

Corporate Identity, Entrepreneurial Orientation and Cultural Values of Manufacturing Companies in Southern Philippines

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How to cite this paper: Flauta, M. E. M. T. M. (2021). Corporate Identity, Entrepreneurial Orientation and Cultural Values of Manufacturing Companies in Southern Philippines. *Open Journal of Business and Management*, 9, 1849-1857.

<https://doi.org/10.4236/ojbm.2021.94100>

Received: May 11, 2021

Accepted: July 18, 2021

Published: July 21, 2021

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Abstract

The objectives of this study were to investigate and understand whether entrepreneurial orientation and cultural values could determine the corporate identity of manufacturing companies in Southern Philippines. This study utilized a combination of descriptive correlation design and survey design. A total of 426 regular employees responded to the survey. Empirical results revealed high levels of entrepreneurial orientation, cultural values and corporate identity. Before performing out a statistical regression test, validation checks were conducted to assess whether regression assumptions were not violated. Further, findings found that cultural values have the greatest impact on corporate identity. The manufacturing companies have a common goal with their employees to achieve strong corporate identity. Establishing a favorable corporate identity highly necessary.

Keywords

Corporate Identity, Entrepreneurial Orientation, Cultural Values, Regression, Philippines

1. Introduction

Today's business environment is beset with internal and external disruptions that shape how players in its confines operate (Oginni and Adesanya, 2013). Clearly, most organizations amidst the ever-changing business landscape face the challenge on how to maintain their corporate identity given the environ-

mental factors (Kostamo, 2013). There are factors that have been identified that could influence corporate identity such as acceleration of product life cycles, deregulation, privatization initiatives, increased competition in industry, the non-profit and service sectors, globalization and expansion of free trade zones, mergers, acquisitions and divestments, shortages of high-quality employees and public perceptions of corporate social sensitivity (Balmer and Gray, 2000). Entities that were irresponsible with these factors face the risk of failure; hence, Ugwu, Maina, Silva and Vargas (2014) affirmed that organizations need to mold their corporate identity in order to survive.

For the success of any company, corporate identity is of great importance (Melewar, Foroudi, Gupta, Kitchen and Foroudi, 2017). This helps businesses to link with customers and to differentiate their products and services (Rashidi and Shafe, 2016). It is an organizational resource and a strategic management tool (Karanja, 2015) that secures managers' positive image (Rashidi and Shafe, 2016). Successful identity manufacturing companies, in effect, make them profitable and competitive, allowing manufacturing firms to pay higher salaries, profits and multipliers of production, and employ more employees (Batungbacal, 2011).

Entrepreneurial orientation and cultural values play a major role in creating a positive corporate identity. Innovativeness as a component of entrepreneurial orientation has a significant relationship with corporate identity (Hoholm and Stronen, 2011; Yildiz, 2018). Understanding, strategizing, and innovating describe how identification during the process of planning becomes a stabilizer and an organizer. Businesses are highly rated on the identities of firms that are represented by innovation. Moreover, cultural values of workers have a significant relationship with corporate identity, according to Park (2016). It is an important precedent for the recognition of businesses and workers will be more likely to identify themselves. He and Balmer (2013); Sahu and Pratihari (2015) established that culture can affect corporate identity in a significant way.

The manufacturing industry in the Philippines has experienced slow-phase growth (Batungbacal, 2011) and a research on the corporate identity of manufacturing companies in Southern Philippines becomes relevant. This study specifically seeks to fill the gaping distance between the "should be" situation and what was actually happening to manufacturing companies.

The study outcome would allow participants to add ideas or approaches to the company's identity creation and enhancement. This study would serve as a foundation for promoting identity that can also benefit the entire organization. In addition, this study's social value reflected through the management's kindness shown to their employees. This value refers to the management link with their employees and their community and region attachment. Companies are gradually becoming aware of the importance of maintaining a strong corporate identity. The outcome also encouraged further studies on issues of corporate identity.

This study employed a descriptive correlational survey design to investigate and understand whether entrepreneurial orientation and cultural values could

determine the corporate identity of manufacturing companies in Southern Philippines. Specifically, this study sought answers to the following questions:

1) What is the status of entrepreneurial orientation, cultural values, and corporate identity of manufacturing companies in Southern Philippines?

