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Discovering a culture of authenticity through conversational research

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ABSTRACT

This paper outlines a research project using conversational research as a methodology to examine values and value congruence as a part of stakeholder engagement at The Body Shop Australia (TBS). The research developed grounded hypotheses about the extent to which customers take their values shopping, about the level of value congruence between TBS and its customer stakeholders, and in the process discovered a corporate “culture of authenticity” where TBS revealed itself to be an organisation where the people ‘are who they say they are’.

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Keywords: Corporate social responsibility, Social audit, “New Economics”, stakeholder engagement, conversational research

INTRODUCTION

An important recent debate in the literature on stakeholder management is about ways to ‘engage’ and create ‘dialogue’ with customer stakeholders. Most research to date about customers as stakeholders concerns their buying behaviour or their views on corporate performance and reputation and fails to engage with customers’ values and meanings. In this research we wanted to make a contribution to this debate by subjectively engaging with customers of The Body Shop, Australia about their values, passions and how they may feel fulfilled in the customer relationship with the company. We wanted to find out if customers ‘take their values shopping’. By engaging with customers of TBS we build on similar research within the company but we offered a new methodology based on ‘dialogue’.

The founder of The Body Shop International (BSI), Anita Roddick, makes it clear that the company seeks engagement with customers and sees them as true stakeholders:

We bring our customers into the heart of the company, we think of them as family, we invite and encourage them to participate in everything we do (Roddick, 2000: 86).

Body Shop International (BSI) has been praised in a United Nations (UN) report about engaging stakeholders. The UN Environmental Programme, Engaging Stakeholders Report (UN, 2000) tracks and evaluates stakeholder management across world regions. At a global level the corporate performance of BSI was rated as one of the best in the world and first in its business sector. BSI was one of only two corporations engaging stakeholders in discussions about social, ethical and environmental issues and is named in the UN report as being third in the world for developing ‘dialogue’ with stakeholders.
A major aim of this research with The Body Shop Australia (TBS) was to demonstrate a new way to engage with customer stakeholders by doing social research based on in-depth interviewing in the form of symmetrical conversations or dialogues. Within the literature on stakeholder management there is a lack of discussion of symmetrical relationships between businesses and their stakeholders. Most stakeholder research, such as social auditing, is asymmetrical or a one-way request for information and opinions from management to customers. TBS already include social research as part of business practice by way of social audits which are based on surveys, and are not designed to be two-way conversations. Our methods particularly facilitated ‘engagement’ with customers, by creating ‘dialogue’ or ‘conversations’ which generated deep and rich reflective data. Our research complements social auditing.

THE LITERATURE

New Economics in Australia

There are enormous challenges faced by businesses in the implementation of what has been termed new economics (Zadek, Hojensgard, & Raymond, 2000) – including strategies for Corporate Social Responsibility (CSR), Triple Bottom Line Reporting (TBLR) and stakeholder management. Australian research shows that business managers and leaders have few ‘people skills’ which they can apply inside their organisations or with external stakeholders (see Benson & Morrigan, 2000; Industry Task Force and on Leadership and Management Skills, 1995a, 1995b). Research carried out by the Business Council of Australia indicates that CSR is a recent trend, only about 50% of businesses have policies of community involvement and many of these are only concerned with sponsorship in sport and the arts (Centre for Corporate Public Affairs & Business Council of Australia, 2000; Suggett, 2000). Cronin and Zappala (2001; 2002) suggest that CSR is coming of age in Australia and there is a growing awareness that community involvement should be a business strategy of the future. There is a need to accelerate the Australian business dialogue about relationships between business and society, CSR, TBLR, and stakeholder management. This also creates an opportunity to discuss research methodologies which are ‘dialogic’ and offer rigorous qualitative data to inform the debate.

Stakeholder Management and Values

Freeman’s work (1984) continues to be the basis for stakeholder management theories which address stakeholder values. He argued that companies should identify their direct and indirect
stakeholders and look for the congruency between what the company ‘stands for’ and the values of the stakeholders. Wheeler, a senior executive at BSI, and Sillanpaa, manager public policy statements at BSI, adopt Freeman’s definition of stakeholders as ‘…individuals and entities who may be affected by business, and who may, in turn bring influence to bear upon it’ (Wheeler & Sillanpaa, 1997: x).

