realism terms they are seen as mechanisms and/or causal powers (e.g. Fleetwood, 2005; Maxwell, 2012). In order to explain each construct and their relationship with other constructs, letters have been allocated to each. Diagram 15 differs from Diagram 14 only in the addition of these letters that are designed to link with the following text and to indicate how each construct is reflected in each part of the following discussion.

Diagram 15: Framework for MOCA implementation (with letters)



The empirical data gathered in this research study suggest that when in place, the first three abstract constructs (see A, B, C) shown in the framework above enable employees to understand MOCA (D). Although understanding does not automatically cause MOCA strategy implementation behaviours (E), it has the potential to cause them, and must to be in place if they are to occur. These abstract constructs embody the mechanisms and events without which implementation of the MOCA strategy is likely to be frustrated. Each is discussed in relation to current literature, in this chapter. The constructs are interrelated and the connections between them are outlined briefly here:

1. **Employee trust in managers' and leaders' commitment to MOCA (A)** revolves around the allocation of resource (e.g. finances, time) to the internal communication of the co-operative values, and the processes and measures needed to build MOCA based competencies. Employees at all levels must see that leadership decision-making and modelled behaviours are not only clearly linked to the MOCA strategy, but also respect the customer-members' value proposition. This trust construct (A) should be in place for internal MOCA communication (B) and MOCA processes and benchmarks (C) to be effective.
2. **Internal MOCA communication (B)** takes the form of: *inter alia* training, in-work displays, behaviour modelling, coaching and mentoring, use of certain language, visible MOCA related policies, and evident support for community activities. These mechanisms, alongside MOCA benchmarks and processes (C), enable (but do not automatically cause) MOCA understanding at all levels (D).
3. **MOCA processes and benchmarks (C)** includes, *inter alia* a set of MOCA related internal measures, promotion and recruitment criteria linked to MOCA principles, recognition and rewards linked to MOCA understanding and behaviours, surveys of members, CRM systems that gather and store community-based achievements, loan policies that hear the customer-members' story, internal consultation and focus groups with feedback systems. These mechanisms, alongside internal MOCA communication (A) enable (but do not automatically cause) MOCA understanding at all levels (D).
4. **Internal MOCA understanding at all levels (D)** needs to be in place for **MOCA related behaviours (E)**. In order to create

the circumstances where MOCA implementation behaviours can happen, there must be understanding of the MOCA strategy at all levels in the co-operative. Ensuring this understanding exists requires investment in both internal communication, and processes and benchmarks linked to the MOCA strategy. Employees' knowledge of the co-operative's values, and how those influence the way the co-operative does business, aid understanding of the meaning behind the tasks in the working day.

Interviewees called for a MOCA strategy to aim to engage employees emotionally, so that the MOCA related behaviours become intuitive. This personal connection creates ambassadors for the co-operative values and this, in turn, generates an internal enthusiasm for the co-operative advantage and the MOCA strategy. This principle applies to all decisions made in the organisation, not just client-facing ones. In this way, the business activity is authentically aligned with the values around societal contribution that are part of the co-operative identity, and reflects the MOCA strategy.

6.4 How the findings from the empirical data adapt the literature-based conceptualisation.

Although the initial stages of analysis identified categories, these were regarded as provisional and were adapted as the analysis progressed, for example the addition of the XYZ co-operative interview data led to the revision of the abstract constructs and identification of connections between them (King, 2012; Saunders and Lewis, 2012).

In the following section, empirical data are compared and contrasted with the findings from the literature review. Each abstract construct

(see Diagram 14), and its related sub-categories and mechanisms, is discussed here, in turn.

6.4.1 Employee trust in leaders' and managers' commitment to MOCA (A).

Managers' commitment to the marketing strategy is a pre-condition for organisational investment in its implementation (Noble and Mokwa, 1999) and there is consensus in the literature that this is required in order to influence appropriate employee behaviours (e.g. Ahmed, Rafiq and Saad, 2003; van Raaji and Stoelhorst, 2008; Simkin, 2002). The findings in this research study extend this principle with an emphasis on employee trust in senior management's commitment to MOCA delivery, as the crucial influence on employee behaviours.

Although this emphasis on trust in managers' and leaders' commitment to the marketing strategy is consistent with some previous studies, the focus of those findings is that leaders are seen to be ensuring reward systems that are fair and just (Babakus et al., 2003), and the rules and regulations not excessive (Rosier, Morgan and Cadogan, 2010). These co-operative data demonstrate that trust is engendered in senior managers' commitment to the marketing (i.e. MOCA) strategy, in particular, by:

1. Modelled behaviours and decision-making that is strongly linked to co-operative values.
2. Internal perceptions that leaders are engaged and allocate appropriate resource to MOCA implementation.
3. Clear internal communications from leadership and management about the MOCA strategy's objectives and its success measures.

Each of the above mechanisms is discussed below.

6.4.1.1 Modelled behaviours, management style and decision-making that is evidently linked to co-operative values

MOCA strategy implementation requires employees at all levels to make a societal contribution a part of their role in business' service delivery. To be motivated to do this, employees need to be confident that senior – as well as middle – managers are committed to the MOCA strategy. This trust is generated when employees can see management and leadership behaving and allocating resource in line with the co-operative values. These findings respond to calls by Novkovic (2006) and Borzaga et al., (2014) for better understanding of how co-operative leaders and managers can engage with the values.

Interviewees emphasised that this modelling of appropriate management behaviours potentially causes MOCA strategy delivery. It is this setting of the ethical mood and demonstration of moral leadership that Hunt, Wood and Chonko (1989) claim must be in place for marketing strategy implementation. Interviewees highlighted the effectiveness of generating commitment when leaders use the MOCA strategy context to explain their decision-making.

Although, the word identity is used in the literature, interviewees did not use it. Interviewees acknowledged that employees' collective engagement with co-operative values was vital to MOCA implementation. Without this shared engagement, MOCA could be perceived as a sham and, therefore as inauthentic. These co-operative-based findings highlight the significance of a collective commitment to the values at all levels, not only mid-management, to ensure authentic MOCA delivery. Some writers express concern that

organisations often neglect the middle manager's role in sharing organisational identity and ethos across functional boundaries and management levels (see Cespedes and Piercy, 1996; Simkin, 2002; Ballantyne, 2003; Piercy, 2010). Wieseke et al. (2009) see this shared identity as part of supporting positive relationships across functional groups. However, for co-operatives, the focus needs to be on relationship building between differing units and differing levels (see e.g. Ballantyne, 2003); for example, the activists for the co-operative model and governance and the commercially minded; those who are new to co-operatives and those who "*intuitively get it*" (JR), as well as across functional teams.

The interviewees made reference to co-operative-led community-based events as a means to develop a shared employee engagement with co-operative values. This emphasis on internal relationship building as a means to influence MOCA implementation behaviours is consistent with studies by Simkin (2002), Chimhanzi (2004), Dibb, Simkin and Wilson (2008) and more recently by Nakata and Im (2010). However, although these writers highlight the importance of internal relationships for overcoming silo mentalities, and the related petty politic attitudes, they offer only limited guidance on how to build them. The co-operative data in this research study offer practical examples of relationship building.

This finding that group identity supports internal relationship building - and both are crucial pre-conditions for MOCA delivery - reflects the work of authors who have adapted the internal marketing principles for marketing implementation (e.g. Ballantyne 1997, 2003; Ahmed, Rafiq and Saad, 2003). Co-operative interviewees expect all employees to be involved, from the leadership team to all levels of management and front-line employees, as part of "*living the values*" (SP) and therefore part of MOCA implementation behaviours. This finding in this research study, contributes to filling the research gap that Wieseke et al., (2009) identify, on the causal link between

identity-orientation and marketing strategy implementation performance by demonstrating that, in the MOCA context at least, internal relationship building mediates between the two.

The senior manager interviewees appreciated that sometimes trade-offs must be accepted and ways found to recognise them. These trade-offs are clearly one of the challenges to be addressed when van Raaij and Stoelhorst (2008) call for research that explains the “*causal path from market intelligence to marketing orientation performance*” (p.1286). In one co-operative example - when investing funds in new IT architecture - employees have to participate in extra meetings to ensure that all its features support the alignment of the co-operative’s ethos with the service delivery as part of the MOCA strategy (ZA). Consistent with existing literature (e.g. Cespedes and Piercy, 1996; Piercy and Cravens, 1995; Nakata and Im, 2010; Moses, 2011), this co-operative’s policy is to create cross-functional teams to work together on the process as a means to improve implementation decision-making. However, while recognising that this sends the right internal messages to employees about joint working and organisational commitment to the MOCA strategy, the senior manager interviewee expressed concern that with so much employee time spent in these meetings, she feared that the quality of service to member-customers could be reduced to an unacceptable level. Another example is when some retail co-operative members wanted to end the in-store sale of cigarettes for community health reasons, and were over-ruled by senior management as market research had demonstrated that such a move would considerably reduce store traffic and therefore adversely impact commercial results.

Co-operatives need to encourage employees to highlight these contradictions. Interviewees recognised that, in some industry sectors, organisations are subject to external statutory controls, e.g. finance, insurance and food production sectors, and these can

therefore give the appearance of an inflexibility that seems to be against the spirit of the co-operative values. The co-operative must ensure that an explanation for this apparent contradiction is internally communicated to ensure employee understanding at all levels.

Employees who are confident that management are committed to MOCA do not feel constrained in expressing concerns, or asking questions. Although this finding echoes Rosier, Morgan and Cadogan's (2010) call for ensuring that all employees have the opportunity to voice their ideas, co-operatives could go further than the interview data suggest they currently do, and follow Rosier, Morgan and Cadogan's (2010) findings that procedures for this interaction should be informal and not bound by procedure. This may help address concerns from the data, that the employee voice is being heard too late in the new product process.

Co-operative leaders support a management style, in which employees are empowered to identify and to address any misalignments between service delivery and co-operative values. An empowerment policy as part of marketing strategy implementation is in line with academic findings (e.g. Cespedes and Piercy, 1996; Mudie, 2000; van Raaij and Stoelhorst, 2008), and encourages employee commitment (Barton and Ambrosini, 2013), however, investment in appropriate training is required (e.g. Babakus et al., 2003).

Interviewees saw effective management of these trade-offs as not only as part of MOCA implementation, but also as an opportunity for competitive advantage within their sector. Clearly, in practice, it is crucial to acknowledge the importance of recognising and addressing trade-offs between a values-oriented marketing strategy and other business objectives, and this can bring teams together (and build internal relationships as discussed above). Although there is extensive literature on the value of empowerment in marketing

strategy implementation, this does not consider decision-making in potential trade-offs between ethical values and more traditional business objectives; this is an area that warrants further research.

6.4.1.2 *Internal perceptions that leaders are engaged and allocate appropriate resource to MOCA implementation.*

The empirical data show that in MOCA implementation, it is employee perception of evident engagement and commitment by leadership that is at least as crucial as actual resource allocation. This adds to findings in separate studies by Dobb, Simkin and Wilson (2008) and Barton and Ambrosini (2013) which found that reduced confidence in the strategy occurs if senior management do not allocate the necessary resources; this is not just financial, but includes, *inter alia*, information flows, internal processes, physical environment, and staff training.

Examples from the data include a CFO's role in the Christmas event, and a CEO who is clearly very involved in the local community. These leaders not only model behaviours but also demonstrate that they are emotionally connected to the societal contribution element of the marketing strategy. Accordingly, employee members would be encouraged to see their co-op/ CU as a different type of business, and this improves their understanding of the MOCA strategy, and its outcomes.

Senior managers' use of performance-based rewards (either financial or broader measures of esteem) as a means of motivating employees to align behaviours to organisational goals is well established in the literature (Piercy, 2010). Although co-operative participants accepted the value of incentives, they differed in their views as to whether these should be financial or non-financially focused. For example, two interviewees - both from consumer owned co-ops (retail) - said employees should join because they

embraced the co-operative values and that discounts on their shopping, as a membership incentive, simply confused the already complex message about co-operative ethos. Whereas other participants supported financial incentive schemes that encourage employees to engage with the co-operative purpose and values. Despite these different strategic approaches, the purpose of both types of incentive is to encourage staff to engage with the co-operative ethos, in order to influence their understanding. This is on the supposition that, when they have a financial interest, they would be more receptive to internalising the messages about co-operative values, and this would lead to MOCA-linked behavioural norms. One interviewee described this path from non-member, to member, to active and engaged member as the “*funnel of engagement*” (SP). It is important that individual co-operatives decide which approach is right for them and they may well need to undertake further research. Whichever path is selected, the commitment to engaging staff and staff-members in the future actions of the co-operative has to be led very evidently by senior managers and leaders.

Some academic writers (e.g. Jaworski and Kohli, 1993; Nakata and Im, 2010) claim that where rewards are offered jointly to all employees regardless of functional home, disparate areas of the firm are pulled together towards the same goals. Although senior co-operative managers recognised the importance of all employees working together towards the same goals, only XYZ co-operative used joint rewards - and only in the form of unit, e.g. store, recognition, not financial rewards - as a means to do this. In this case, the process of learning about the co-operative values, demonstrating understanding and then being accredited, not only created enthusiasm in the business unit, but was also a significant esteem measure. This created a sense of belonging and identification with the MOCA strategy. As such, this aligns with Rosier, Morgan and Cadogan’s (2010) findings. It could be concluded that the other co-operatives represented by interviewees

are less advanced in their MOCA implementation, when compared to XYZ's approach.

There is a paucity of literature that examines how recognition and belonging influences the alignment of employee behaviours with organisational reputation and market place positioning (Dobni, 2003). In addition, there is only limited literature on appreciation benchmarks and related goals and rewards (Vorhies and Morgan, 2005). It appears that more research is needed in these aspects of marketing strategy implementation, particularly where there is a strong ethical, societal contribution, or values-based element.

6.4.1.3 Clear internal communications from leadership and management about the MOCA strategy

The co-operative empirical data emphasise the allocation of resource to ensuring understanding and to building internal relationships for implementation capabilities. This is consistent with the literature that highlights the importance of a resource-based approach to strategy implementation (e.g. Simkin, 2002; Moller, 2006; Dibb, Simkin and Wilson, 2008), and demonstrates comparatively less focus on the changing market place approach that is advocated by van Raaij and Stoelhorst (2008).

Some interviewees stressed the use of the right language by leaders and managers, as a means to instil internal understanding and trust in their commitment to co-operative values. For example, the use of the word profit when margin or surplus is meant is careless, and the use of the wrong language further confuses others in the co-operative. The co-operative data set provides examples of how a change of language, and certain words, became a crucial part of generating understanding and the employee behaviours needed for MOCA implementation. This also reflects the importance of manager's evident commitment to the co-operative's values, as

highlighted by, in particular, Novkovic (2006) and Borzaga et al. (2014). The XYZ co-operative CEO recognised this concern, and was keen to explain the co-operative language. This is communicated to all new staff at an induction before they start work, and is reinforced by the unit managers. The use of certain language inside the organisation to reflect and communicate its ethos, as part of the causal path to marketing strategy implementation, is not discussed in the existing literature. However, its use demonstrates that organisational values are shared and this sharing further generates a sense of belonging and aids understanding of the ethos (Papasolomou and Vrontis, 2006; King and Grace, 2012). Given that a number of co-operative interviewees made reference to this issue, unprompted, it is clearly an important influence on employee behaviours and requires better understanding and further academic research.

Setting targets and measuring internal activities, in order to indicate or prove MOCA implementation in action, were processes mentioned only in the XYZ data. For interviewees these were clearly important influences on employee behaviours. The CEO believes these benchmarks to be crucial as part of telling a confident story about MOCA implementation. He sees these measurements as not only demonstrating the co-op values in day-to-day activities, but also in building confidence in the strategy to influence behaviours. The measures relate to internal activities, rather than performance in the market place. This emphasis on internal measures concurs with Dobni (2003) and Gounaris, Vassilikopoulou, and Chatzipanagiotou (2010), and these writers caution against too much focus on external marketing performance targets because this can lead to inconsistent behaviours. With reference to the various benchmarks used by XYZ co-operative, the participants at middle and unit level clearly felt confident in how MOCA should be implemented. They perceive these benchmarks as a structure that guides and prioritises the day-to-day MOCA activities. This is similar to findings from Vorhies and

Morgan's (2005) study, where they see benchmarks as potentially significant learning devices for identifying, and building the competencies that are required to deliver the marketing strategy.

The other interviewees (i.e. non-XYZ co-operative) did not refer to measures and targets in the same way. This seems surprising for senior managers who are openly committed to a specific marketing strategy (i.e. MOCA). This may indicate that although the MOCA strategy seems very attractive to these co-operatives, they have not yet identified in a sufficiently distinctive manner how MOCA can become embedded into day-to-day activities (this would align with Novkovic's 2006 findings). To do this the co-operatives would have to ensure that benchmarks are designed to not only guide behaviours, but also to measure outcomes. It appears that MOCA implementation would benefit from using such benchmarks throughout the organisation. This is a challenge that may be behind co-operatives' apparent difficulties in addressing the inbuilt tension identified by Birchall (2014), and Crane et al. (2014), between business objectives and their societal contribution.