2) Which of the entrepreneurial orientation and cultural values best influence corporate identity?

2. Methods

This study was conducted using a combined descriptive correlational and survey design. A descriptive correlational design was utilized to characterize the current characteristics, qualities, and relationships (Calmorin and Calmorin, 2007), and to assess the relationship between entrepreneurial orientation and corporate identity, as well as cultural values and corporate identity in manufacturing companies. The data were collected using a survey approach, with a structured questionnaire prepared and distributed to the participants. It is a closed-ended survey that was used to collect information about the relationship between entrepreneurial orientation, cultural values, and corporate identity.

The first section of the questionnaire focused on entrepreneurial orientation, which included four dimensions adapted from Awang, Yusof, Kassim, Ismali, Zain, & Madar (2009) research: *autonomous behavior*, *innovativeness*, *proactiveness*, and *risk-taking*. Second section dwelt on cultural values with its dimensions: *power distance*, *uncertainty avoidance*, *collectivism*, *long-term orientation* and *masculinity* adapted from the research of Yoo, Donthu, & Lenartowicz (2011). In addition, the corporate identity questionnaire was adapted from Maurya, Mishra, Anand, & Kumar (2015), which had three dimensions: *symbolism or visual*, *communication*, and *behavior*. The questionnaires were validated by five researchers who are experts in the field of study, as Cook and Beckman (2006) stated that the instrument needed to be validated and accurate in order for inferences drawn from it to be meaningful. Participants indicated their response on a five-point Likert-type scale with anchors (1) strongly disagree to (5) strongly agree for entrepreneurial orientation, cultural values, and corporate identity by identifying five as the highest and one as the lowest.

The survey was carried out in the Southern Philippines, with manufacturing companies identified as manufacturers, the business line being a manufacturer/processor of food products, especially tuna, marines, and other seafood, and the company category being a corporation. A complete enumeration technique was employed in selecting the participants. The respondents were invited to rate the survey questionnaire in their knowledge on entrepreneurial orientation, cultural values, and corporate identity. They were Filipino citizen, regular employees of the manufacturing companies with continuous employment from five to 12 years' experience with the company. There were 247 female respondents (58%) and 179 male respondents (42%); 40 respondents (9.4%) were between the ages of 18 and 25, 115 respondents (27%) were between the ages of 26 and 35,

207 respondents (48.7%) were between the ages of 36 and 45, and 64 respondents (15%) were between the ages of 46 and 55. The respondents were employees of the rank-and-file who are well-versed in their company.

The data collection began after the University of the Immaculate Conception (UIC) Research Ethics Committee (REC) completed a full board examination and issued an ethics compliance certificate with REC_FO_0059 Control Number 0473. The survey was approved by the management of manufacturing firms, and the participants gave their consent.

On the assumption that the data is normally distributed, the following statistical methods were used to analyze and interpret the data: weighted mean, standard deviation, correlation, and regression analysis.

3. Results

The result of the quantitative data gathered through the survey questionnaires. Presented in **Table 1** is the status of entrepreneurial orientation, cultural values and corporate identity among manufacturing companies in Southern Philippines. The table shows that the overall mean of entrepreneurial orientation, cultural values and corporate identity are 4.10, 4.09, and 4.18, respectively. All had a descriptive level of *high* and had a standard deviation ranging from 0.40 to 0.67 which is less than 1, the typical standard deviation for Likert scale and denotes consistency of responses among 426 respondents.

For the first independent variable which is *entrepreneurial orientation*, with indicators namely: *autonomous behavior*, *innovativeness*, *proactiveness* and

Table 1. Status of entrepreneurial orientation, cultural values and corporate identity.