Freeman (1984) identified that value congruence between the company and the stakeholders is the most important link (see also Goodman, Zammuto & Gifford, 2001). He explained this as a contract, rather than a relationship of engagement, between the firm and the actors (Key, 1999). Following Freeman’s idea of the contractual nature of stakeholder relationships, most research on stakeholder values has relied on mapping them and comparing them to those of the company (Key, 1999).

Wheeler and Sillanpaa (1997) have a different approach when they advocate the importance of close and continuous dialogue with customers to establish the values alignment or ‘fit’ through social auditing. They are concerned with value congruence as it enhances competitive advantage and increases market share (see also Hartman & Beck-Dudley, 1999). They argue that it is important to know why customers want particular products as well as to know what products they actually want. Key (1999) cautions that value congruence does not necessarily predict buying behaviour and our research supports this view. Customers do not always ‘take their values shopping’ although, when they do, they feel more fulfilled.

Key (1999: 322) seeks some objective measures to identify the linkages among stakeholders and with the company. We argue that more subjective or qualitative knowledge is vital to an understanding of the subjective nature of value congruence and values fulfilment. There is not a direct, measurable, link between value congruence and increased profits. Qualitative knowledge about customer values will deepen stakeholder engagement and enhance company reputation.

**Social Auditing or Stakeholder Engagement**

Social auditing is developing as an objective measurement of CSR and of the Triple Bottom Line. The methodology for social auditing is, as the name suggests, concerned with objective measures to collect data about social phenomena. Audits are conducted using pre-formulated measures and are subject to accounting processes which can be independently verified. Social audits usually adopt methods from attitude surveys and market research using pre-formulated questionnaires that are mailed, administered in face-to-face interviews, telephone surveys and
in focus groups. The independence of the researcher is seen to be vital and usually ‘outsiders’ are called in to conduct the reviews or to verify the methods employed. The methodology required for social auditing does not therefore aim to bring the company into an engaged relationship with stakeholders.

Stakeholder engagement has different aims. The purpose is to build engaged relationships with stakeholders so that the company can be more responsive, gaining mutual knowledge from those whose interests are the same. For this reason we employed conversational research involving a symmetrical dialogue. Researchers and researched are engaged in an empathic dialogue and research methods seek to build trust in this relationship. We therefore went to some lengths to make sure the researchers were ‘insiders’ and not strangers. The interviews were symmetrical dialogues which had the minimum of pre-formulation. The researchers in this study were ‘involved’ and make no claim to be free of bias.

Although social audits and conversational research are different ways of gathering knowledge about stakeholders the findings from each can complement each other and together enhance company knowledge. Some of the patterns which have been identified in this study support the data gathered from social audits conducted by TBS (2000: 41-56).

It is emphasised that the questions asked of customers in the social audit conducted by TBS (2000: 57ff) address customer behaviour or customer perceptions about the performance of the company against the company values. In this research we have specifically looked at customer values.

**Values and the World Values Survey**

Wheeler and Sillanpaa (1997: 252) suggest that the elicitation of stakeholder values is difficult because of the diversity of lifestyles and cultures. Our findings, and those from other research on values, show that there is a surprising lack of values diversity. Lifestyle issues arise out of personal values but they are different from core values, convictions, truths and beliefs. Customers of TBS say they can put aside their values when they go shopping if fulfilling them is too difficult or affects their lifestyle. When they feel they have to do this, however, they are discontent – and, logically, will not feel engaged.

In order to understand human values it is more productive to go outside of the business literature. The World Values Survey (WVS) (1990-2002) shows that there is a remarkable and growing value consensus across many countries, lifestyles and cultures. This survey is a
worldwide investigation of the basic values and beliefs of people in more than 65 societies on all six inhabited continents, containing almost 80 percent of the world's population. It builds on the European Values Surveys, first carried out in 1981. The WVS has produced important evidence of gradual but pervasive changes in what people want out of life. The data indicates a worldwide value consensus on some important issues relevant to stakeholder management in business. A summary of the longitudinal results of the WVS is found in Figure 1.