Such benchmarks are not only as a means of recognition and esteem, but also learning opportunities. Although there may well be opportunities for XYZ to further develop their measures, it seems that MOCA implementation in other co-operatives would benefit from the use of internal benchmarks as a means of influencing MOCA behaviours, and building confidence in the MOCA strategy. Existing research studies (Dobni, 2003; Vorhies and Morgan, 2005; Moller, 2006; Gibbert, Golfetto and Zerbini, 2006; Moorman and Day, 2016) have identified a lack of knowledge of marketing strategy implementation measures, and call for more research into implementation benchmarks. The identification of the benchmarks used by XYZ, has contributed to filling this gap. The MOCA context may provide further opportunities to investigate how such a set of

measures impacts on the implementation of a marketing strategy based on societal contribution.

6.4.2 Internal MOCA communication (B)

All interviewees called for internal communication designed to develop employee understanding of the co-operative values and the MOCA strategy. There is consensus that employee understanding needs to be in place because it is a pre-condition for MOCA implementation behaviours. The literature agrees that effective internal communication about the marketing strategy is a vital pre-condition to its implementation (e.g. Cespedes and Piercy, 1996; Simkin, 1996; Ballantyne, 2003; Dibb, Simkin and Wilson, 2008). As a MOCA strategy necessitates employees to go above and beyond the service in their roles and daily activities, a personal commitment to - and a connection with - the co-operative values is seen, by interviewees, as a successful outcome of internal communication.

The investment in internal communication not only supports understanding and engagement with MOCA implementation decision-making, but also empowers employees in daily implementation actions. Although this finding is consistent with marketing strategy implementation literature (e.g. Noble and Mokwa, 1999; Rosier, Morgan and Cadogan, 2010), the interviewees provide insights into the potential contractions and tensions within internal communications mechanisms. Interviewees accepted that:

- It is unlikely that everyone in the organisation feels this commitment, and
- This level of commitment takes time and investment to achieve.

The empirical data recognise the importance of achieving understanding of MOCA at all levels in the co-operatives and, as part of that, a variety of forms of internal communication have been put in place. It is vital that middle and unit co-operative managers understand what MOCA deliverables look like, so that they can guide their teams.

Interviewees supported processes that encouraged and enabled internal communication about co-operative values, as they saw this as a vital pre-condition for employee understanding and engagement with the MOCA strategy. They saw this understanding and engagement as enabling employees to be empowered in their daily MOCA implementation decision-making. Although this finding is consistent with marketing strategy implementation literature (e.g. Noble and Mokwa, 1999; Rosier, Morgan and Cadogan, 2010), the interviewees provide insights into the potential contractions and tensions within internal communications mechanisms. Examples from the interviews include, the decision to continue to sell cigarettes in-store because this drives retail traffic, despite concerns about its impact on the health of people in the local community (1B), and statutory insurance regulations appearing to be contrary to community based messages about the co-operative values and purpose (JR). These co-operative data show that such apparent misalignments are inevitably part and parcel of MOCA implementation, and co-operatives must be clear to employees about the reasons for related controls being in place, in order to ensure the service delivery is not distorted by misunderstanding of the MOCA strategy.

Although there are many differing media suitable for internal communication, such misalignments also require creativity to resolve. Internal communication, alongside MOCA related policies and benchmarks, facilitates understanding, engagement and

consequently MOCA behaviours and delivery. This finding responds to calls for research to better understand the capabilities required for internal communication that aligns member expectations with those of the market positioning and purpose of the co-operative (Somerville, 2007; Mazzarol, Simmons and Mamouni Limnios, 2011).

These co-operative data demonstrate that internal MOCA communication about the marketing (i.e. MOCA) strategy is engendered, in particular, by:

1. Investment in wide range of media and education to internally communicate the MOCA messages;
2. Recognition that understanding is a pre-condition to MOCA delivery behaviours: but 'personal connection' is the ultimate aim;
3. Internal Communication that supports employee empowerment, as well as engagement with implementation decision-making.

Each of the above mechanisms is discussed below.

6.4.2.1 Investment in wide range of media and education to internally communicate the MOCA messages:

Broadly speaking, there are three layers of employees in an organisation: front line staff, unit/ mid-level managers, and senior managers and leaders. In co-operatives, all are involved in MOCA strategy implementation. In their different ways all need to be helped to understand the MOCA strategy because that guides their behaviours and influences their decision-making. This is consistent with current literature on the implementation of a traditional marketing strategy (see e.g. Simkin, 2002, 1996; Noble and Mokwa, 1999). Debate continues in the academic literature as to how those behaviours and the related decision-making are most effectively

influenced (see O' Cass, Ngo and Siahtiri, 2012). The data gathered in this research study emphasises the communication of a shared MOCA ethos as a means to influence decision-making. The interview data add a range of examples of internal communication styles and media, to current studies. Although these examples are drawn from the co-operative context only, they not only contribute to filling this knowledge gap, but also provide guidance to practitioners. Internal communication around MOCA values takes a variety of forms, these include:

- messages posted in the work place;
- as a part of induction workshops, e.g. combined with statutory requirements such as food safety;
- as the focus of an orientation process;
- an on-line package for front line employees to use;
- internal distribution of an employee-members' magazine;
- the use of apps;
- internal benchmarks as measures of esteem;
- involvement in community activities;
- coaching/ mentoring for mid-managers;
- decision-making behaviour modelled by senior managers; and
- the everyday work experience.

Interviewees called for an increased emphasis on the MOCA strategy specifically in employee induction sessions and in board members' education.

Although the vital importance of leaders' evident commitment to co-operative values is recognised, most interviewees specifically mentioned the middle management mind-set as crucial in engendering staff commitment to the MOCA strategy. This view is consistent with the literature, which also emphasises the importance of middle management behaviours being clearly based on genuine conviction and aligned with the organisation's ethos (e.g. Sashittal

and Jassawalla, 2001; de Chernatony, and Segal Horn, 2003; Rosier, Morgan and Cadogan, 2010). Some interviewees offered examples on how to improve middle managers' understanding of the MOCA strategy and implementation behaviours, e.g. coaching, and cascaded training by senior managers. Like Simkin (1996) they recognise the value of internal communications with both middle and front-line managers. The empirical data highlight the value of good coaching as a means of communication particularly suitable to support middle managers.

In the context of MOCA implementation, the purpose of internal communication is employee understanding of the co-operative values and the MOCA strategy. Although the empirical data recognise that this understanding contributes to developing internal cohesion around a shared ethos, this is a different emphasis to that articulated by internal marketing writers (Ahmed and Rafiq, 1995; Ballantyne, 1997). For these writers the focus of internal communication is to build internal relationships. The co-operative data show that although understanding influences implementation behaviours, the internal communication that is a pre-condition for that understanding has an additional benefit. That benefit is that employees feel part of a collective understanding and a shared ethos and this aids the building of the internal relationships called for in the internal marketing literature. Many interviewees emphasised the role of collective understanding as a means to develop a sense of belonging in employees and to positively influence MOCA implementation behaviours. This finding from the co-operative context provides a foundation for further research. In building on this finding, such further research could explore how much the development of internal relationships is dependent on a shared understanding of the collective ethos, and how it could become a mechanism to positively influence implementation in the context of a marketing strategy linked to societal contribution.

6.4.2.2 *Recognition that understanding is a pre-condition for MOCA delivery behaviours, but personal connection is the ultimate aim.*

The co-operative data recognise that although understanding is a pre-condition for MOCA implementation behaviours, winning hearts and minds is an objective, albeit an ambitious one. Interviewees referred to internal communication as a mechanism to change employee mind-sets, develop a sense of belonging, and encourage engagement with the MOCA ethos and strategy. Interview participants advised that to achieve this:

- a dogmatic approach should be avoided and a more subtle approach was advocated, e.g. managers and/or leaders explaining decision-making with reference to the MOCA strategy;
- layers of subtle communication that accumulate to build a personal commitment to the co-operative ethos;
- management care to use certain MOCA oriented language; and
- the avoidance of ostentatious websites that direct actions.

In order to foster employee understanding as well as engagement with the MOCA strategy, some co-operatives made use of a toolkit designed for internal communication of the MOCA ethos; this included staff involvement in video making, logo development, and in-work displays. Building this engagement creates an emotional connection with the MOCA strategy and this inspires employees to act as ambassadors for the co-operative and to act in line with the values.

In the co-operative context, employee understanding of the shared ethos is a pre-condition for engagement and emotional connection with the values; it does not automatically cause this. This finding is

consistent with the literature in this area (e.g. Vallaster and de Chernatony, 2005; Punjaisri and Wilson, 2007; de Chernatony and Cottam, 2008; King and Grace, 2012). The examples from interviewees outlined above, add to this knowledge by providing practical guidance to managers on appropriate mechanisms for translating the ethos into the everyday working experience of employees, and helping employees to internalise the co-operative values. Having processes in place in which member-employees have opportunities to challenge management decisions, e.g. via a Colleagues' Council, and internal focus groups, support this transition from understanding to personal commitment. This finding aligns with Rosier, Morgan and Cadogan's (2010) call to consult with employees on implementation and adds to knowledge by demonstrating its relevance to implementing marketing strategies with a societal contribution.

There is a view from some interview participants that a co-operative's growth increased the challenges to effective internal communication and the maintenance of positive internal relationships. Interviewees with this view claimed that growth requires and creates more centralised structures and control systems, and these work against building employee empowerment and the related engagement with decision-making in MOCA implementation. Although most participants in this group came from small co-operatives, there were differing views within the larger XYZ co-operative, with one interviewee referring to the problems at the UK's Co-op Bank (see Chapter Two for background information about the bank) and citing a growth strategy as the main reason for its downfall. Others welcomed growth as evidence of the success of a MOCA strategy. Although interview participants in this latter group were sure that ways must be found to communicate internally to support empowerment, and overcome the potential challenges presented by controlling structures and systems, they did not offer any examples or ideas as to how this might happen in a larger co-operative. It is important to

recognise both these arguments, in the co-operative data, for and against a focus on growth. Many interviewees called for co-operatives to improve their understanding of these issues and the challenges that growth could create for MOCA implementation, and in doing so to find the appropriate balance of a growth strategy with an empowerment policy. Further research into how to establish this equilibrium, and build and maintain culture based on MOCA values in a growing or large co-operative would be valuable. Such research could build on the findings of this research study, and would respond to calls in the literature for improved understanding of marketing in this context (e.g. Hunt, Wood and Chonko, 1989; Maignan and Ferrell, 2004; Reibstein, Day and Wind, 2009; Powell, 2011).

This emphasis, in the co-operative data, on a sense of belonging and a positive relationship with the employing organisation, as pre-conditions for employees to go “*above and beyond*” (3M) is consistent with the marketing strategy literature (Papasolomou and Vrontis, 2006; King and Grace, 2012). These co-operative data extend this list of pre-conditions by adding ‘a personal connection to the organisation’s ethos’.

6.4.2.3 *Internal communication that supports employee empowerment, as well as engagement with implementation decision-making*

The co-operative data emphasises MOCA implementation’s reliance on employees being flexible in their day-to-day responses to customer needs, and advocated an empowering management style, rather than a bureaucratic controls, to maintain this. This view is, in general, supported in the literature (e.g. Mudie, 2000; Ahmed, Rafiq and Saad, 2003; Babakus et al., 2003; McKenna, Garcia-Lorenzo and Bridgeman, 2010; Day, 2011). However, this view counters Thorpe and Morgan’s (2007) emphasis - albeit their work was based only on data from mid-level marketing managers - on the primary

importance of a rigid organisation structure, visible control systems and other hierarchical factors, for implementation.

A practical example provided from the co-operative data empowers employees to own a customer's problem and provides up to US\$1000 to resolve it. This approach requires sound understanding of the MOCA strategy as well as a feedback loop that examines how the problem occurred to prevent it happening again. This latter element is a vital part of the empowerment policy, and reflects a management style advocated by van Raaij and Stoelhorst (2008) as central to a marketing orientation approach to marketing strategy implementation.

Although interview participants acknowledge that empowerment depends on employee understanding, they appreciate MOCA behaviours are most likely to occur where the employee has a personal commitment to the co-op values, and that this commitment is difficult to achieve. Interviewees emphasised the importance, to MOCA implementation, of ensuring that co-operative employees internalise the values, develop the right mind-set, and that this is a pre-condition for empowerment. Many participants saw an increased sense of commitment amongst employees as a positive outcome of a personal connection with MOCA values and as part of their progress along the "*funnel of engagement*" (SP). Studies by de Chernatony and Segal Horn (2003), Vallaster and de Chernatony (2005) and Punjaisri and Wilson, (2007) concur with these findings. Like many of the co-operative interviewees, this literature emphasises the strong influence that leaders' and line managers' demonstration of their own personal commitment has on employees' development of an emotional connection with the marketing strategy.

The funnel of engagement is a useful concept in that it outlines a journey in which the employee is encouraged to engage with the co-operative values and to become increasingly committed to them. In

doing so, the employee develops a personal connection to the co-operative values and purpose and, as this positively influences their MOCA delivery behaviours, it enables a management style based on empowerment, rather than on bureaucratic controls. Therefore, to encourage this progression along the “*funnel*”, leaders and managers invest in - and advocate further investment in - a range of methods and media to communicate the MOCA strategy internally, while at the same time investing in internal processes and identifying benchmarks that guide employee understanding of the MOCA strategy. Interestingly Harris and Ogbonna (2011) found that to influence implementation behaviours, marketing and other managers often attempt a form of cultural control in which employees are obligated to accept a set of behavioural norms. The emphasis, in the interview data, on progressing employees towards building engagement and a personal connection with the co-op values as a means to influence implementation behaviours, could arguably be seen as supporting a form of cultural control, however interviewees did not present it as such.

The examples from the co-op data demonstrate how personal connection can mediate between understanding and behaviours, and how an empowerment policy influences marketing implementation behaviours. These findings contribute to filling the gap in knowledge identified by Harris and Ogbonna (2011) on the most appropriate balance between bureaucratic and cultural controls and an empowerment policy, for the effective implementation of a marketing strategy.

6.4.3 MOCA processes and benchmarks (C)

Flexible employee-customer interactions are recognised by co-operatives as important to the implementation of their MOCA

strategy. To enable this, policies and benchmarks need to be in place to support understanding of the MOCA strategy and co-operative values. These are crucial to the facilitation of MOCA delivery and the assessment of performance gaps. Existing research shows that marketing strategy implementation requires flexibility to be balanced with standardised operations (e.g. O' Cass, Ngo and Siahtiri, 2012).

Some, but no means all, interviewees identified tensions between certain areas of the organisation that reduced this flexibility, and emphasised the importance for MOCA implementation of building bridges between these areas. In the data, these tensions tend to be between co-operative values-based member-facing elements and those more focused on business and financial objectives, rather than the departmental silo-ism referred to, and warned against, in the literature (e.g. Simkin, 2002; Nakata and Im, 2010).

The co-operative interviewees offered a variety of examples of processes that align internal business operations with MOCA, that leaders and managers could put in place to address these tensions. These examples include: recruitment policies that are seen to favour candidates who are receptive to the co-operative values; processes that hear and respond to members' views; feedback processes that are part of an empowerment policy designed to improve the member-customer experience; and processes that internally disseminate achievement against MOCA implementation benchmarks. Interview participants were confident that the presence of these processes supports MOCA understanding and incentivises the related behaviours.

The above are examples of process capabilities designed to address some of the challenges to MOCA implementation identified in the co-operative-based literature (e.g. Birchall, 2014; Borzaga et al., 2014). They portray organisational competences and, as such, offer

examples of how co-operatives are addressing the gap identified in the - albeit investor-owned based - literature between marketing competences and implementation needs (e.g. Vorhies and Morgan, 2005; Dibb, Simkin and Wilson, 2008; Day, 2011; Moorman and Day, 2016). The literature recognises the challenge of measuring such competencies, and the importance of the right benchmarks in doing so. Vorhies and Morgan (2005) conclude that such measures offer learning opportunities to identify shortfalls in competencies, and therefore which ones to develop and enhance. They call for more research in this area.

For the MOCA message to be convincing to all stakeholders, the co-operative must be able to: demonstrate the value of its activities in the community, and in doing so, show that it is “*a different kind of business*” (1B). The use of a range of internal measures as a means of quantitatively assessing MOCA implementation enables a confident story to be told both internally - and externally - about the co-operative’s societal contribution. In the XYZ co-operative, performance measures were valued as part of internal messaging about the MOCA strategy, and line managers ensure all employees are aware of them. This extends de Chernatony and Cottam’s (2008) recommendations - albeit focused on financial services companies - that called for consistency of internal communication about the brand values in order to influence delivery behaviours appropriately.

Although the other senior manager interviewees (i.e. non-XYZ) were much less focused on benchmarks, they talked about the policies and processes that their co-operative had in place, or in their view should be put in place, to encourage internal understanding and behaviours. Examples include co-operative employees engaging in, and contributing to, local events, and encouraging and capturing member-customer feedback. These co-operative data demonstrate that MOCA-related processes and benchmarks are engendered, in particular, by:

1. Policies to recruit and promote employees receptive to the co-operative values and the development of the right mind-set.
2. Processes and capabilities that strengthen the social cohesion between all stakeholders (both internal and external) as part of the shared co-op ethos.
3. The use of internal benchmarks/ measures at all levels aids understanding as to 'where we are going', and what must be achieved.