The Variables and Their Attributes	Mean	Standard Deviation	Description
Entrepreneurial Orientation	4.10	0.48	High
Autonomous Behavior	4.18	0.63	High
Innovativeness	4.15	0.60	High
Proactiveness	3.96	0.65	High
Risk Taking	4.09	0.61	High
Cultural Values	4.09	0.41	High
Power Distance	4.02	0.63	High
Uncertainty Avoidance	4.38	0.52	Very High
Collectivism	4.02	0.62	High
Long-term Orientation	4.10	0.51	High
Masculinity	3.90	0.67	High
Corporate Identity	4.18	0.40	High
Symbolism	4.19	0.53	High
Behavior	4.25	0.53	Very High
Communication	4.09	0.51	High

risk-taking have a mean rating ranging from 3.96 to 4.18 which are all described as *high* which means that those indicators are oftentimes manifested. Furthermore, all means for the indicators of the second independent variable which is *cultural values* have a descriptive level of *high* ranging from 3.90 to 4.38. This means that the indicators for cultural values which are *power distance, uncertainty avoidance, collectivism, long-term orientation and masculinity* are oftentimes manifested.

Lastly, the dependent variable which focuses on the *corporate identity* of manufacturing companies, the indicator *behavior* has the highest mean which is 4.25 and is rated as *very high*. All the other indicators *symbolism and communication* have a mean ranging from 4.09 to 4.19 which are identified as *high*.

The influence of entrepreneurial orientation and cultural values of manufacturing companies was obtained through regression analysis. However, before the conduct of regression analysis, the need for the correlation analysis was mandatory; hence the correlation is reflected in **Table 2**. Based on the results, there is a significant relationship between entrepreneurial orientation and corporate identity of manufacturing companies ($r = 0.562, p < 0.05$).

Subsequently, cultural values are significantly related to corporate identity of manufacturing companies as shown in its r-value 0.598 ($p < 0.05$). The result is interpreted as significant which shows that cultural values and corporate identity of the manufacturing companies are significantly related with each other.

The second question of this study is to determine which of the entrepreneurial orientation and cultural values best influence corporate identity of manufacturing companies in Southern Philippines. In answering this question, regression has been adopted. Diagnostic tests have been performed before conducting statistical test on regression to determine if regression assumptions are not violated.

The significance of the relationships of entrepreneurial orientation and cultural values to corporate identity warrant the use of regression analysis. Shown in **Table 3** is the multiple regression analysis on the influence of the independent

Table 2. Correlations between variables.

Variables paired with Corporate Identity	R	p-value	Interpretation
Entrepreneurial Orientation	0.562	0.00	Significant
Cultural Values	0.598	0.00	Significant

Table 3. Influencers of corporate identity.

Independent Variables	Beta Coefficient	p-value	t	Interpretation
Entrepreneurial Orientation	0.312	0.00	6.611	Significant
Cultural Values	0.405	0.00	8.598	Significant
	$r^2 = 0.417$			
	F = 151.482			
	$p = 0.000$			

* $p < 0.05$.

variables: entrepreneurial orientation and cultural values on corporate identity. The over-all p -value ($p < 0.05$) denotes that both entrepreneurial orientation and cultural values are influencers of corporate identity of manufacturing companies. The B value of the independent variable: entrepreneurial orientation and cultural values are 0.30 and 0.41 respectively. This means that if the entrepreneurial orientation and cultural values increases to one-point, corporate identity also increases by 0.312 and 0.405 standard deviation respectively. Between the two, cultural values indicate a higher influence on corporate identity compared to entrepreneurial orientation.

Lastly, the coefficient of determination of r-squared value is also shown in the table which is 0.417 or 41.70% of the corporate identity is explained by the independent variables, entrepreneurial orientation and cultural values.

4. Discussion

The discussion of data of the study based on the results developed using statistical tools. On the status of entrepreneurial orientation, result shows a high level of entrepreneurial orientation with the indicators autonomous behavior, innovativeness, proactiveness and risk-taking. This means that these strategies are used by the employees in their companies. This is in line with the findings of [Anthony and Tripas \(2016\)](#) that innovation as an aspect of entrepreneurial orientation can be used as a model for framing corporate identity expressions and creating favorable picture in stakeholder eyes.