**Figure 1: Trends in World Values**

<table>
<thead>
<tr>
<th>Decreasing</th>
<th>Increasing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materialism</td>
<td>Post-materialism</td>
</tr>
<tr>
<td>Mass production, mass markets, standardised choices</td>
<td>Human Choice – the ability of human beings to choose the lives they want</td>
</tr>
<tr>
<td>Acquisitive consumerism, economic growth</td>
<td>Quality of life, environmental protection – economic growth is valued but not at the expense of the environment</td>
</tr>
<tr>
<td>Individualism</td>
<td>Belonging, self-expression, and community participation</td>
</tr>
<tr>
<td>Survival</td>
<td>Greater subjective feelings of security (NOTE the data comes pre-September 11th, 2001)</td>
</tr>
<tr>
<td>Deference to authority, hierarchical, centrally controlled bureaucratic institutions</td>
<td>Sharp decline in trust of political and business leadership, a fall in voter turnout with a rise of elite-challenging political action and a greater demand for integrity among elites</td>
</tr>
<tr>
<td>Rigid religious norms</td>
<td>The search for meaning and purpose</td>
</tr>
</tbody>
</table>

(Derived from Inglehart, 1999a, 1999b, 2000; Inglehart & Baker, 2000; Welzel, Inglehart & Klingemann, 2002)

**UNDERTAKING THE RESEARCH**

Listening to people and trying to construct shared meanings is research. If we record and interpret this process we can elicit useful data which can be used to illuminate and explain social life (Blaikie, 1993; McHoul & Rapley, 2001; Silverman, 2000).

This research is concerned with, ‘engagement’ between the researcher and the researched (Morgan, 1983, p. 13) and takes a logical ‘subjectivist’ approach. It does not make any claim to being ‘objectivist’ and adopts a rigorous qualitative research methodology. The methodological approach to the research has its classical origins in ‘hermeneutics’, and it follows the steps for ‘grounded theory’ after the tradition of Glaser and Strauss (1967, (see also Blaikie, 1993; Blaikie & Stacy, 1984; Locke, 2001; Strauss, 1987; Strauss & Corbin, 1990; Turner, 1983). It is brought up to date by incorporating Giddens’ ‘structuration theory’ and principles from feminist research (Blaikie, 1993; Giddens, 1993; Stanley & Wise, 1983).
The approach adopted for this research was to collect qualitative data, from TBS customers using ‘symmetrical’ or conversational in-depth interviewing methods. Symmetry in interviewing is explained by Ann Oakley (1981) as being non-hierarchical and having the researcher invest his or her own identity into the process. Within this relationship interviews can then be conversations where interviewees can also ask questions and the interviewer is subjectively involved. This is particularly important when the conversation is about deeply personal values and passions.

The research technique or method we adopted is referred to by several names. It is called the ‘dialogical method’ because it is concerned with interpretation of dialogues between two or more people. The methodology is also called the ‘hermeneutic circle’ or ‘double hermeneutic’ (Blaikie, 1993; Blaikie & Stacy, 1984; Giddens, 1993). The word ‘hermeneutic’ means ‘to interpret’. The researchers and the researched, or ‘actors’, have different frames of meaning that derive from different life-styles, values and cultures. There needs to be a translation or interpretation process whereby different frames of meaning are understood and shared knowledge’ is gained. The ‘hermeneutic circle’ or ‘double hermeneutic’ emerges because the interpretation process goes back and forth or in a circle. ‘Dialogue’ is two-way conversations which help to bring about shared meaning and mutual knowledge (see Fig 2).
TBS retail staff were asked to conduct the conversations and collect the data. It was clear that in this interviewing situation academic researchers would be ‘outsiders’ (see Bryman, 1988; Steier, 1992, p. 2). By comparison TBS retail staff interact with customers every day and often know them personally. The staff are already highly trained in communication skills and we held a workshop to access and build on those skills for the data collection process.