Each of the above mechanisms are discussed below

6.4.3.1 Policies to recruit and promote employees receptive to the co-op values, and the development of the right mind-set.

At unit level in the XYZ co-operative, the focus was on mechanistically, rather than creatively, meeting the steering wheel benchmarks. However, the senior level interviewees emphasised that, in implementing MOCA, decisions must be based on a questioning approach, with a mind-set that is open to new ways of doing things. This call for an open mind-set when implementing strategy has parallels with existing studies by e.g. Neill, McKee and Rose (2007) and Day (2011). This difference between junior and senior level in their perspective on achieving internal marketing benchmarks is not specifically reflected in the marketing literature, however, with further research, this theme could extend Fahy et al.'s (2006) differentiation between market-based and marketing support resources. The empirical data emphasised that in recruiting people at all levels the right values-based mind-set should be prioritised over work experience and skills, but education must be in place. This is consistent with literature that highlights the importance of education that questions long-held beliefs about purpose, implementation

strategies and resource allocation, and the related competences and dynamic capabilities (see O' Driscoll, Carson and Gilmore, 2000). For example, there are warnings from interviewees against bringing an investor-owned attitude to the co-operative, an emphasis on the importance of business decisions having a long-term focus, and the value of the leadership representing the co-operative's conscience. These empirical data stress that a classic business education - such as an MBA - damages a co-operative business, and will not serve MOCA well. Participants call specifically for management education to be in the co-operative context.

This all points to the vital importance of senior management retaining an ability to understand how the co-operative's commercial aspects are a means to deliver societal and community benefits, and are not an end in themselves. One interviewee said that she sometimes reminds her CEO that commercial objectives are there to support - not impede - delivery of the co-operative purpose and values. She comments that although fully supportive of the co-operative values, his focus can stray to concern about costs and in doing so lose sight of the values.

Interviewees called for learning processes designed to encourage employees to understand, accept and commit to MOCA implementation. However, in their view, employees were not expected to question the decision to implement a MOCA strategy or - except at senior level - the implementation processes. This approach could have drawbacks as, although education in co-operative values is seen as an important part of developing MOCA strategy understanding, it is not apparent from the interviews that this is a call for generative learning of the type articulated by O' Driscoll, Carson and Gilmore (2000). It appears that a MOCA strategy requires some, but not all, of both types of learning: adaptive in so far as the scope of the co-operative's business activities are to be continually adapted to align with the implementation of the MOCA strategy, and

generative only in so far as implementation should regularly question the allocation of resource and implementation success measures, but not the co-operative's over-arching purpose and values. As a result, the co-ops' approach could be seen as narrow, with an emphasis on education on how to implement MOCA at the expense of questioning whether it is the appropriate strategy to achieve the co-operative's purpose. However, one CEO was sufficiently open-minded to question whether certain of the business sectors in which his co-op is engaged, e.g. food or automotive retail, are a suitable means to achieve the co-operative's purpose. Co-operative development and training policies are likely to benefit from considering such levels of questioning (Chiva, Grandio and Alegre, 2010). The on-going need to manage change raises the problem of how best to educate co-operators not only in how to implement, but also in how to critically question the implementation of a marketing strategy based on co-operative values. This research study finds that although they value education, co-operatives want to see business education always set in the co-operative context. They want to see this business education designed to enable evaluation, interrogation and possibly unlearning of past practice, but not to question the co-operative values and purpose. They recognise that currently there is much work to do if co-operatives are to develop their business education to achieve this.

The call for education that encourages questioning of the marketing strategy and the vital role that this change capability plays in influencing, managing and sustaining implementation success, was identified by McGuinness and Morgan (2005). However, this 'capability' was not mentioned in the interview data with reference to MOCA. It appears that co-operatives do not question their purpose, or call for education that could encourage this type of challenge. As a result, it is possible that co-operatives may invest in learning and education in an unquestioned and possibly inappropriate marketing strategy (McGuinness and Morgan, 2005). This could well be a

challenge and possibly a warning for other organisations - non-co-ops - that pursue objectives that are not the shareholder value growth of investor-owned firms. This weakness - and how best to challenge it - in educating employees to question over-arching strategic marketing objectives needs to be better understood in co-operatives. This research study offers a foundation for further research in this area in the co-operative context. It is likely that other types of organisations would benefit from such research.

In an ever-changing business environment implementation competences need to be linked to generative learning (O' Driscoll, Carson and Gilmore, 2000; Chiva, Grandio and Alegre, 2010). Co-operatives need to consider this and not only ensure that a questioning approach is embedded in their training and development, but also broaden their expectations when recruiting at all levels in the organisation.

To develop marketing implementation capabilities, an organisation must recruit open-minded people with diverse perspectives who are able and prepared to question assumptions about the processes and policies required for marketing delivery (Neill, McKee and Rose, 2007; Day, 2011). The literature (O' Driscoll, Carson and Gilmore, 2000; Neill, McKee and Rose, 2007; Day, 2011), warns against all employees in the organisation sharing the same mind-set, as this can be a barrier to the adaptive delivery of a marketing strategy, because such employees will respond to market challenges in the same way. This concern appears to be not fully recognised or perhaps not accepted by the co-operative interview participants.

Interviewees made reference to the difficulties of recruiting employees with the right mind-set (this point echoes Punjaisri and Wilson's 2011 findings). As an alternative, they sought to recruit employees who were receptive to co-operative values, even if they do not have the appropriate business service delivery experience,

e.g. being a teller in a credit union, as well as in more senior and management roles. Interviewees argue that it is less challenging to teach job related skills than to change employee attitudes around organisational values, and these findings accord with the extant literature (de Chernatony, and Segal Horn, 2003; Powell, 2011). One interviewee specifically commented that the malaise of the UK Co-op bank (see 2.2.4 in Chapter Two) was due to its failure to hire people committed to the values, at the highest levels (Augar, 2013). It is interesting to note that despite pursuing this recruitment approach, as discussed above, co-operatives have failed to recognise the weaknesses in their employee training in understanding the co-op values and in implementing the MOCA strategy.

These challenges in recruiting appropriate employees highlight the significant contribution that the right training and education, delivered within the co-operative context, can make to MOCA implementation. Co-operative interviewees made reference to internal policies that help employees develop this receptivity to co-operative values, and their understanding as to how they influence MOCA implementation. These include:

- job descriptions that combined responsibility for both member loyalty and staff development;
- living the values as a criterion for promotion;
- career development plans that included job movements between differing areas of the business;
- encouraging employees to identify and solve any contradictions they saw between the co-operative ethos and its internal processes;
- employees attending members' meetings to observe the priorities discussed.

This approach is consistent with the extant – investor-owned businesses - literature (e.g. O' Driscoll, Carson and Gilmore, 2000;

Chiva, Grandio and Alegre, 2010) that calls for the use of a range of styles and approaches to training and education in a learning organisation.

Co-operatives need to allocate resource to education and training relating to MOCA delivery, and to recruit employees for their receptivity to co-operative values. However, existing literature cautions against recruiting for mind-set, as it can lead to an inability to respond to changes in the marketing environment (Neill, McKee and Rose, 2007; Day, 2011). Therefore co-operatives should be advised to consider carefully how to recruit those receptive to the co-op values, in a manner that avoids the problems associated with too much of a collective mind-set. Further research in understanding the appropriate balance of mind-sets, outlook and learning styles would help co-operatives recruit and educate employees to deliver a MOCA strategy that brings together their business and societal objectives. Co-operatives also need to explore how to extend their training and education to ensure an approach that questions the co-operative marketing strategy, not just the variety of approaches to its implementation. Such research is likely to be of benefit to other non-co-operative organisations.

6.4.3.2 Processes and capabilities that strengthen the social cohesion between all stakeholders (both internal and external) as part of MOCA implementation

As discussed above, and echoing the literature (e.g. Cespedes and Piercy, 1996; van Raaij and Stoelhorst, 2008), the co-operative interviewees see learning processes as a means to develop MOCA understanding which they see as leading to implementation capabilities.

The literature on strategy implementation capability highlights the value of participation across functions, internal change agents to

advocate new approaches, and management development programmes and career paths that encourage the embedding of new skills (see e.g. Cespedes and Piercy, 1996; Gounaris, Vassilikopoulou, and Chatzipanagiotou, 2010). In addition, and there are a range of processes in place in co-operatives in which, to quote Harris and Ogbonna (2011), “*new employees learn to adopt the norms, values and behaviours that will guide them through organizational life*” (p.438). In co-operatives, these processes include activities to not only create MOCA understanding, but also to build a collective engagement with the co-op values. Examples include; AGM attendance and involvement, engagement in community based activities, behaviour modelling by senior management as well as internal education and training. As described by de Chernatony and Segal Horn (2003), all encourage behaviours that reflect the brand promise both internally and externally (and in doing so implement a MOCA strategy).

In general, this focuses (in line with Harris and Ogbonna’s, 2011 findings), on putting in place mechanisms that help employees understand MOCA and learn to how adopt the organisational norms and behaviours that guide its implementation. The values were seen as a crucial means of holding the team together, particularly in times of pressure. In line with Dibb and Simkin (2000) many interviewees felt their co-operatives should, or will be, doing more to develop internal interconnections. Examples of relationships to be built included: employee with member; co-op to co-op; activist with commercial; within and between co-operatives as part of the MOCA implementation process. However, it appears that co-operatives are not proactive in building these collaborations even though MOCA implementation requires the capability to build them. The interview data offer some examples from practice, e.g. ensuring co-operatives form the goods supply chain, and sharing MOCA expertise with local co-operatives in different product sectors, and the use of an over-arching Co-op brand. Building such capabilities is an investment in

operant resources as discussed by Madhavaram and Hunt (2008), and can offer competitive advantage. However, co-operatives still need to develop the capability and the outlook to build such relationships, and research into how best to do this would be of interest to co-operatives, co-operative researchers and - depending on their purpose - may also be of value to non-co-op organisations. Although the practice examples presented in this research study are of interest, more in depth research into how this capability is developed would contribute to knowledge of investing in operant resources to build collaboration capabilities in marketing strategy implementation (Madhavaram and Hunt, 2008). Some interviewees highlighted the tensions between co-operative activists and commercial objectives, and called for improved understanding of how to support collaboration between these groups. Research into building such collaboration capabilities would not only address this concern, but also answer calls in the co-operative literature, to address these tensions (e.g. Somerville, 2007; Allemand, Brullebault, and Raimbault, 2014; Birchall, 2014).

6.4.3.3 The use of internal benchmarks aids understanding and guides achievements related to strategy implementation.

Dobni (2003) warns that management often focus too much on external marketing performance measures at the expense of examining the relationship between employee behaviours and competitive market positioning. Concurring with Dobni, all co-op interviewees recognised the importance of employee behaviours in MOCA implementation. With the exception of XYZ co-operative, reference to implementation measures in the empirical data, is limited and focusses on external, not internal, measures (e.g. net promoters score).

This may be because of the mutual nature of co-operatives where member-customers are seen as a part of the organisation, rather

than the investor-owned perspective around stakeholder and customer. Processes for capturing and measuring perceptions include: members' forums, focus groups, interactions in call centres and branches, and member-customer surveys. Marketing literature increasingly focuses on the inclusion of a wider range of stakeholders, within its perspective, beyond customers and shareholders/ investors (e.g. Maignan and Ferrell, 2004; Reibstein, Day and Wind, 2009; Varey, 2010; Hildebrand, Sen and Bhattacharya, 2011; Kotler, 2011; Powell 2011; Porter and Kramer, 2011). As this focus evolves, these co-operative examples, provided above, may increasingly interest mainstream marketers.

XYZ co-operative had a set of internal MOCA implementation performance measures in place (which they named a Steering Wheel), and the results are disseminated internally, and understood at all management levels. However, other interview participants (not from XYZ) made only very limited reference to internal benchmarks or targets. This internal clarity of communication around performance targets is called for in the literature (see e.g. Dibb, Simkin and Wilson, 2008; de Chernatony and Cottam, 2008), and there is an opportunity for the non-XYZ co-operatives to learn lessons from the use of such performance measures, to improve MOCA delivery.

The interviewees recognise that the reason for adopting and implementing a MOCA strategy is to further the co-operative purpose, but mention only limited examples of success measures. For some it was growth in member numbers, for others it was the levels of interest in AGMs and competition for elected governance roles, levels of employee membership of the co-op, and the ability of front-line staff to articulate the co-op values. The reason for this limited range is unclear, although some interviewees called for more research in this area. Perhaps it indicates a lower organisational or leadership commitment to MOCA than the interviewee aspired to personally. Further investigation of this would be of interest as

differing levels of commitment to the MOCA strategy within one co-operative could cause tensions and in doing so potentially cause a barrier to MOCA implementation. As they were part of the management team charged with moving towards MOCA implementation, many interviewees expressed frustration that their co-operative did not have internal success measures in place. It was also recognised that it is difficult to prove the contribution that MOCA activities make to the co-operative's reputation for societal contribution, and tangible measures would aid this internal communication.

In keeping with Vorhies and Morgan's (2005) examination of top-performing firms, XYZ co-operative were very clear that without detailed measures of internal activities undertaken for MOCA implementation, they do not have an authentic MOCA story to tell, and without that, the MOCA strategy could be seen as a sham. In line with this view, the XYZ co-operative used a wide range of internal benchmarks (e.g. attendance at Colleague Councils, hours spent working in the community), and their results are viewed monthly and shared throughout the organisation.

It is clear, from comments by middle and unit managers at XYZ, that in addition to measuring achievement, these benchmarks also provide valuable direction to employees about the MOCA strategy and the appropriate implementation behaviours. Consistent with Vorhies and Morgan's (2005) and de Chernatony and Cottam's (2008) conclusions, both factors - achievement and guidance - influence MOCA implementation behaviours. Also consistent with Vorhies and Morgan (2005), and more recently Day (2011), many interview participants recognised the challenge of establishing MOCA implementation benchmarks that effectively influence behaviours and provide useful information about organisational capabilities. In addition, many in the first tranche of interviews called

for not only better understanding of how to measure these competences, but also of how to identify the right measures.

Vorhies and Morgan (2005), and more recently Moorman and Day (2016), conclude that although the theory indicates that appropriate benchmarking is a vital factor in marketing strategy implementation, they call for more research on how to develop and enhance such competences and related capabilities. The steering wheel benchmarks and their regular review at XYZ co-operative offer a range of such measures. They therefore contribute to filling the knowledge gap identified by Vorhies and Morgan, albeit only in the co-operative setting. It may be that these benchmarks could be adopted by other co-operatives implementing a MOCA strategy. Further research is required to assess adaptability and suitability of these measures to other co-operative types and sectors and, in addition, whether other unintended consequences emerge from the use of such measures. Investor-owned firms and mainstream marketing theory are also likely to benefit from such research.

6.4.4 Understanding of MOCA at all levels in the organisation (D)

The co-operative data emphasise the importance of employee understanding of the MOCA strategy and its related ethos, as a pre-condition for implementation behaviours (see Diagram 9). The interviewees also acknowledge that this is only a potential cause, and that to encourage appropriate behaviours and to enable empowerment, co-operatives have to work continually on engendering a personal connection with, and a commitment to, the MOCA strategy. Managers see this as an on-going challenge, addressed by internal communication of the values and internal processes, feedback and measures, to guide behaviours. However,

there is recognition that, at all levels, a personal receptivity to the co-op values is vital to understanding the MOCA strategy in a way that positively influences delivery behaviours. These behaviours are essentially the incorporation of co-operative values into the basic service task, and are crucial for effective in-role MOCA implementation actions.

The interview data demonstrates that MOCA delivery needs to be seen by all employees as their responsibility, not that only of the marketing function. The development of implementation capabilities depends on all employees working together and understanding what it is they are aiming to achieve. The latter – understanding – occurs where effective training and education are in place, the former – working together – requires internal policies, processes and benchmarks that effectively support MOCA. This is consistent with the literature (e.g. Cespedes and Piercy, 1996; Ballantyne, 1997; Dibb and Simkin, 2000; Dibb, Simkin and Wilson, 2008; van Raaij and Stoelhorst, 2008).

Training and development must to be undertaken in the context of the co-operative values, not those of investor-owned businesses, to ensure understanding. This is the case for all parts of the co-operative, not only the marketing function, nor particular grades of employees. In addition, a shared commitment to the MOCA values and ethos offers an opportunity to address the historic challenge (see e.g. Birchall, 2014) of bringing together the co-operative activists and the commercial aspects to achieve implementation.

Employee understanding of MOCA at all levels in the co-operative requires:

1. Commitment to the MOCA strategy at all management levels and
2. Appropriate competences in place for building internal confidence in the MOCA strategy.

Each of the above mechanisms is discussed below.