This further means that the management of the manufacturing companies encourages workers to make decision in innovation, encouraging new ideas from workers and emphasize research and development. Involving workers in implementing innovation, exploring bravely and open minded in achieving goals must be their priorities in order to stay ahead with the competition. This is relative to [Hoholm and Stronen's \(2011\)](#) study that innovation is the engine for corporate development and staying ahead from competition. The result is also akin to the study of [Anthony and Tripas \(2016\)](#) that innovation sustains competitive positions and identity of many corporations.

On the status of cultural values, result shows an overall high level of cultural values in terms of power distance, uncertainty avoidance, collectivism, long-term orientation, and masculinity. This confirms the [Bruggen's \(2014\)](#) and [Sahu and Pratihari's \(2015\)](#) studies that culture have an influence or effect on the corporate identity. In addition, the study of [Park \(2016\)](#) revealed that there is a significant relationship between cultural dimensions and the level of organizational identity.

Among the five indicators uncertainty avoidance has a very high level which is considered to affirm the [Park \(2016\)](#) study by the respondents. This means that spelling out detailed and following instructions and procedures are very important for the employees. Through rules and regulations, the employees will be informed of what is expected from them. Standardize work procedures and in-

structions for operations are also important that would help them perform their duties.

Further, on the status of corporate identity, result reveals an overall high level of corporate identity. In terms of symbolism, which has a high level, that organization's vision, mission and values represent the business philosophy, defined standards for visual mix elements are followed in organization across all means of representation including print and digital media, considered visual element mix as eye catching and enables identification with key target stakeholders and aimed at creating a specific image among key target stakeholders. The study of [Maurya, Mishra, Anand, & Kumar \(2015\)](#) revealed that symbolism can assert authority, promote beliefs and convey ideologies and set of attributes that stakeholders might use to describe a company.

In terms of communication, with a high-level result, the medium of targeted communication is selected based upon the need and relevance to the company's key stakeholders, it is predominantly set by the top management of the company, have a similar theme, and not so much relying on external agency for designing the content of communication. Similarly, [Perez Ruiz, Del Bosque, and Alfredo \(2014\)](#) claimed that communication is central to preserving its partnership with its key stakeholders.

The result shows that in terms of behavior, it has a very high level which means that the company ensures awareness to employees on relevant values, there is a total agreement on the mission across all levels and functional areas of the organization, employees view themselves as partners in charting the direction of the business, and the company has a well-defined mission statement. With all of these, it confirms with [Cornelissen's \(2017\)](#) study that employee conduct, from either the top management down to the lowest level, will leave stakeholders with a favorable impression.

The study revealed that cultural values are the best predictor of corporate identity as evidenced by the statistical results. This means that culture affects the corporate identity of an organization. In consonance to the findings of [De Roeck, Maon, and Lejeune \(2013\)](#) and [Bruggen \(2014\)](#), corporate identity will be determined from the information derived from the culture of an organization. [Park \(2016\)](#) has revealed that culture will influence corporate identity in a significant manner. Culture is also a corporate identity determinant that reinforces the organization ([Sahu and Pratihari, 2015](#)). Furthermore, Hofstede's cultural dimensions on power distance, uncertainty avoidance, collectivism, long-term orientation, and masculinity are the most effective framework that has great contribution in the success of the organization.

The results of the study may imply a basis for management of manufacturing companies in Southern Philippines in edifying ways on improving more the practices while eliminating unnecessary practices that can stain the identity of the company. This research was performed primarily at tuna and other seafood product manufacturing companies, and the sample consisted of rank-and-file

employees only; top management employees were excluded. As another scope of the study expands, other manufacturing companies will be considered, and so will top management. It can employ an exploratory design approach to obtain in-depth feedback from participants in all level of management. It may also include variables such as business performance and corporate social responsibility in carrying out similar study.

Acknowledgements

The author greatly acknowledges the University of the Immaculate Conception (UIC)-Graduate School (GS) and Research Ethics Committee (REC), as well as my Professors: Dr. Presentacion Acosta, Dr. Gloria Gempes, Dr. Joseph Noval, Dr. Mary Jane Amoguis, Dr. Nick Aduana, Dr. Dunhill Bilog, and Dr. Emma Sagarino for providing valuable advice and support in my research undertaking.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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