The ‘symmetrical’ approach that was taken in the interview method was also congruent with the policies and practices of TBS and BSI and guide the way that their customers are treated. We also decided to record as many other conversations and stories within the research process as possible using ‘diaries’, tape-recorded meetings and ‘field’ notes. As well as these more conventional approaches to collecting ‘stories’ we also created ideas and questions together through other methods including a ‘Poster Wall’ in retail stores where we asked the retail staff in 8 stores to write up suggestions on butcher’s paper pinned up in the back rooms of the stores. This idea is borrowed from the description of ‘Throne Out’ in Roddick’s book (2000, p. 73) where BSI employees were encouraged to write their comments on the back of the toilet door.

Senior managers, managers and assistant managers attended brainstorming sessions in Perth and Melbourne to formulate preliminary hypotheses or ‘conversation starters’ and then helped recruit staff researchers. All of those who expressed interested were included in the project. The total of 8 researchers from TBS included casual employees, managers and assistant managers, and full time staff from 5 retail stores. All the researchers were female, and ranged in experience from 3 months with TBS to approximately 5 years. Turnover in staff caused changes to the profile over the life of the project.

**Sampling**

In keeping with our methodology we adopted ‘theoretical sampling’. This begins with the choice of ‘natural groups’ which can logically give information about the research topic. In this project there were two logical ‘natural groups’ (or stakeholders) where we could gain knowledge about customer values and fulfilment. They were the customers and TBS staff.

The customers were invited to participate by the retail staff in four stores, including one non-metropolitan store. The methods of inviting customers to participate grew and developed as...
the project progressed. All staff were encouraged to invite customers to have a chat (and a coffee if they wished) with the staff member who was working on the project in that store.

Reviews of the process took place at regular meetings between the academic and staff researchers. Discussions included ideas about raising the profile of the project and the difficulty of separating the role of sales person from that of researcher.

The typical characteristics of those customers participating show that many interviewees were young women with mainly secondary or TAFE levels of education who were employed in full-time work. The profiles of customers who took part, however, included one male and ranged in age from 20 - 60+ years. They came from educational backgrounds ranging from compulsory secondary education to postgraduate qualifications, and from work situations where they were not in paid employment, were seeking work or retired, full time professional employment and self employed.

**Conversation Starters**

We formulated the ‘conversation starters’ in partnership with TBS staff in ‘brainstorming’ sessions using their tacit knowledge as ‘insiders’. Managers in the Melbourne Retail Support Centre and retail managers in Perth reviewed the “conversation starter” questions following the brainstorming meetings and the outcome was a series of prompts in four areas – about values, fulfilment as a customer, corporate social responsibility and customer power.

The TBS researchers were asked to write down the conversations they had with customers and to record their reflections after the event as well. We took all of the written records in the whole process and analysed them with the assistance of a computer assisted qualitative data analysis software (CAQDAS) programme. If you want to hear the voices of the customers you can access our full report, but I move now to the findings of our research.

**FINDINGS**

Our ‘findings’ are in the form of ‘grounded hypotheses’. This simply means that we don’t say that we have come up with truths about customer stakeholders of TBS. We have made a basic assumption that there are no ‘facts’ to be found. Instead we offer interpretations of the conversations and invite others to join in the process of discussion and further research.
**Taking your values shopping**

In this research our first aim was to make a contribution to the field of stakeholder management by engaging with customers of TBS about ‘taking their values shopping’, and to find out if customers felt a greater sense of fulfilment if their values were met.

We found that TBS customers were remarkably clear and passionate about their own personal values and had no trouble expressing them in a conversation. In part this clarity of values may be because TBS also makes the company values clear and they are displayed in every retail store. The shopping environment at TBS encourages thoughtful purchasing.