6.4.4.1 Commitment to the MOCA strategy at all management levels.

A focus on adapting employee mind-sets to support the internal and external MOCA messages - as well as the alliances with other co-ops - has increased employees' sense of belonging and commitment to the co-operative ethos, and led to behaviours that deliver the MOCA strategy.

All co-operative interviewees recognised that the MOCA message is a complex one. Consistent with the literature (e.g. Ballantyne 1997, 2003), they emphasised the significance of using internal networks to share understanding of the MOCA strategy. It is crucial that the senior management team demonstrate their commitment to the co-operative's values. One of the ways of doing this is to ensure that resources are allocated to putting in place, the processes and mechanisms that create new behavioural norms. These findings are in line with the marketing orientation approach précised in van Raaji and Stoelhorst's (2008) conceptual paper, and with Noble and Mokwa's (1999) call for management commitment to the marketing strategy. However, co-operative interviewees' interests are not focussed on the issues around sharing customer information across functions that the literature highlights (e.g. Kohli and Jaworski, 1990; Narver and Slater, 1990; Cespedes and Piercy, 1996; Ahmed, Rafiq and Saad, 2003; van Raaji and Stoelhorst, 2008; Dibb, Simkin and Wilson, 2008). They are more focused on processes that ensure all employees (not only managers) understand MOCA and what it stands for. They are also keen to bring together co-op activists with those who prioritise the commercial aspects of the business.

The academic marketing literature emphasises the importance of internal relationships, often between functions for the sharing of information about customers, claiming they are crucial for marketing strategy implementation. However, for MOCA implementation the crucial internal relationships are between co-operative activists and those employees working to commercial objectives. A joint commitment to the MOCA strategy builds these relationships. It would be interesting to undertake further research to assess whether other types of organisation, like co-operatives, do not seek to prioritise the sharing of customer information across functions, and therefore do not concur with the mainstream literature on marketing strategy implementation. It may be that, like co-operatives, organisations that seek to make a societal contribution prioritise internal understanding of their values, over internal sharing of customer information.

6.4.4.2 Appropriate competences in place for building internal confidence in the MOCA strategy

Fahy et al. (2006) emphasise the importance of two types of marketing competency working together for marketing delivery: the market-based and the marketing-support. The former being the front line link with customers that impacts on service quality and reputation, the latter is an organisational approach to systems and culture that ensures that the marketing strategy is embedded in all the organisation's activities and processes. Interviewees say that both types of competences need to be in place for MOCA strategy implementation, and most feel there was still work to do on achieving this in their co-operative.

All the interview participants recognised that both these sets of competences are crucial to successful MOCA implementation. They speak of challenges in doing this in their co-operatives, for example:

- trading-off time to ensure the information technology architecture is suitable for MOCA, versus reduced front line member service levels;
- the additional costs of CSR managers compared to other retailers;
- front line employees must understand MOCA so that they can explain it to customers and this takes additional time;
- supply chain management in line with the ethos;
- internal support for external communications that emphasises the co-operative message;
- shared-branching and co-op brand collaborations with other co-operatives;
- expecting employees to have MOCA in mind in all their actions.

These are examples of strategic marketing competencies to strengthen the MOCA message. In their conceptual paper drawing on service-dominant logic, Madhavaram and Hunt (2008) see investment in these competencies as investment in operant resources, i.e. people, routines, controls, information and external collaborations. With this approach, knowledge networks and alliances are created with other like-minded organisations (O'Driscoll, Carson and Gilmore, 2000; Peters et al., 2010; Moses, 2011), and MOCA implementation is seen as an organisation-wide activity.

The examples of competencies from interviewees' responses, listed above, partly answer Gibbert, Golfetto and Zerbini's (2006) call to establish criteria for distinguishing which competencies are critical for effective marketing strategy implementation in a given organisation structure. They underscore the significance of sharing a common ethos in bringing together the differing agendas and interests within the co-operative organisation. This competency requires a

combination of mind-set, internal communication, benchmarks and processes. Existing studies (e.g. Cespedes and Piercy, 1996; Ahmed, Rafiq and Saad, 2003; van Raaij and Stoelhorst, 2008) find that these should be integrated across functions. The co-operative based responses convey a similar sentiment, but emphasise integration across co-operative values and the business service, and various organisational management levels rather than functions. O' Driscoll, Carson & Gilmore (2000) recommend the management of career paths as a means of bringing the differing perspectives together, and Piercy (2010) job swapping; these were both mirrored in examples offered by participants.

The competencies required for the delivery of a MOCA strategy, place greater emphasis on a resource-based view than a market-focused one. This reflects the findings of Dibb, Simkin and Wilson (2008), Madhavaram and Hunt, (2008) and Barton and Ambrosini (2013) more than those authors who focus on marketing orientation, e.g. de Chernatony and Segal Horn (2003) and van Raaij and Stoelhorst (2008). If the internal conditions required for MOCA delivery align with the co-operative ethos (i.e. social and economic contribution) their presence can enable competitive advantage within their sector. This is consistent with O' Driscoll, Carson and Gilmore's (2000) research (albeit in investor-owned), which finds that decisions, on which implementation competencies should be developed, depend not only on strategic intent but also on structure and shared values. The co-operative data add to this, by offering examples of practice, e.g. a long term as opposed to short term approach to decision-making and marketing planning.

The interviews with senior managers focus on what their co-operative is doing, or needs to do, internally to enable MOCA implementation. However, these interviewees were clear that attention to member-customer needs and expectations is a crucial part of planning how MOCA is to be delivered alongside the core business service. They

see that members, in joining, have already expressed an interest in participating in the co-operative, and the co-op has to proactively work to understand their members' value proposition, and how this might be changing. This process of gathering member-customer information combined with translating it to MOCA activities is itself an implementation competency.

This approach is more in line with the marketing orientation summarised by Dobni and Luffman (2000) and van Raaji and Stoelhorst (2008), than the day-to-day decision-making that is linked to the market place as exemplified by Sashittal and Jassawalla (2001). The co-operative data emphasise the importance of an understanding, leading to a MOCA orientation and building on an empowerment approach being in place, rather than daily decision-making that could possibly respond more speedily to market changes. When investing in building these capabilities, a balance needs to be found to accommodate internal competences, while retaining an awareness that enables responses to a changing market place (Simkin, 1996, 2002). However, in implementing a MOCA strategy, this balance prioritises internal MOCA competencies over knowledge of the market. This may well also be the case in other organisations that pursue a set of values, such as a focus on societal contribution, and further research would be required to better understand this issue and how it can contribute to competitive advantage.

6.4.5 Potential Outcome: MOCA related behaviours (E)

It is clear from existing research that the implementation of a marketing strategy requires all in the organisation to act in ways that align with that strategy. However the current literature also recognises that knowledge about how to influence these behaviours

is fragmented and incomplete. A MOCA strategy brings together the business activities of the co-operative with its values. To deliver this strategy requires a commitment at the leadership level to ensure that although the economic aspects enable the business to be sustained, its purpose is to make a societal contribution as well as an economic one (see e.g. Spear, 2000; Somerville, 2007; Birchall, 2014).

The implementation of a MOCA strategy requires employees at all levels (not only those in customer facing or marketing function roles) to act in ways that align with the co-operative ethos (see e.g. Hildebrand, Sen and Bhattacharya, 2011). To do this requires understanding of the co-operative values and how they are embedded in the daily activities of the co-operative organisation. This understanding is generated by internal communication and processes related to MOCA, and supported by an evident commitment from leaders and managers to this strategy that engenders employee trust.

Interviewees argue that improved implementation occurs when employees have a personal commitment to the strategy (not merely an understanding of it) and where managers pursue a policy of staff empowerment. This leads to employees willingly adding co-operative values to the basic service delivery, and develops their confidence in recognising how to prioritise and drive change in the business to deliver MOCA, as well as seeing themselves as ambassadors for the co-operative values.

Interview participants see a MOCA strategy as - essentially - the alignment of co-operative values with the core service, e.g. banking, food retail, insurance services. They therefore emphasise the importance of internal understanding that will lead to the competencies that embed the ethos in the service delivery. These are interdependent. Where a co-operative is capable in both areas, i.e. delivery of values and the core service, this can be an inimitable

strength and therefore a source of competitive advantage (Vorhies and Morgan, 2005; Moorman and Day, 2016). There continues to be debate in the literature as to what, in addition to understanding, potentially influences and causes these behaviours (O' Cass, Ngo and Siahtiri, 2012). The co-operative data offer a personal connection to the strategy and commitment to its ethos as other influencers. These interviewees also want to see only those who are committed to the values and to the MOCA strategy being recruited or promoted. One interviewee saw her financial co-operative's culture acting as a filter, so if bankers join with the wrong mind-set, they recognise a poor match and do not remain in the organisation.

However, the academic literature is clear that if everyone in an organisation shares the same mind-set, they will respond to market challenges in the same way, and this can be a barrier to adaptive delivery of the marketing strategy. Where organisations maintain greater internal variety of capabilities, and a learning orientation, they are better able to sense and respond to their environment (Neill, McKee and Rose, 2007; Day, 2011). Thus a diversification of the talent pool is needed, alongside the recruitment of people who are open-minded and not wedded to unquestioned assumptions about the competencies and processes required for marketing delivery (Neill, McKee and Rose, 2007; Day, 2011). With their focus on ensuring the right values-related mind-set in co-operative employees, participants appeared unaware of this danger. Given investor-owned firms' increased interest in formulating and adopting ethical marketing strategies (Porter and Kramer, 2011; Hildebrand, Sen and Bhattacharya, 2011; Powell, 2011; Earley, 2016), it would be valuable to undertake further research into how best to manage this balance of employees' personal commitment to the co-operative ethos and their ability to recognise the need to adapt decision-making to changing circumstances in ways that do not damage business sustainability.

Interview participants want employees to see themselves as stakeholder-ambassadors for the co-operative and the MOCA strategy, and recognised that this mental attitude requires a personal connection with the co-operative values. They also recognised that, although desirable, this is not a realistic objective for every employee. The role of personal connection to influence implementation actions as found in this co-operative based research study is in line with findings in studies based in other types of organisations by Morsing (2006), Wieseke et al. (2009), and Powell (2011). Employees' behaviours represent the organisation's values, both internally and externally. Therefore, where employees are seen as stakeholders, it is vital that they feel this personal connection with the organisation's values in the implementation of a marketing strategy. Powell (2011) called for more research into how employees as stakeholders are influenced when implementing a marketing strategy based on societal contribution. In recognising the crucial role of personal connection to the co-operative values, in MOCA delivery, this research study contributes to filling this gap in knowledge that Powell identified.

6.5 Guidance for co-operative leaders and managers.

One of the identified contributions of this research study is to inform co-operative practice in the implementation of a MOCA strategy. This final section of Chapter Six summarises guidance for co-operative leaders and senior managers from the discussion above. Although some of the mechanisms that potentially cause MOCA implementation have varied slightly between different co-operatives, themes have emerged from the empirical data. A summary explanation of these themes provides guidance for co-operative leaders (see Table 13).

Table 13: A summary of the mechanisms that potentially cause MOCA implementation

Implementation (abstract constructs)	Implementation mechanisms/ actions	Further guidance and/ or actions
Employee trust in leaders' and managers' commitment to MOCA	Modelled behaviours and decision-making that is evidently linked to co-operative values. This includes managers/ leaders <i>"living the values"</i> and a focus on building co-op identity internally, and explaining decision making in the context of the MOCA strategy. Internal perceptions that appropriate resource is allocated to the processes and competencies needed for MOCA implementation. This includes an evident commitment to increasing employee understanding of, and engagement with, the co-op ethos and governance. Clear internal communications from leaders and managers about the MOCA strategy's objectives and measures of success, and the importance of MOCA related benchmarks at all levels in the co-operative.	Important that managers use appropriate MOCA words/ language Question whether financial rewards or other esteem measures would best engage employees in MOCA. Be wary of growth as an organisational target. Invest in building a shared co-operative identity, and sense of belonging.

Internal MOCA communication	Investment in a wide range of media and education to internally communicate the MOCA messages (bringing together operational and values-related information) Recognition that understanding is a pre-condition to MOCA delivery behaviours. However, a personal connection with the values is the ultimate aim, as this makes for a greater and more innovative societal contribution. Internal communication that supports employee empowerment and their engagement with implementation decision-making	Recognise that the MOCA message is complex and co-op growth may hinder internal communication. Consider further research on how a personal connection with the co-op values can influence the employee as stakeholder and MOCA behaviours.
MOCA related processes and benchmarks	Policies to recruit and promote employees receptive to the co-operative values and the development of the right mind-set. Processes and capabilities that strengthen the social cohesion between all stakeholders (both internal and external) as part of the shared co-operative ethos. The use of internal benchmarks/ measures at all levels aids understanding as to a sense of co-operative direction and what must be achieved.	Encourage engagement and participation in community events, AGM etc., for shared co-operative identity. Implement systems to gather member-customer feedback Establish the appropriate measures that influence MOCA behaviours.
Understanding of MOCA at all levels in the organisation	Commitment to MOCA strategy at all levels aids focus on the longer term (avoiding short term	Leadership education to be undertaken in the co-op

	business thinking). Such understanding brings together activists and the commercial parts of the business (and links with other co-ops). Develop the MOCA mind-set while recognising the significance of strategic questioning. Ensure MOCA related competences are in place, to enable/ generate employees' willingness to go "<i>above and beyond</i>" in their day-to-day tasks.	context. Help employees know how to "<i>play their part</i>" in MOCA implementation, and to feel a sense of belonging within the co-operative.
MOCA related behaviours	This requires a culture of empowerment in which the staff member has confidence in the strategic direction and recognises how to prioritise and drive change in the business to deliver MOCA. Staff at all levels to see themselves as ambassadors for the co-op values and identity.	This enables a working towards the alignment of societal and economic outcomes creating the MOCA based competitive positioning.

6.6 Chapter Summary

This chapter starts with a summary of the three rounds of framework building undertaken in the research study. The third framework is a revision of the second, and the second framework is a revision of the first (which is based on the literature review). The third framework guides implementation of a MOCA strategy (see Diagram 14). The majority of Chapter Six considers each of these constructs, and then discusses how they reflect and/ or extend existing theories. The discussion identifies where the findings in this research study

respond to gaps in knowledge as identified by earlier writers, and opens up opportunities for further research. The final section presents a table that summarises guidance to inform co-operative practice in MOCA implementation. Therefore, the next chapter explains the contribution to knowledge that this doctoral study makes, evaluates the study, and offers an agenda for further research in this knowledge area.

7 CHAPTER SEVEN: CONCLUSIONS

Chapter Seven reminds readers of the research study's aim, summarises the knowledge contribution, and explains how the research objectives have been achieved. An evaluation of the research study and an agenda for further research opportunities follows. The chapter concludes with a short personal reflection on the research process.

7.1 Addressing the research study's objectives

This research study aims to investigate the mechanisms inside the co-operative that potentially cause MOCA implementation behaviours to occur. To do this, the following actions were identified as research objectives:

- To critically review the academic literature about the internal organisational mechanisms that potentially cause marketing strategy implementation, and to develop a related tentative conceptual framework.
- To gather empirical data from within co-operatives, to enable the framework to be adapted. Two tranches of interviews inform two rounds of framework building, resulting in a framework that guides MOCA implementation.
- To consider the implications for marketing theory and practice.

This research study seeks to contribute to knowledge in the domain of marketing strategy implementation by investigating the perceptions of leaders and managers in co-operatives committed to delivering a 'Marketing our Co-operative Advantage' (MOCA)

strategy. This line of enquiry was pursued through a qualitative methodology and has led to three main contributions to marketing theory and practice. The contributions in response to the aims and objectives of this research study are summarised in the following list, and are discussed in more detail in the subsequent paragraphs.

- A framework is presented that not only contributes to marketing strategy implementation knowledge, but also guides practising co-operative managers in the implementation of a MOCA strategy. It is possible that this framework has a role in guiding leadership and management teams in the implementation of a marketing strategy based on societal contribution, for example in social enterprise, however further research is required to establish this.
- A review of existing literature has enabled the development of a framework that informs the implementation of a marketing strategy from an organisation-wide perspective. There is a limitation in that this literature is based on research in 'mainstream' investor-owned businesses.
- In addition to the above, the findings of this research study contribute to filling the knowledge gap identified in a number of related areas. For example, improved understanding of internal measures for marketing delivery, the role that corporate social responsibility can play in the implementation of a marketing strategy, and adding 'personal connection to the MOCA strategy' to the extant literature on the known conditions that potentially enable employee in-role behaviours that deliver above the expectations.
- The adoption of a critical realism ontology in this research study offers a fourth contribution to knowledge. Prior studies in the marketing sphere considered relationships and networks between businesses as casual mechanisms for

marketing effectiveness; whereas this research study investigates the internal mechanisms for the delivery of a marketing strategy. In doing so it adds to understanding about situating marketing related actions in organisations, and demonstrates that critical realism offers a fruitful alternative to other ontologies, such as social constructivism or positivism.

These contributions are specifically positioned within the marketing strategy implementation literature. This is in direct response to calls to investigate how organisational structures, internal communication and decision-making mechanisms influence marketing strategy implementation (e.g. Harris 2000; Ahmed, Rafiq and Saad, 2003; Ballantyne, 2003; Dibb, Simkin and Wilson, 2008). In addition, this study acknowledges the growing recognition that addressing societal concerns needs to be part of marketing language and concepts (Maignan and Ferrell, 2004; Reibstein, Day and Wind, 2009; Varey, 2010; Kotler, 2011; Powell, 2011; Hildebrand, Sen and Bhattacharya, 2011; Achrol and Kotler, 2012).

The main contribution that this research study makes is a framework (see 5.3) that guides co-operative leaders and managers in the implementation of a MOCA strategy. In doing so, it addresses challenges in MOCA implementation that have been identified by writers on co-operatives. In particular, the internal tensions created by the nature and structure of co-operatives, management commitment to the co-operative ethos, and the role of governance in MOCA implementation (see Webb et al., 2005; Novkovic, 2006; Somerville, 2007; Mazzarol, Simmons and Mamouni Limnios, 2011; Bernardi and Koppa, 2011; Birchall, 2014; Allemand, Brullebaut, and Raimbault, 2014).

The findings of this research study direct co-operative leadership teams in the investment of time, energy and other resources needed

to develop the structures and capabilities that potentially cause the organisational behaviours required for MOCA implementation. However, leaders must recognise that adaptation may be necessary depending on the industry sector and size of the co-operative concerned, and that everyone in the co-operative has a role in implementing a MOCA strategy. Further investigation is required in order to assess whether this framework provides guidance for the implementation of other marketing strategies based on societal contribution in, e.g. non-co-operative organisations.

A second contribution is a conceptual framework that guides marketing strategy implementation. As this framework (see 2.5) draws on research studies based on investor-owned businesses, not co-ops, it is of value in guiding practice for leaders and managers in investor-owned businesses. In addition, it offers a foundation for researchers seeking to investigate marketing strategy implementation in a range of industry areas and organisational types. In this research study, this framework offered a foundation for the empirical work undertaken in the context of MOCA implementation. The framework was adapted and extended in two stages, and in doing so this addresses the second research objective. In in-depth interviews, data were collected from senior managers in co-operatives, and from managers at three different levels in one co-operative. Each of the interview participants claimed their organisation to be committed to the implementation of a MOCA strategy. Two international co-operative commentators were also interviewed.

Thirdly, not only does this research study contribute to knowledge about the organisation-wide implementation of a marketing strategy as well as more specifically the implementation of a MOCA strategy, it also addresses calls for research in a number of related aspects. The current literature (e.g. van Raaij and Stoelhorst, 2008; O 'Cass,

Ngo and Siahtiri, 2012) identifies knowledge gaps in the factors that influence employee behaviours in the implementation of a marketing strategy. In delivering a MOCA strategy, XYZ co-operative found that organisational recognition of group achievement has a positive effect on group members' sense of belonging and orientation to the co-operative ethos. For other participants, it is engagement in co-operative community events that build a sense of engagement with the ethos and MOCA strategy. The emphasis on a sense of belonging and a positive relationship with the employing organisation as pre-conditions for employees to deliver above expectations for the role, is consistent with the literature (Morsing, 2006; Papasolomou and Vrontis, 2006; King and Grace, 2012), and these co-operative-based findings add a personal connection to the organisation's strategy and values, to this list.

Furthermore, this research study contributes to filling the gap identified in the literature (Dobni, 2003; Vorhies and Morgan, 2005; Moller, 2006; Gibbert, Golfetto and Zerbini, 2006; Moorman and Day, 2016) for better understanding of which criteria - including fine-grained measures as specified by Vorhies and Morgan (2005) - are useful for developing and enhancing competencies that enable effective implementation of complex marketing offerings. This is particularly challenging for the implementation of a strategy based on societal contribution, as outcomes are often seen as difficult to measure. For MOCA implementation, these criteria are represented in the XYZ co-operative's set of benchmarks (which they call a steering wheel), and include, for example, hours spent working in the community, attendance at the AGM and Colleague Council, and an employee's ability to articulate the co-operative ethos. This is an emphasis on internal rather than external market-focused measures. The creation of these competencies depends on evident leaders' and managers' commitment to the allocation of resource to internal communication, processes and benchmarks in order to develop

organisational understanding of the MOCA strategy and to influence delivery behaviours.

Current conceptions of marketing strategy implementation are fragmented and, in general, are based on research into investor-owned firms and suppose that success depends on internal communication of market place changes. There appears to be little consideration of how to implement a marketing strategy based on societal contribution. The results presented in this research study begin to redress the limited view of marketing as being concerned only with value for the firm rather than a value shared with society (as identified by Porter and Kramer, 2011). In doing so, this work responds to Hildebrand, Sen and Bhattacharya's (2011) call for examination of the role of corporate social responsibility in the implementation of a marketing strategy, and to Maignan and Ferrell's (2004) call to consider a wider range of stakeholders (in their case, employees), than the customer, in embedding corporate social responsibility.

Reed (2011) emphasises the value of critical realism as an ontological foundation for studying organisations and some writers (Easton, 2002; Easton, 2010; Ryan et al., 2012; Ehret, 2013; Peters et al., 2013) have been found it to be a valuable approach to research in the context of business networks. However, critical realism has struggled to become widely adopted (Ryan et al., 2012; Ehret, 2013). In this research study, critical realism has opened a fresh perspective on the study of marketing strategy implementation (which builds on internal networks, see e.g. Ballantyne, 1997, 2003), and more specifically on the conditions and circumstances in the co-operative that potentially cause a MOCA strategy to be delivered. From this perspective, a MOCA strategy is implemented as a result of the co-operative's behaviours, and those behaviours emerge as a result of purposeful human agency, and organisational innovations. Therefore, in line with Ehret's (2013) findings, critical realism has

aided understanding of the systematic elements of this process, and offers support to managers in thinking about why certain MOCA strategy implementation decisions lead to certain outcomes.

This research study contributes to academic literature on the potential causes of the implementation of a marketing strategy linked to societal contribution. Therefore, this work offers a new perspective on understanding of the organisational factors that influence, hinder and enable implementation behaviours

7.2 Evaluation of this research study:

This research study is limited to taking a holistic overview of MOCA implementation, and the organisational mechanisms that potentially enable and influence it. As one cannot observe, from the outside, what is going on internally to cause or hinder implementation, an investigation relies on the interviewees, as expert informants, to provide their perspective and their examples from practice. A commitment to a MOCA strategy was one of the criteria for selecting the interviewees, so one must naturally accept that these views are partial. In addition to readily praising the activities of their co-operative, the interviewees at a senior level appeared very ready to critique them too. This provided valuable data on not only what worked well, but also what needed to be addressed, to enable MOCA implementation. However, the managers who were not at a senior level appeared slightly more reluctant to criticise their co-operative's implementation of the MOCA strategy. This may be due to their having less of an overview of the challenges and successes of MOCA strategy implementation.

Some might argue that this research study would have been stronger if a larger number of co-operative managers were interviewed.

Similarly Interviews with front line employees would have provided further data, and it may be that such data sets could offer further critical perspectives of the managers' views of MOCA implementation. However, given limitations of time and resources, boundaries to the research study had to be created, and sufficient responses were obtained to provide an in-depth view. It should be noted that the quantity of interviews undertaken is not synonymous with quality, The valuable insights gained enabled the rounds of framework building to be completed, and the research objectives to be met (see e.g. Guest, Bunce and Johnson, 2006; Alvesson and Kärreman, 2007; Stone-Romero, 2009; Tracy, 2010; Gioia, Corley and Hamilton, 2012; Saunders, 2012).

There were issues about which most interviewees agreed, for example, that understanding of MOCA was crucial to its delivery behaviours (although there was some debate as to the level of personal commitment required). However, there were some issues in which the interview participants expressed differing views, for example, financial incentives to encourage employees to join the co-operative. Some may claim that a greater number of interviewees would have provided a solution, or perhaps at least guidance on which to prioritise. The purpose of this research study is not to find a set of solutions, but to investigate by identifying and explaining the potential causes of MOCA implementation. Finding such solutions would require a further study, and is likely to involve consideration of the context of different co-operative types and industry sectors, e.g. agricultural (farmer-owned), retail (generally consumer-owned) and the opportunity to evaluate differing approaches to MOCA implementation.

The existing research on the implementation of a marketing strategy is underdeveloped and presents a fragmented picture. It is limited to the context of investor-owned organisations, and much of this work is conceptual (see Table 4 in Section 2.3.1 in Chapter Two). However,

despite these limitations and due to the scarcity of studies relating to marketing strategies based on societal contribution values, and to co-operatives, this existing literature served as a suitable starting point for a further review of related management and marketing literature, in order to guide an investigation of MOCA implementation. Where writers called for further research in this area, they recommended a qualitative approach (e.g. Harris, 2000; Dibb, Simkin and Wilson, 2008).

Seventeen in-depth interviews were undertaken. Nine were with managers in senior and/ or leadership positions, each in a different co-operative and spread in size and over three countries whose main language is English (UK, Canada and US). In addition, two international commentators on co-operatives were interviewed, and six managers/ leaders in a single UK-based co-operative (two managers each at unit, middle and senior level). This co-operative is regarded within the movement as an example of good MOCA implementation practice. A fuller picture of this co-operative may have been provided if other aspects had been observed (in addition to the interviews) such as documentation and other secondary sources. However, this research study's focus is on the hidden causes, and therefore relied on the interviewees' perspectives. It did not seek descriptions of objects, marketing communications, events or other elements in the co-operative setting, but was concerned with what these mean to the people engaged in, or with, them. Therefore (as advised by Maxwell, 2012), the research study did not seek additional data, such as descriptions about the customer experience, or descriptions of co-operative related objects. Additionally, given that there was inevitably a limit to the time and resources available to undertake this research this approach enabled boundaries to be placed around the study.

The researcher was seeking information on the potential causes, and as these could not be directly observed, senior managers are best

placed to have an organisation-wide insight into what worked, what did not work, and what they wanted to see changed to enable MOCA implementation to happen. It was important to start with the broader picture that was gained from these senior manager interviewees before probing further (and seeking views of middle and unit managers in a single organisation). Doing this the other way round would have necessitated the senior management interviews to be more structured, and as advised by Gioia, Corley and Hamilton, (2012), could have lost interview data relating to the front of mind hindrances and enablers that this research study sought. The reason behind hearing the views of the managers in XYZ co-operative was to probe the findings from senior managers, and to assess whether unit and middle managers offer alternative perspectives. With hindsight, some might argue that more relevant data would have been obtained from the junior and middle managers if their interviews had been more structured and based on the findings from the senior managers. However, with that approach, the front of mind views of the middle managers may have been missed, and the unit managers may have been reluctant to respond, if asked to critique their own co-operative, or question its policies. No greater emphasis was given to a view expressed by one interviewee, than to a view expressed by more than one. In this way, and consistent with a critical realist approach all perspectives informed the findings (e.g. Mutch, Delbridge and Ventresca, 2006; Ryan et al., 2012).

This research study sought an organisational-wide perspective on the implementation of a MOCA strategy therefore the views of a range of managers were sought. This is because managers - at a range of levels - have insights into the organisational challenges as well as the actions required for MOCA implementation. Although these managers often commented on the impact of the role of front line staff, their value set, and the structure of their jobs, in relation to the impact on MOCA implementation, no front line employees were invited to participate in the interviews. Although it may be of interest

to hear the views of front line employees, it was not considered core to this research study, and time and other resources were finite. This could be seen as a limitation in this research study, however it provides an opportunity for future research in this area.

This research design achieved the objectives of this study. However, the two international commentators appeared to have less insight into the issues within co-operative organisations than the other fifteen interviewees. Although, this is, arguably, to be expected, the researcher had anticipated that they would have provided a wider co-operative movement viewpoint, across all industry sectors than they did. In addition, the unit managers made no comments about what their co-operative should be doing, instead of what it is doing, nor did they identify areas that their co-operative should beware of. This may indicate a lack of confidence in articulating opinions that may appear to criticise their co-operative. Although confidential, the interviews with unit-managers were organised by XYZ co-operative and to press for any form of negative comment could make the interviewee feel uncomfortable, and in doing so would contravene the research's ethical considerations (see Bell and Wray-Bliss, 2011; Saunders and Lewis, 2012).

As this doctoral study was seeking a front of mind opinion from the interviewees, the interviews were lightly structured, the questions were conversational, and were discussed in the MOCA context (as recommended by Gioia, Corley and Hamilton, 2012). If the interviewee had not made reference to a dimension in the literature review framework (see Section 2.5 in Chapter Two), the researcher prompted the interviewee. The researcher initially and intentionally positioned herself as an interested outsider, and aimed to maintain that position throughout, in order to achieve a consistent interview approach. This became more challenging as the series of interviews progressed (and is recognised by Gioia, Corley and Hamilton (2012)

as to be expected), and the researcher gained increased knowledge of co-operatives.

In the first tranche of interviews, the interviewees were selected from differing industries and countries, and were senior managers or senior marketing managers. They may therefore perceive challenges that are specific to the industry sector, country or their role. However, both interviewer and interviewee saw a MOCA strategy as a potential opportunity for competitive advantage, and a key tool for co-operatives to achieve their purpose. As a result, the nature of the interview conversation viewed MOCA in a positive light. This common view about the value of a MOCA strategy, made it relatively easy for a rapport to be developed in the interview (as recommended by Alvesson, 2003), as both interviewer and interviewee had a shared enthusiasm for improving knowledge about MOCA implementation. This rapport is a key foundation for semi-structured interviews and enables the interviewer to probe in specifically identified areas (Silverman, 2014; Brinkmann and Kvale, 2015). The interviews in the UK were conducted face to face, and those in the US and Canada used Skype. Although it is possible that Skype distorted the interview experience and data, the researcher believes that this was not to any material extent. There were occasional technical interruptions; however the written transcript was used as the main basis for analysis.

The conversational nature of the interviews sometimes made interpreting the content and allocating it a category in the tentative framework equivocal. To address this, each sentence in all the interviews was individually considered for its relevance to the research questions, and a judgement made as to its place in the templates (as advised by Tsoukas, 2011). To make sense of the interviewees' accounts and to understand their perspective, the analysis process relied on the researcher's interpretation of the voice

recorded data and resultant transcript, and a consistent approach was applied (Welsh, 2002).

The literature (e.g. Mutch, Delbridge and Ventresca, 2006; Reed, 2011; King, 2012) recognises that difficult decisions have to be made as to when to stop the rounds of theory development based on previous rounds, as modification of frameworks could be continued indefinitely. As a result, the knowledge obtained is considered challengeable, fallible and specific to its context. The context, in the case of this research study, is the co-operative setting. Thus the resulting framework presents a worthwhile foundation (see Tracy, 2010), albeit a first step, for future generalised theory within the field of marketing strategy implementation.

This research study contributes to knowledge about marketing strategy implementation, and in particular the increasingly significant concern of developing marketing concepts that acknowledge societal contribution. It presents an inductively derived framework that explains the mechanisms that potentially cause MOCA delivery behaviours. This forms an initial step in recognising the organisational factors that need to be in place for the implementation of a marketing strategy based on societal contribution. This study has extended knowledge about marketing implementation within a specific context, that of co-operatives. In addition, it addresses the considerable uncertainty within the co-operative movement about the hidden mechanisms that influence, hinder, and enable the implementation of a MOCA strategy, and advises practitioners accordingly.

7.3 Agenda for further research

The evaluation above provides a foundation on which to identify opportunities for further research within the marketing strategy implementation domain.

As the organisational causes of MOCA implementation are not directly observable, the researcher has relied on the perspectives of expert informants, i.e. senior, middle and unit managers, to explain what is happening or should happen. The result is what Maxwell (2012) refers to as a “*god’s eye view*” (p. 5), and this portrayal is further probed by interviewing a range of managers in a UK-based co-operative. The critical realist approach explores in order to seek explanations, and accepts that these explanations will be open to dispute and not wholly discoverable (Easton, 2002, 2010). These explanations, and this investigation, both respond to Mazzarol, Simmons and Mamouni Limnios’s (2011) call to strengthen the theoretical foundations upon which co-operative studies can be built, and therefore presents opportunities for further scholarly investigation within co-operatives.

Whilst the results of this research study should only be considered as a reflection of the sample under investigation, i.e. a variety of co-operatives in Canada, US and UK, they provide a sound basis for further examination of the mechanisms that cause marketing strategy implementation to happen and in doing so refine knowledge about this phenomenon. To borrow Tsoukas’ (2011) analogy, this study does “*not present a map, but a portrait of the world that acts as an aid to perception*” (p.298). In other words, in the data analysis process and subsequent synthesis, the research identifies connections and causes by asking of the data within a pre-designed template “*what is this a case of?*” (Tsoukas, 2011, p.298). That initial deductive analysis is followed up

with an inductive approach in which theory is developed to guide MOCA implementation.

There is little consideration of implementation in the context of a marketing strategy based on ethical values and societal contribution. That may be due to a focus on customer and channel members at the expense of marketing's wider societal and environmental impact and, as some would say, its responsibility (e.g. Maignan and Ferrell 2004; Sheth and Sisodia, 2005; Varey, 2010; Powell, 2011). This study has aimed to lay a foundation that offers guidance, in the form of an investigation, and therefore provides only an initial step in explaining the implementation of a marketing strategy based on societal contribution.