The Body Shop customers that we spoke to expressed, not surprisingly, feelings of fulfilment when their values are met in the purchasing relationship. Fulfilment comes mainly from personal engagement, personal and individualised service, respect and personal care, easily accessible information about products and business practices, knowledgeable employees and businesses supporting the local community. This kind of purchasing relationship is more than just good customer service; it is a more complex relationship between customer stakeholders, business, society and the natural environment.

It may be a paradox that customers do not always play out their very clear values when they go shopping, although they have a desire to do this. The mystery unravels if you actually listen to what the customers say. They do passionately care about health, well-being, their families, their community and the environment but in a busy life it is not always possible to shop ethically. It is difficult for this to occur where the retailers do not make it easy. If retailers do espouse ethical values, however, they have to be authentic about it because customers soon spot a lack of value congruence.

**Values and Value Congruence**

There is a surprising strength of value congruence between the corporate values of TBS, the values of the employees and the values of the customers. This finding is also supported by the different but related data from the social audits conducted by TBS (2000).

The values of the customers of TBS also reflect those found in the World Values Survey. TBS customers hold values similar to many people around the world and are not just influenced by the company’s values. Customer stakeholders in this research expressed values that were ‘postmaterialist’, concerned with human choice and self-expression, gave importance to belonging among family and friends and showed a marked lack of trust in global or large
businesses. TBS is in tune with the values of a larger group of consumers who would like to take their values shopping if they had the chance.

**Taking Customers ‘Global’ and ‘Local’**

It was clear from the conversational data that while TBS customers shared values about the importance of community they did have a different meaning for the term. The customers emphasised their local community - their neighbourhood, Western Australia and Australia. TBS have a broader definition which includes the wider global community and community development in less developed countries (Roddick, 2000, p. 56). Finding out about the different meanings of community highlight the opportunity to explore meaning at a deeper level in symmetrical conversations.

**Business, Society and CSR**

We found that, as well as being clear about their values, customers of TBS were articulate in their views about the relationship between business and society. They supported CSR and wanted the relationship between business and society to be authentic, trustworthy and filled with integrity. Customers wanted more from CSR than philanthropy, although sponsorship in the community was important. Customers want business to toe the Triple Bottom Line. They understand that they have some power to influence business practices by taking their values shopping and rejecting certain products. This we refer to as ‘quiet boycotting’. The data raises the question, ‘How much business is lost in Australia by the individual act of ‘quiet boycotting’?*

**Doing Conversational Research**

A major aim of this research partnership with TBS was to demonstrate a new way to engage with customer stakeholders by doing social research based on in-depth interviewing in the form of symmetrical conversations or dialogues. Our research methods particularly facilitated ‘engagement’ with customers, by creating ‘dialogue’ or ‘conversations’ as part of qualitative research methods and in doing this generated deep and rich reflective data.

Some of the conversational data that was generated from this research has already contributed to the company’s national strategy. At a meeting with senior sales and training staff to look at customer strategy the conversational data was ‘posted’ around the room. This ‘invited the customer into the room’ and proved to be a powerful tool to keep the focus of the meeting relevant. Our methodology is one way of hearing what the stakeholder really has to say.
A Culture of Authenticity

In working with The Body Shop Australia staff at all levels, we found, what we refer to as, a ‘culture of authenticity’ – they are who they say they are. We have already discussed the high levels of value congruence among TBS stakeholders. There is also little gap between the espoused corporate values and those enacted in the everyday working life of the company. Some examples from our data collection demonstrate this kind of culture. We were part of a meeting where two stories were told: one was about the cancellation of a contract for supply of T-shirts when the supplier began using animal skins in manufacturing clothing.; the other was the open and frank discussion during work time about the use of boars bristles in a product so that what might otherwise be waste in another process was utilised – the question was raised “is this still ethical” and the discussion was not censored or stifled.

In our twelve-month interaction with staff at many levels we experienced a high level of respect, shown towards ourselves others. We did not hear personal or company criticism; feedback was framed positively. This was a project where we all worked closely and harmoniously together, and there was an environment for dialogue and engagement. We argue that this kind of corporate culture is rare and should be noted by Australian businesses seeking stakeholder engagement.

REFERENCES