This research study could be built on in a number of ways. These directions can be categorised into research agendas which all contribute to the conceptual domain of marketing strategy implementation. They are:

1. Further research and/ or insights into the co-operative factors, which generate MOCA implementation, identified in this research study, e.g. developing management commitment to the values and the MOCA strategy, and determining what measures and/ or benchmarks influence behaviours. There is scope for both qualitative and quantitative studies in this area. A co-operative organisation-wide approach could benefit from the inclusion of data from front line employees, and potentially could draw on internal and external documentation.
2. Some of the findings in this research study reframe issues, contrast with the current literature, and require some speculation as to how to address the questions raised. Examples include, many participants' calls for a personal connection with the co-operative values and shared mind-set,

and this differs from earlier research (albeit based on investor-owned firms) that warns against such a collective outlook as it can limit employee adaptability to service delivery. Additional research could further investigate these realities as experienced by co-operative employees. The adoption of Critical Realism would build on the limited number of previous studies using this ontology to investigate internal relationships and causal mechanisms.

3. With reference to Tsoukas' analogy above, develop this "*portrait*" into a "*map*" of the world of marketing strategy implementation. This could start with assessing whether and/or how much the framework developed in this research study can be applied to, or would be suitable for, other types of organisations and their marketing strategies (e.g. social enterprise, non-profit, or even investor-owned firms). In addition, it could explore the possibility of a continuum of approaches to societal contribution within the business objectives and marketing strategy. Such work could contribute to addressing issues raised in 2 above.

Firstly, item 1 above relates to further investigation into the co-operative factors that generate MOCA implementation. This research study focuses predominantly on identifying and explaining the internal conditions, circumstances and mechanisms that influence the implementation of a marketing strategy. The findings reveal a range of happenings, within the co-operative organisation, that influence employees' understanding of MOCA implementation and that, in turn, influences implementation behaviours. The empirical data highlight debate and tensions that warrant further investigation. For example, the senior managers clearly want to find ways of engaging employees with the co-operative and, where possible, to join the co-operative. However some interview participants believe

that members should join only for their commitment to the co-operative values and that to offer financial incentives confuses an already complex message. Others believe that using discounts to encourage membership has value because these new employee-members can then be more readily encouraged to engage more fully with the co-operative ethos. This clearly is an area of debate within the co-operative sector that merits further investigation. Data from front line staff, and customer-members, would make valuable contributions to future research studies in this area.

In addition, these findings provide a framework to develop, and quantitatively test, hypotheses within the co-operative literature. Such work could assess the factors that make up each of the abstract constructs for their priority for investment, and whether this differs in different co-operative sectors. This would build on current co-operative literature. One example could be to further develop leadership understanding of how to increase co-operative middle managers' commitment to the co-operative values and a MOCA strategy. This is a shortfall identified by Novkovic (2006) and also called for by interviewees (in particular, JR, BY, EP). This research study has endorsed the importance of such commitment to MOCA implementation and provided some examples of this in practice. Further research could build on these insights and such investigations may benefit from the abductive approach of critical realism.

Writers on co-operatives refer to an inherent tension between business objectives and societal contribution (e.g. Somerville, 2007; Birchall, 2014; Allemand, Brullebaut, and Raimbault, 2014). The interviewees in senior management and / or leadership roles emphasised the importance of addressing this potential conflict for effective MOCA strategy delivery. For example, 1T talked about how the MOCA identity provides a means of bringing together the activists and the commercial management to deliver the strategy,

and JR emphasised the importance of a personal connection to the co-operative ethos. These findings reply to Wieseke et al.'s (2009) case for more research into the causal link between identity-orientation and marketing strategy implementation performance. However, there is clearly scope for further in-depth investigation and as the co-operative identity plays such a crucial role in this (see Spear, 2000; Somerville, 2007; Bernardi and Koppa, 2011), the implementation of a MOCA strategy provides an ideal context. Such work would contribute to understanding the relationship between leadership and governance and the aligning of the co-operative values with its commercial goals, and the impact of that bringing together has on MOCA delivery performance (as called for by Somerville, 2007; Birchall, 2014; Allemand, Brullebaut, and Raimbault, 2014).

A natural consequence of this tension is that trade-offs are needed between the values-oriented elements in the MOCA strategy and business objectives. The interviewees acknowledge the importance of identifying and addressing these trade-offs. However, the marketing strategy implementation literature, either in the investor-owned or co-operative writings, that recognises this tension or provides advice, is scarce (see respectively Powell, 2011; Bernardi and Koppa, 2011). This is undoubtedly an area that warrants improved understanding and further research, both in the co-operative and non-co-operative context.

Although a qualitative approach is likely to be most suitable for the above research proposals, there may be scope for some quantitative work where theories have been developed in the co-operative context and the next step is to test them deductively in a wider range of co-operatives. This latter approach may, for example, be suitable for further examination of the link between orientation to the co-operative identity and values, and successful MOCA implementation. As this research study has found that management perceive such a

link - and Wieseke et al. (2009) call for more research in this area - a larger study would be valuable for improved understanding of this relationship in the co-operative context. In addition, a quantitative approach could be used to further investigate the factors that form the constructs (in Tables 8 and 9) and how they relate to each other, and the challenges of putting them in place.

Secondly, this research study responds, with a strong emphasis on the management of empowerment, to Harris and Ogbonna's (2011) call for research on the most appropriate balance between organisational controls and an empowerment policy, for the effective implementation of a marketing strategy. Such empowerment is strongly supported by management education within the co-operative context. This research study finds that empowerment policies should be designed to engender an engagement with the MOCA strategy and to expect employee behaviours to embed the MOCA values in the basic delivery of the business service (e.g. 2T, 3L, BY). As this can be a challenge for line managers, participants (e.g. 1B, JR, BY, RM) want to see employees with a collective mind-set; one that is fully committed to the co-operative ethos so that implementation behaviours align with the marketing strategy (Narver and Slater, 1990; King and Grace, 2012). However, other writers (Neill, McKee and Rose, 2007; Day 2011) warn that if everyone in the organisation shares the same mind-set they will respond to market challenges in the same way, and this can be a barrier to the adaptive delivery of the marketing strategy. Therefore, a diversity of capabilities is needed for effective and sustainable implementation alongside the recruitment of people who are open-minded and not wedded to unquestioned assumptions about the competencies and processes required for marketing delivery. It may be that the co-operative interviewees have been so concerned with adherence to a collective values-based mind-set that they fail to question aspects of the MOCA strategy and/ or its delivery. It must be remembered that one of the criteria for their selection as interviewees was their declared

commitment to a MOCA strategy and its implementation. It is clear that co-operatives have to find the right balance between whole-hearted commitment to MOCA and a confidence and open-mindedness to question not only how it is being implemented, but also its value as a marketing strategy. This presents an important avenue for future scholarly investigation that would benefit co-operatives as well as contribute to knowledge about marketing strategy implementation.

There is only limited literature that examines internal benchmarks and related measures in the implementation of a marketing strategy (Vorhies and Morgan, 2005; Moller, 2006; Gibbert, Golfetto and Zerbini, 2006) and how employee behaviours are aligned with organisational reputation and market place positioning (Dobni, 2003). Only interviewees from XYZ co-operative referred to internal measures, benchmarks or rewards designed to influence implementation behaviours (although some others called for better understanding in this area, e.g. ZA, QF). However, the set of benchmark measures used evidently influence its MOCA delivery. Further investigation of the suitability of specific and fine-grained benchmarks and how they can influence behaviours - particularly where the marketing strategy contains a strong societal contribution /ethics-based element - would make a valuable contribution to academic knowledge. In addition, it would provide further guidance to management in all organisational types.

Thirdly, the findings of this research study cannot be generalised across all businesses, beyond co-operatives. To do so would assume that co-operatives, MOCA strategy implementation, and the theory developed in this research study are generic concepts (Tsoukas, 2011), and not enough is known about the difference between co-operatives and non-co-operative organisations to make that assumption (as advised by e.g. Dilley, 2002; Fleetwood, 2005).

However, there are opportunities to extend this conceptual framework into the wider world of marketing strategy implementation, in order to assess how much it can be generalised and/ or needs to be adapted for other types of organisations and marketing strategies.

The presence of statutory requirements that may appear to be misaligned with co-operative values was mentioned in the data findings, and these included some regulations related to finance and insurance. In addition, trading in products that adversely impact society's wellbeing was mentioned, e.g. cigarettes, and coffee that was not fair-traded but had to be in place for commercial reasons. Along with an association with a political party, these issues could impact the reputation of co-operatives and their movement and therefore are of interest, however, they do not specifically inform the internal potential causes of MOCA strategy delivery. These issues point to the need for further research that considers external perceptions of co-operatives and the co-operative movement's role in society, as well as how the co-operative balances the crucial importance of making a surplus with its objectives and purpose around societal contribution.

7.4 Personal reflections on this research study

In addition to evaluating this research study, I feel it is important to acknowledge some past experiences that may have influenced the research, in order to appreciate the role of the researcher in this process and the learning that took place. These relate to my knowledge of co-operatives as a context for the research study, and my perceptions of research philosophy and methods.

Because I have not worked in a co-operative, I have no hands on experience of co-operative's attitudes towards MOCA

implementation, nor of their efforts in implementing this marketing strategy. Therefore, initially I intentionally positioned myself as an interested outsider in this research study. However, I have some experience of teaching marketing to co-operative employees, and as a result have learned about some of the frustrations they perceive in their efforts to deliver on MOCA strategy promises. On one hand, having some knowledge of the context being investigated seemed to be helpful for building rapport with interviewees, and understanding some particularities in the data findings. On the other hand, it may have meant that I had preconceived assumptions about the work and people involved. However, my approach was to always try to remain open, and to rely on empirical data gathered only from the interview transcripts. I feel fortunate that most interview participants seemed confident in articulating their opinions on the shortfalls in their co-operative's MOCA delivery, and what they would like to see changed as part of the journey towards MOCA implementation.

I recognise that in this study, I have learned a lot about co-operatives, and the high levels of commitment that many co-operative employees display towards the societal contribution element of the co-operative ethos, and its part in the MOCA strategy. As a result, I have become increasingly interested in the delivery of marketing strategies with an ethical and/ or societal contribution element. I intend to follow up on some of the proposals for further research that are outlined above in future studies.

Secondly, prior to embarking on this doctoral study, I had co-authored some academic papers and, where these included empirical data, the research has taken a quantitative approach. Although grateful for the opportunity to work on these research projects, I had concluded that a quantitative methodology was frustratingly limited, and therefore my own doctoral research project would be based on qualitative data gathering. However, I found that the interviewees varied considerably and I had to learn to respond

appropriately to maintain the conversation in a way I had not anticipated in order to capture their front of mind views. Reflecting on my efforts to make sense of the data gathered in interviews for this research study, I recognise that a qualitative research strategy also has shortcomings. During this doctoral journey, I have learnt that there are advantages and the limitations to both approaches, and feel I understand how each can contribute to developing new knowledge in their differing ways.

Since undertaking this study, my views and understanding of how MOCA is implemented have undoubtedly become more comprehensive. I was fortunate that all interviewees were helpful and generous with their time and in expressing their views. I have learned to be more critical of, and more empathetic towards, the challenges co-operatives face in implementing a MOCA strategy. In addition, I have increased my understanding of marketing strategy implementation in practice, particularly when linked to a societal contribution value set.

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APPENDIX ONE: PARTICIPANTS' INFORMATION SHEET

(Sent on OBU headed paper)

Oxford Brookes University

Wheatley, OX33 1HX

Participants' Information Sheet; further details of this research project

Marketing our Cooperative Advantage: what gets in the way and how can we address this?

You are being invited to take part in a research study, as an interviewee. Before you decide whether or not to take part, it is important for you to understand why the research is being done and what it will involve. Please take the time to read the following information carefully.

Study Background and Purpose

In recent years, increasing numbers of Cooperatives and Credit Unions (CUs) have adopted a 'Marketing our Cooperative Advantage', (MOCA) focus to their Marketing Strategy. MOCA can offer Cooperatives and CUs an opportunity to be distinctive within their marketplace. However, many have found that implementing this strategy has been more challenging than anticipated. They have found that producing the promotional material has in many ways been the 'easy' part, compared with a range of internal organizational factors that can 'block' or at least hinder a MOCA strategy implementation.

This research aims to better understand these blockages, and to explore ways in which they can be overcome.

In summary, this aims to:

To find out more about what a MOCA strategy aims to achieve.

To understand what needs to be in place for a MOCA strategy to succeed?

To identify what inside the cooperative/CU, can block a MOCA strategy implementation,

To understand what it is about these supports or blockages that impact on a MOCA strategy's implementation.

To reflect on how blockages to MOCA implementation can be addressed and overcome.

Why have you been invited to participate?

You have been invited to participate because I believe that you have the knowledge and experience in managing or marketing within a cooperative /CU and therefore understand what hinders and/ or enables MOCA implementation in your cooperative/ CU. Hearing your views on what can be done to strengthen MOCA strategy implementation would make a valuable contribution to this research, and to the cooperative movement.

Do I have to take part?

Please be aware that participating in this research project is entirely voluntary. *It is up to you to decide whether or not to take part. If you do decide to take part you will be asked to sign a consent form (attached here), and you are still free to withdraw at any time and without giving a reason.*

This research study will draw on data gathered from around 30 interviews with marketing and operational managers and other senior figures, in cooperatives /CUs in the UK, Canada and the US which pursue a MOCA strategy. The interviews are designed to be approximately one hour long; and - with permission - they will be audio recorded. The interviews will be transcribed as soon as possible after the interview. If it is appropriate, and convenient for you, we could arrange a further discussion to explore the findings of this research work. If you wish to participate, but would prefer that the discussion is not audio recorded, please let me know. Notes of the interview will be taken instead of a recording.

The data gathered will be stored securely and anonymously. If you wish, I can arrange for you to receive a summary of the results of this research. In that summary, it will not be possible to identify individual cooperatives or CUs.

To take part...

Please confirm your willingness to participate in this research study and to arrange a mutually convenient interview date and time.

Data Confidentiality

All the data collected in this study will be kept strictly confidential (subject to legal limitations) in accordance with the University's policy on Academic Integrity. All research information will be kept securely in paper or electronic form for a period of ten years after the completion of a research project. Confidentiality, privacy and anonymity will be ensured in the collection, storage and publication of research material.

Summary of research findings

I plan to send all participants a summary of the research findings. I will value all feedback on the findings and proposed framework. Please do feel free to contact me on gewhyatt@brookes.ac.uk if you are seeking more information on this. I plan to have all the discussions completed before the end of 2014.

Further Information

This research is part of a PhD research project undertaken by Georgina Whyatt. Georgina is based in the Marketing Department of the Faculty of Business. The supervisors are: Professor Lyndon Simkin at Henley Business School at the University of Reading; and Dr Louise Grisoni, at Oxford Brookes University, Oxford, UK. Professor Simkin can be contacted at L.Simkin@henley.ac.uk and Dr Grisoni at lgrisoni@brookes.ac.uk

The research results will be used for academic articles and publications and dissemination at conferences and in teaching. I can be contacted at the above address/ contact details and, of course, am very happy to answer questions or address concerns about this research. In addition, I hope the results will be useful and helpful to the management of cooperatives and CUs.

This research has been approved by the University Research Ethics Committee (UREC) at Oxford Brookes University, and is funded by Oxford Brookes University. If you have any concerns about the way in which the study has been conducted, please contact the Chair of the UREC on ethics@brookes.ac.uk.

Thank you for taking time to read this information sheet.

Georgina Whyatt

May 2014.

APPENDIX TWO: **CONSENT FORM**

(Sent on OBU headed paper)

Oxford Brookes University

Wheatley OX33 1HX

Research title:

Marketing our Cooperative Advantage: what gets in the way and how can we address this?

Name, position and contact address of researcher:

Georgina Whyatt,
Faculty of Business,
Oxford Brookes University.
Wheatley Campus,
OX33 1HX
United Kingdom.

Please initial box

I confirm that I have read and understand the information sheet for the above study and have had the opportunity to ask questions.

☐

I understand that my participation is voluntary and that I am free to withdraw at any time, without giving reasons.

☐

I agree to take part in the above study.

☐

I agree that my data gathered in this study may be stored (after it has been anonymised) in a specialist data centre and may be used for future research.

☐

Please tick box

Yes No

I agree to the interview being audio recorded (see Participants' Information Sheet for further information)

☐☐

I agree to the use of anonymised quotes in publications

☐☐

Name of Participant
Signature

Date

Name of Researcher

Date

APPENDIX THREE: **SAMPLE INTERVIEW TRANSCRIPT**

Interview with Denise W. (DW)
31st July 2013 (8129 words)

Georgina Hello ... do you mind if I record our conversation? I am keen to hear about marketing our co-operative advantage in or credit union.

Denise That's fine ... what can I tell you?

Georgina Your views please ...on how you include co-op values in your marketing.

Denise As a marketer and as a thirty-two year Credit Union person I, of course, was looking for a way to celebrate and we had information from a survey we do weekly. This survey is called "the Net Promoter's Score".

Georgina Oh, yes...

Denise I don't know if you have heard of it...

Georgina Oh..I know what you mean...

Denise But the Net Promoter Score

Georgina Yea, the key question!

Denise The Net Promoter Score asks ...yes...it is a wonderful tool a lot of American Fortune 500 companies.....

Georgina You disappeared.....

Denise use it...we

Georgina you are disappearing now.....Denise....

Denise then this is just a very open ended question that asks that "why did you rate us the way that you did....?", and 9 and 10 is considered a promoter ...and what we found was that 27% of our members who responded gave the reason that we were a co-operative...that we were locally owned or that we were not a bank...umm... I wish I had data prior to the Bank Transfer Day that occurred in America ...

Georgina yea.....

Denise To see if... because of that national movement against Bank of America... if that had some impact on educating people about the credit union difference. But I don't have that data so we just rolled with the "OK ...we know our members care that we are locally owned, not a bank, and a co-operative...". So we looked around for other co-operatives and in Los Alamos New Mexico where we began...we found there was a co-operative that was a parent owned pre-school called Little Place School Little Forest Drive... and we found...we also found a market...a co-operative market...

Georgina yea...hmmm...

Denise So we approached them ...and we had created this logo and slogan ... just called "Keep it Co-op" and we approached them and we had several meetings about how can we work together and how can we educate Los Alamos about the co-operative difference and what can we do to help one another now what we are doing is... the Little Forest Playschool has a eighty kids....you know the parents own the co-op and every year they try to grow fruits and vegetables for the children ... both to teach the kids farming and also to save money quite frankly, and be healthy....and every year the deer would come and destroy their efforts.

Georgina Oh.....

Denise So [named co-op] gave them \$3000 to build a greenhouse ...and this weekend we are....actually Friday....we are doing a ribbon cutting for the greenhouse and we basically do a press release

with “the good news” story telling how these little co-operatives work together to help each other because...what is it...co-operative principle number 7 is what I always call it.....I don’t know if it is actually that number but...

Georgina Yea...

Denise I like...I like the number 7...it is co-operation among co-operatives... it is essential for our survival so that is how we lead the story...and then we tell the story of how [named co-op] helped Little Forest Playschool build this green house and recently we found out that a new co-op in Los Alamos had formed, and they reached out to us, because ...I think the key to this has been just the slogan “Keep it Co-op” and I will send you a copy of the logo it is really Sixties a bright green and blue...it is a real fun logo but we put it on everything.....

Georgina I think you have had...you had it on that presentation Webinar?

Denise What is that...

Georgina You remember...the Webinar...

Denise What’s that...

Georgina You remember we did the webinar....it was on the webinar..

Denise Yes.....it was on there...that’s right

Georgina Kind of ... like keep it cool it looked a bit like keep it cool..

Denise Right ...yea....it is very fun and by putting that logo on everything tee-shirts, banners, we just put it everywhere...this last weekend there is a beer co-op that has just been formed in Los Alamos... and their goal is to have people invest in the co-op to create a tap-room, and now we can say in Los Alamos that we have the co-op ...can be a grocery store, a pre-school, a financial institution, or a tap room and ...

Georgina laughing...

Denise and it is ...laughing...and we did a press release that got a great coverage last week ...I will send you a copy of that coverage...

Georgina oh ... Brilliant

Denise That they basically says that ...that we have a keep it co-op community campaign that now includes a ...you know...a beer co-op, a grocery store, a pre-school and a financial institution ...so we are really educating....and you know ..’keep it co-op, keep it local’ has really resonated with our community for two reasons...Bank of America and Wells Fargo that are huge...I think two of the 3 largest banks in the world are in our communities but they are now well represented...they don’t do much in the community and..

Georgina Hm....

Denise They charge higher fees ... they are just evil, but people stay with them because of their reach....because they are big....

Georgina yes....

Denise And I think we are doing an excellent job getting people to think about whether or not their money should be in a big bank or whether it should be local ...whether they should shop at the big Crocker Chain grocery store and whether they should keep it local....

Georgina and do you think that price...

Denise We have actually had a very ...

Georgina go on...you are cutting out...you are disappearing...

Denise Oh...I uh....did you want to ask something?

Georgina yea...you disappeared just then...I was just thinking that ...um....I wonder how much price is an over-riding factor because some research shows that loyalty can overcome price if the relationship is built as strongly as you appear to be doing.....

Denise Oh, absolutely...In fact we know that we have a lot of members ...we have a lot of members that will not shop around even though it is very easy for our members to shop around with the Internet...

Georgina yea...

Denise We have some anecdotal evidence through that survey where people

Georgina ..You are disappearing....you have disappeared...

INTERNET SOUNDS.....

Denise And you have got to think what a miracle this is.....

Georgina Yea... absolutely.....absolutely.... yes...laughter.....

Denise Well yes.....the other side of the world...

Georgina What I have found Denise is.....

Denise ..so I will give it a little technical difficulty....

Georgina what are you going to do? INTERNET NOISES....are you fiddling about with it?...laughter.....INTERNET NOISES....

Denise Can you hear me?

Georgina No but I can hear that...

Denise It sounds real...ok ...good...I think we are...

Georgina Oh...better now....

Denise OK ... so I will let you ask a question....that should get us back on track...

Georgina Well what I find in some people I talk to ...or some of them in the UK is that there is that kind of tension between what people might say is the credit union or the co-operative values that is part of their co-operative difference but then others in the organisations say that that gets in the way of the commercial stuff ...and so we almost have two separate camps..Do you think you have that in your credit union or do you find that people are actually on board...?

Denise I am sorry...I missed half of it was cutting out....can you ask the question again please.

Georgina Yea....it is just that ...just I am finding that talking to people in the UK is that there is some scepticism about the co-operative and credit union values that they are sometimes seen, this is not widespread but sometimes seen as something that gets in the way of doing business....and others of course will argue that they go hand in hand is that something that you faced.....

Denise No...I think in our market is somewhat unique in that we...have a very loyal field of membership and people tend to be anti-big business...and want to keep things local and so I think we are at an advantage there...I do believe that nationally credit unions have a tough time explaining the difference between a credit union and a bank....

Georgina Yea...

Denise And why anyone should care and....whenever I get that argument from another credit union person my answer is always...."what have you done to make them care?"....

Georgina Yes

Denise And if a credit union is simply offering the same products and services that the bank does with maybe a slight price advantage, they are a bank....

Georgina Yes

Denise But credit unions, I believe as part of the co-operative movement need to give back to their community and not just in the form of writing a cheque to support the Quannes... Or whatever group, but to really get engaged with their members in the community...

Georgina And that is fully...fully...

Denise And we do a really good job of that... so people can see

Georgina And...

Denise And that is our responsibility...I believe that is really our duty to figure out how ...I look at our products and services basically as a means in which we make money so that we can give back to the community.....it is not profit that goes in our pocket...and we pay

the bills with it but then we also spend a lot of money giving back to the community...like the greenhouse...like we spent \$3000 of our members money but we spent it on a greenhouse for kids...I don't think anyone can look at that and say that that wasn't a good investment.....

Georgina And there is full management commitment to that ...no-one is saying...

Denise Yes

Georgina Yea absolutely...

Denise Ah....you know....let me interject here because I am not the typical marketer....I have been able to convince our when I cam on board we were marketing our products and price...

Georgina I see...yea..

Denise And we are such a commodity especially in this interest rate environment and

Georgina Yea...

Denise I said we are never going to win that game so we really have to...so we targeted an audience and now....we looked around at our membership... and we serve three different markets ...which demographically are entirely different so we looked for a common thread in the three markets and we came up with the working mum. We have a lot of women in America that have to work and have children at home as well...and women make 80% of the financial decisions in the home....

Georgina Yes....

Denise So we focused on that Mum and part of our co-operative difference is to show the community how we are helping the working mum ... so naturally the pre-school was a no-brainer....you know that just was a gift..

Georgina Yes, certainly.....

Denise Yes...it is a great cornerstone for our message but some of the other things that we do and again it is not marketing, it is doing, we do Mother's Day craft events, for free, every year we partner with local ...it is always partnering with local and that is key too but being co-op it has to be centred around engaging with the local businesses because people resonate more with 'keep it local' than they do with "Keep it Co-op" so we do ...we kind of ride both of those messages.....

Georgina Yea...and you ...

Denise And in the case of a Mother's Day craft event we would partner with local people to...go ahead

Georgina I was thinking about your staff and whether they also engage so you have got this approach ...and you are fully understanding what your message is...that you want to communicate ...I don't know how many people [named co-op] employ but they need to be on board as well....?

Denise Correct...we have 110 employees and we created a focus group....we had 22 people opt in to be our focus group and we call them the "[named co-op] Mums"

Georgina Ok...yes...

Denise And so we tap into them frequently to test ideas and get ideas and that is the way we engage the staff..

Georgina So the focus group is within the staff...is focus groups of staff members rather than customers....?

Denise Yea....because if you think about it, if our target is the working mums, we have got them here...and so it has been we have had some really good ideas ...and we get a really good participation because a lot of the events like the Mothers Day craft event is on a Saturday and we will get the working mums here at [named co-op] to volunteer their time because they can bring their child and so

they will help run the event because the bonus is their child gets to also make a craft....

Georgina Yea...so is

Denise ...we do these shred days for some reason credit unions have been known for posting annual shred days and that means people bring their sensitive documents banks statements, whatever, and we have these giant shredding trucks and they shred them ...and so we decided since...and we get huge participation in these in the community....

Georgina Wow ...

Denise We decided to add a children's safety fair and we have face painting and we make it fun, and so again it is on a Saturday we get our employees to volunteer and those are the things that people see that make us different....

Georgina and the employees do volunteer, by the sound of it quire willingly...?

Denise ..and we don't pay them...

Georgina so that shows...a very high level of commitment doesn't it....

Denise It does and we...I try very, very hard to reward them and make them feel that they are appreciated and a lot of them do it again... the working mums like to show up because we invite them to bring their child and the kids get to have a good time....

Georgina So by the sound of it your communications are just as much internal ...?

Denise yea there is just as much...what we tried to do is to market our difference inside as much as we do outside, so that employees understand that it isn't about....you know the service is really important ... but so that they support the things that we are doing in the community and that they get excited about them.....

Georgina and they understand what the message is....?

Denise and you know what, what's that?

Georgina ...they understand the message... they understand by the sound of it what you are trying to do....what your ethos is about...what the credit union...?

Denise Yes...absolutely.... and you know we have also found with our staff that it does not take much to reward them, we are having a First Annual Keep it Co-op Community Concert in Santa Fe in three weeks and it free to the community and the City of Santa Fe actually donated \$2000 ...

Georgina Brilliant...

Denise ...towards the costs because they felt that the Keep it Co-op was worthy of city funds ...because they felt that it really helps spread the Santa Fe economy and we are getting these tie-dyed tee shirts with the Keep it Co-op logo on the front ...and all the logos on the back and they are like \$9 a piece... and we said to employees anyone who volunteers will get that shirt....we are going to have way too many volunteers but we don't care.....it's fun..

Georgina Its amazing...do you ...I wonder whether you get....recruit people who are from the financial industry...who then have to be converted if you like...who have come with a different set of priorities....

Denise No...in fact it is funny you should ask me that...I think there are credit union people and there are fake people, and when we do get a banker on board, you can see it in the culture that we try to convert... because we are not banks and we are proud of the fact that we are a credit union and the culture does tend to scrutinise that...that banker ... they come in and they either embrace our difference, or they usually don't make it.....

Georgina yea...

Denise ...because they are profit oriented and they don't think...you know they just don't think anything beyond that...I call it the head and the heart and credit unions have a lot more heart....

Georgina yea

Denise I think banks only think with their head in the box...

Georgina They may have...they may be facing a different set of performance indicators...

Denise Of course, if you ask anyone exactly, and people have called me a credit union evangelist ...and I am a big, big fan of the model ...but I just love the co-operative model and I think we need to act more like co-operatives and that is the key ... it is not about educating people about their definition of a co-operative ... it is actually acting like a co-operative.

Georgina Which means that everyone in your organisation has to act like it is a co-operative or a credit union and the products you develop ...and I don't know who you sell financial products to for example... has to be in line... you presumably never fall into the trap of selling financial products to people who don't need them or can't afford them like so many of the banks have.

Denise Oh yea, absolutely...and we do a great job of counselling the members who come into...maybe they come in for a loan ...we can't give them a loan because they are blocked....but we counsel them ...maybe counter-offer with them and work with them.....to help them with their future and not just a black and white yes or no...I think that is part of the difference....

Georgina And how much of that....?

Denise And another thing we do is ... that we are really proud of ... is the co-op market at the Los Alamos was only go ahead....

Georgina I was thinking of going back to your financial products...how much of that do you rely on your staff to know to counsel or do you have some kind of business process that they follow that fits with the values...?

Denise You know...we are partnered with a company called Balance and it is a great referral mechanism ...and so we will have people in the professional financial counsellors and we pay quite a bit of money actually to have them kind of on a retainer and...we refer them and we have had some great stories come out of that ...where people felt that they had their lives turned around and in America we have a thing called a credit score that now every consumer is judged by its score and it's a rating system similar to a rating system in a school ...so it has an A, B and C and a D ... I think personally it is one of the worst things to happen to lending in America but...

Georgina Yes...well there is something like...

Denise ...it is a reality...your score also dictates what your car insurance payments are going to be... it dictates whether or not you are going to get a job, at a certain level ... I mean it rules everything here in America...so we are real careful when members don't fit in the square model... we refer them to Balance so that they can basically ...that means dramatically improve ...if their credit score improves....

Georgina Yes for all those...yea...Denise how do you communicate this to staff...is it like you have champions...do you have workshops...is it ...I don't know...how do the messages to staff....?

Denise We have a really robust training department and when people are on-boarded here they spend a couple of weeks in training ...and then they are brought back later for training sessions ...and we also have sent people to like a financial counselling course and they can get a certification. We look at our turndowns frequently to make sure that our turndown ratio does not grow because we know that they might not be able to get the loan they asked for ...

but can we help them in some way and then... you know begin to work with them...so we have financial measures that we look at frequently to make sure that we are on track with helping people rather than declining people and we have made...we used to be the opposite..it was all scores...we are going back to talking...well what we say is we have to hear their story so they may have a low score...we need to talk to them and we need to hear their story....and we have a log in our computer where they log in the story because....you know...bad things happen to good people and the recession that we are still experiencing ...a lot of their stories are not because they did something bad...but that bad things happened to them...

Georgina yea

Denise yea...

Denise yea

Georgina This takes time and money and energy of course...?

Denise Yea...it does ...and the right people...like I said before we try to really recruit the people who have the heart for a credit union and understand our difference...and we can teach anyone to be a teller or to do a loan ...so we really hire for the personality....

Georgina Yes...and do you see the organisation growing....is that the plan to grow and grow....?

Denise Yea....but you know and it is funny...it is not so fine trying to not grow for growth's sake...you know for ego....and to somehow think that bigger is better.....we in our marketing...we call our marketing department 'member loyalty' and we are looking now at growing our reach. So in other words every year the events that we have done that are specifically tied to Mums ...our numbers, year over year, continue to increase so we consider that to be a victory. Because then we know that it matters to them and I always tell my teams that loyal members...we know what they will do....they will buy more from us...they will market for us and they will tell us how to improve our business so every time we "WOW" a member and especially a Mum, we have just created a little marketer...and Mums...Mums talk...and I tell them the other side too , and if we don't "WOW" Mum, they are also going out and market against us...and that is the kind of message that I continue to tell which is why we changed our name from Marketing to Member Loyalty because Marketing is pushing product which is what we used to...member loyalty is building member...building our reputation so that members aren't sensitive...to price...

Georgina So all...all customers if you like...?

Denise ...will come back and will market for us.....

Georgina are all employees members...all customers I mean...?

Denise I am sorry?

Georgina all customers are members aren't they?

Denise Yea...actually employees are members too

Georgina All of them...is that part of the...is that a part of the employment? do they have to become members?

Denise ...it is almost like I can hear the cell towers humming...kind of get our messages and I am standing near a window holding my phone towards the cell tower...I am not kidding.....laughter ...

Denise I can see in the parking lot...laughing....

Georgina Oh yes...what was that...oh yes....are all ...

Denise Oh I thought that was you.....

Georgina SQUEAKING...laughter...well maybe it was....so are all employees' members....

Denise Yes...they don't have to be members, but when employees when they are onboard-ed they are encouraged to open a membership... mainly to get the experience... and of course when

they are positive ...their pay cheque here is super easy so I would say probably 95% of employees are members....

Georgina interesting...yes.... you are the evangelist

Denise yes

Georgina Do you...is that...and you talked about the changes that you have made at [name co-op] but was that.....did you have to change management?....did you have to drive the changes through the organisation or did you come...were you pushing at an open door..?

Denise You know...my CO saw me speak about brand reputation and everything I believed, and he actually recruited me because they had a lot of...um ...on the senior management team...they had a lot of numbers people....we have a lot...well the CEO is a CPA ...a certified ...a certified something accountant, and our number 2 in charge is a CFO and my husband is a CFO and so I understand how their brains work...JOINT LAUGHTER...and I can't believe that I married a CFO...but he felt like I was a balance...the Ying to the Yang if you will...the head to the heart ...and one of the reasons he hired me was to really help them to differentiate in the market place because this...in this interest rate environment in America... has forced credit unions to look beyond price....we can't...we have absolutely no whip over them any more. I think it is the best thing that has happened to American credit unions to be honest... the recession made everybody raise their game and so we sat back and said "well what are we" and Bank Transfer Day was also huge wake up call to American credit unions and are you familiar with Bank Transfer Day...what happened?

Georgina Well I am ... but only from your presentation at...on the Webinar....that that was getting people....people to get their paycheques paid into the credit union rather than the bank...?

Denise Yes....what was significant about Bank Transfer Day was it began with a person on Facebook that was a Bank of America customer who had a very big Facebook reach...

Georgina interesting.....yea...

Denise ...and the Bank of America pissed her off....because they wanted to charge this \$5 a month debit card fee...anyway it grew into a national movement. It was a marketer's dream...it was like a giant present popped in our lap...and all we had to do was unwrap it and enjoy it...it was....such a no-brainer but it really began...I think it was between the recession and then Bank of America trying to charge this fee with Bank Transfer Day.....any marketer worth anything in the US is a fool not to have taken advantage of that and that is what we did....honestly that's we did ...we began with a joint Bank Transfer Day campaign with all credit unions in our market place...we all worked together on it...

Georgina so all...

Denise We continue to market together....and yea...in fact the Keep it Co-op...I should explain...I can send you all kinds of fun visuals showing what we have done...but the Keep it Co-op campaign also includes all the credit unions in Northern New Mexico...we all market now together under that mantra....it's great when we can bring in a grocery store, pre-school, the beer co-op is lovely because I love beer....but it is also...the credit unions are now marketing together under that Keep it Co-op campaign...one of the big things that I pushed for [named co-op] to do is shared branching....and I don't know if you have heard of the shared branching concept...

Georgina no...

Denise ...but in America...it is growing leaps and bounds now...basically we have created a technology where credit union members can

use other credit union branches if they are on this technology to do any over-the-counter transaction...

Georgina yea...

Denise So now every single credit union in the Northern New Mexico market... our market place...all of us share our branches...so if I am a State employees or a Guadalupe union member, I can walk into [named co-op] branch and in real time....I can make a deposit to my account...get a receipt that shows my new balance...

Georgina Yea

Denise it is incredible...

Georgina Yes...absolutely. ...

Denise So naturally ... I tell my boss I wish I had planned the Keep it Co-op logo rallying cry with shared branching...but it kind of pushed us into it....because we were the only credit union in Northern New Mexico that was not on the network and so by convincing him we had to get on this network...because we could not take this marketing advantage now one of the push backs we get from people on Bank Transfer Day to move their account from Bank of America was Bank of America has so many branches well now in Santa Fe credit unions have more branches than Bank of America because we share.....so that is a real co-operative difference and I am trying...I am working with the Shared Branching Network and again the National Co-operative Business Association and the Credit Union Association New Mexico to try to get more reach with the Keep it Co-op mantra so that people...here is my goal..To be honest...is that it is a nationally recognised logo...that it is synonymous with shared branching and so if every credit union in America were to be on the Shared Branching Network, we would be bigger than the Bank of America...

Georgina Yea...yea...yes....

Denise I know...it seems like such a no-brainer....but there are credit unions that just do not get it....

Georgina How powerful is that....isn't it...?

Denise Yea

Georgina What was I thinking? Ummmm...I can't remember now....about credit unions.....what I was trying to think about is what you...how you measure your success...I know there may be financial measures, of course, that you vaguely mentioned.....but how then do you say...well we have been successful because....

Denise Well, one way that we measure our success and I can send you some information on the Net Promoters Score...it is not...it is not a 100% valid but it is a benchmark ...

Georgina Its 'Would I recommend?

Denise I will get you some more information on that because I really think it is an amazing programme so here are some of the ways that we have been able to measure and you can hear me...right?

Georgina Oh yes...brilliant...

Denise OK ...so some of the ways that we measure...ummm...I told you that we have weekly...we survey members that have done transactions but then quarterly we do a random sample of our entire membership...do a random sample ...and this produces what we call a Relationship Net Members Score...we have in the Member Loyalty Group which is where it is a group of all the credit unions that use exactly the same survey methodology ...we get a quarterly peer report and so we can compare ourselves against the peer who are all committed to leading with perception of reputation, rather than products and price...and right now our goal is to be of course in the 95 percentile...right now we are in about the 75th percentile but it is not just the score... the verbatim will tell

us if these events mattered and if some of the business decisions we made mattered ...for example, with shared branching, I came in with my heart and my philosophy saying that it is good to share, we should be part of this network and the first year I pitched that it got declined because of price...

Georgina
Denise OK
The second year we used that motor and I was able to come up and say we have members in the market...it is outside of our area....that ...that want a branch...and they are telling us that the relationship is on the line because we don't have a branch there....and so..and the numbers started to make sense..a branch is a million.. joining the network is more like 40,000... So we added shared branching.....now we can go back to those members who asked for a branch and here's how I do my marketing then because it is not marketing...it is member loyalty...

Georgina
Denise Yes
I have their name, their address....I know everything about these people that asked for a branch...and so we then went back to them and said "you have asked for a branch in Albuquerque...we just added 22 branches" and then we can see it in our scores because they will come back and say I am a promoter because you added shared branching....

Georgina
Denise Yes
So we have solid data that says that members wanted this ...we gave it to them and their loyalty increased because the score has increased and then if you want to look at the financial measures...the correlation is our growth and we have had incredible growth especially in new numbers recently...

Georgina
Denise Yes ...it is interesting, isn't it...yea...so it just shows that the whole values...whole credit union co-operative values go hand in hand with business growth?

Georgina
Denise Yes...I love Net Promoters for that reason because I couldn't ...I argued always philosophically for the service and the community angle and NPS gives you charts and graphs....and so when you put a pie chart in front of a CFO and say 27% of our membership is voluntarily saying I want this... then you get them to agree and it helps drive what I consider to be the smart business decisions....

Georgina
Denise Yes....but ..and not just your member customers...your members of staff are so amazingly engaged as well...
Exactly...it is a total win/win from that perspective...and you know, we talk about the working Mum and we say the working mum is the biggest hero....and we have probably, in credit unions in America, the entire credit union staff population, I think that the last stat I heard was that like 70% women ..

Georgina
Denise Really...
And so it is really easy to engage them knowing that most of the... the majority of our staff is our target audience.

Georgina
Denise Yes but they...you have got their hearts and minds...they are representative of, they can connect with your member customers.
And it has really been great if...yesterday ...I had a girl who heard about a new policy that we were thinking about and she is a working Mum...she has got three kids...and she...she as a working Mum said "now we can't do it that way...we are going to hate it" ...I love it .. she feels can be that voice....

Georgina
Denise Yes...that is what I was going to ask you...
And it was the approach that we were going to take...was wrong...yea....

Georgina
Denise You said that she had heard about it ... was that because she was consulted or was there some kind of chance...chance hearing about it...?

Denise I am so glad you asked that question because I realised yesterday it was a chance hearing and we are not...we get the voice...sometimes we get the voice of the member /employee in the decision process too late....we need to hear it earlier in the process. In fact we have talked about that with something that we recently rolled out that we need representation from front line or as I like to call them the ground troops of the organisation in the planning...initial planning process...we bring them in before we execute ...but we do not bring them in for the initial planning ...and that is where I think we have fallen down and their voice needs to be heard there.

Georgina Yes...interesting...I think that it is about developing new products but always having them ensuring their fitting with the brand values if you like...the brand ethos....

Denise And, as I always like reminding people that you think of the working mum as your filter for all of the decisions that you make.

Georgina Yes and you have got plenty of them there as you say.

Denise Yes

Georgina So what happens...would you be able to do this if you had, I don't know, 100,000 employees...?

Denise You know, that is a great question...I don't want 100,000 employees ...laughing... When it gets to that scale... I will admit it has been easy so far...I have worked at very large credit unions and this is a good size credit union because I can talk to all 110 employees in one day if I need to. But I have also worked for very large credit unions and I think it really comes down to ...and I know this sounds kind of trite ...but the leader. But if I had a really great CEO for a very large credit union who was unmovable in his vision and ... I think that is it....the leader has to call foul if we stray at all on the vision ...and so many leaders I think have their shiny objects syndrome and they get distracted by the latest and greatest or their board member went to a conference and heard that we should get...this has happened to us....board member goes to a conference and heard that we could make a ton of money if we got into business lending....

Georgina Yes

Denise Well if we look at our filter and the working mum... that does not fit....it absolutely does not fit and so for the leader to then say "well, that's great for them, it worked for them but it is not something that we should engage in" ... because then we lose sight of our mission and our target audience and it becomes a distraction for our business model ...and I don't know that there is a lot of CEOs that I don't think have that conviction to stand up but I have seen it happen...I had the great honour to work for one of the best leaders and he was unfailing in his vision and if you...and here is what I believe...corporations don't have values...people do...

Georgina Yes

Denise And so if the leader values co-operative credit union involvement then you are going to do great...if they value the bottom line over that, you are pendulum....this is my latest thing ... actually I am working on a speech called "Measuring your reputation risk" and it deals with this issue of the leader using that compass, that guide, that filter to make all the final decisions in the organisation.

Georgina Yes...is it the same leader that recruited you....

Denise Pardon?

Georgina Is it the same leader that recruited you?

Denise No...but...OK...the current leader that I have struggles with this but the leader that I spoke of that was wonderful...you may have heard of him...Tom Sargent....

Georgina No...I don't...

Denise He was a CEO for First Technology Credit Union

Georgina I see...

Denise He was a great leader...he got the highest Honour award in the nation...the Herb Whiter...he was on the Children's Miracle Network Board...he is just a really incredible guy...

Georgina Oh, I see...

Denise And my leader is great, but he is a CPA and I remind him, I nudge him and I say "your eye's on the scoreboard... it is not on the game...."

Georgina Yes...that's a great way of putting it....I suppose ... but then you talk about the working mums and that is your filter and that is your target ...you also presumably have to be aware that that might change...that you might need to change that so there has to be a bit of looking around and to see what else there is out there so it is worth looking at, shall we say, the small business that you talked about or business loans and then..

Denise OK.....then America will stop working....

Georgina And then deciding to...to reject or not

Denise Yes....do you have any other questions....?

Georgina I just finally wonder had you...do you have enough resource...you probably don't...how you allocate resource to your activities....?

Denise You know, it is so funny you ask that now because I ...one of my employees who is in business development ...we call her.... she is our Event Co-ordinator has...she has been here 29 years but she got a great opportunity to move on to another company and she took it...

Georgina Yea...

Denise And her last day is Friday so we have had to sit down and write everything that we do and look at what we believe has the greatest impact ...because we might have to let some things go and... but we are using that 'working Mum' and really again ...what is the impact on our reputation.... on business....one of the things that we know was building marketers....I will give you a crazy example but something that I will fight for....we started this a couple of years ago... members can have their pictures taken with Santa.

Denise Pictures of...you know a financial institution activity ...but I will tell you how it came about...we have a lot of middle income people and a lot of Hispanic families...so they have a lot of kids and they go to the Mall and get the Santa picture...it is about \$30...so we hire Santa...have the big Santa scene and we take pictures for free

...

Georgina OK

Denise But it is all kids....and the kids get a little gift and you know, all this...but I can't tell you...I get choked up still thinking about it...how many mums have hugged us and thanked us...and said that they did not have enough money for Christmas presents and these pictures would be their Christmas present.....

Georgina Oh brilliant.....

Denise So ...

Georgina Yes

Denise So that kind of stuff...it is here from a CFO perspective of pure expense ...but from a member loyalty expense perspective, it is the cheapest marketing campaign you will ever do...except it was probably \$300

Georgina Yes...in total

Denise Yea ..and the measure of success of year over year ... last year we doubled the number of kids. This year it got too big ... we do it in every branch... in one of the branches it got so big there was a line out the door fifteen minutes before Santa arrived

Georgina In the cold... maybe not half so cold for you?

Denise It has just been phenomenal ...but we would never have thought of pictures of Santa had we not had the Mum filter....

Georgina Yes ...interesting....

Denise You know we can think in a vacuum came up with a clever idea.....it made sense but it is heart warming...I made our CFO – I made him be an elf last year

Denise And I tell you he was touched....

Georgina Oh yes....it must be wonderful...it must make the job so rewarding, actually...really really, really, rewarding....

Denise Very, yes....

Georgina The Mum filter ... just finally, is that...so yes, we touched on this before....how does that happen...is there a process of consultation....?

Denise Yes... actually the research I did when I came here which I would be happy to share with you might challenge what people think

Georgina hum ..

Denise Los Alamos where we began has more millionaires per capita ... right down the malls where we began ...have more millionaires per capita than any other county in America because it is the home of the site of the Los Alamos Scientific Labs which was our founder and the Government employed their scientists and they make tons of money...then New Mexico that something like 50% of the population was below the poverty level and then we have Santa Fe which has really two demographics...we are home to a lot of movie stars because Santa Fe is a big destination playground and we have a lot of part time residents that drive the cost of goods up...we are primarily a split economy....in Santa Fe where the jobs are minimum wage ..Anyway I am looking at the three demographic ways...Oh my God! Where is the common thread....and it was the family and all three of these markets have a very large....according to our Government Census data, have a large percentage of family, they just look a little different....and so that....we came up with the working Mum and then the research on top of that I happened to hear speaker Julia Passé who wrote "Marketing to the most difficult customer" and she is the one that did all the data on the women making all the financial decisions ...but how women buy is so completely different to how men buy ...and one of the examples she gives is if a man and a woman go to a Mall and both of them to buy a shirt, the man will walk into a store he has been into before, go to the back of the store, pull a shirt off, look at the size and buy it.

Georgina Yes

Denise Where woman...well I will tell you what we do, we go and try and you...LAUGHTER

Denise Like the woman's relationship which is why we do things like pictures with Santa because they are value added people. They want something more than just the right size.

Georgina Yes...that is the relationship...it may be...interesting....

Denise Fascinating and its been truly fun to see it work and to watch it grow and you know....we have made mistakes...but...I feel that the people who really get it enjoy their jobs ...

Georgina Yes...but you have driven it, haven't you?

Denise What is that?

Georgina You have driven that, with your heart and soul...you sound as if you have driven it with your heart and soul...

Denise I have...I have to admit....I have...Ben and Jerry... the guys that do that ice-cream the crazy kid that is America...years ago, when I was reading a book about their company they said "if it is not fun, why do it".....I don't believe work should be drudgery and credit

union has such a great story and mission and I know my team anyway.....have said that they are excited to come to work....

Georgina That's great.

Denise And that sure explains our work...

Georgina Yes.....interesting, isn't it...it's curious, I know ...I don't really have any more questions [named interviewee], it is fascinating to hear you ...but in the UK we have had very few credit unions... interestingly because our co-operative background was kind of Co-op Stores and Rochdale Pioneers and very recently there has been a lot in the news about the development of credit unions as a counter to the growth of payday loan organisations and so this has been encouraged. The Church has set themselves up or at least the Archbishop of Canterbury, I should say, has said we are going to have credit unions.

Denise I just heard that two days ago and I thought that was amazing...

Georgina Interesting, isn't it... because it seems ...

Denise It is...you are aware the roots of the American credit union movement was because what we call the little guy, the average person in a bad economy could only turn to loan sharks or payday lenders and that is how the credit unions in America were born....

Georgina Yes...interesting...it seems amazing that we have taken so long to get to this....that is a few...but there is nothing big ...obviously in Europe it is bigger....Credit Agricole and various other agricultural banking organisations but anyway...

Denise If there is anything I can go to help credit unions in England you can ...

Georgina Alright...

Denise Over there....

Georgina Thank you so much...what I will do is I am going to write this up..if that is ok and send it to you.....and I am very happy to, as I gradually develop this research and look at what helps deliver the co-operative difference, I am very happy to share it with you if I can ... well if it is any interest because by the sound of it you know exactly what you are doing...but I am happy to share it with you....and we have learned how to Skype...

Denise What's that?

Georgina And we have learned how to Skype....

Denise We have learned how to Skype...I did OK....I did get some help but....

Georgina Well, you weren't the only one...

Denise It took us a week but we did it!! LAUGHTER...

Georgina Denise, I wish you well....and I will send a transcript...

Denise OK...thank you...I really appreciate it, Georgina...

Georgina And a really, really huge thank you – thank you for your time because I know you are really busy....

Denise Well I love talking about this subject and again any more information you need from me, any help I am here because I love the cause and am all in....

Georgina Alright...well I will keep sharing everything I have got and we will see what we can develop and any data that you have got I am happy to either help write up or help do something with or add comments if that is useful or add questions.

Denise Sounds great...

Georgina Thank you

Denise Thanks so much.

Georgina Bye

Denise Cheers

