

A CORPORATE SUSTAINABILITY PERSPECTIVE OF INFORMAL CORPORATE IDENTITY CLUES ON CORPORATE REPUTATION

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ABSTRACT

This paper conceptually examined the nature of corporate identity, the development of Informal Corporate Identity Clues (ICIC) and its effects on corporate reputation of an organisation with the aid of Holistic Corporate Identity Communication framework. After a review of conceptual and analytical positions about the risks and benefits associated with aligned or misaligned corporate identity on corporate reputation; the study explored the use of corporate sustainability on the management of corporate image and reputation. Indicators such as integrity, ethical behaviour, identifiability were used to identify the expression of corporate reputation, while four key dimensions (societal influence, environmental impact, organisational culture and economic) aided discuss of corporate sustainability. Informal corporate identity clues were seen as behavioural expressions that are either positive or negative but exert meanings. This include but not limited to expressions such as body gestures, postures and facial expressions, and visual appearance such as quality of dressing, beauty looks, etc. Holistic Corporate Identity communication Process (Otubanjo & Amujo, 2012) was used to discuss the management of ICIC on corporate reputation using corporate sustainability theory. The study recommends that organisations should use corporate sustainability practices as a mediator between corporate identity that is expressed through formal and informal lines of corporate communication and corporate reputation so that organisations can constantly be seen as credible, reliable, and trustworthy organisation.

Keywords: Corporate Sustainability, Informal Corporate Identity Clues, Corporate Reputation, Corporate Identity, Corporate Image

Introduction

Corporate Identity has become a buzz word and important business practice (Otubanjo and Amujo, 2012) based on its recognition and significance to enable and constrain organisational success (Leitch and Davenport, 2011). Over the years, organisations have been appraising and conceptualising their corporate personality using different corporate communication channels to present and express their personalities in order to have favourable representations in the minds of stakeholders. Otubanjo, and Amujo (2012) cited examples of how various organisations spent billions of Naira on advertisements of corporate identity, corporate visuals, entry into new businesses and new markets and signification of internationalisation of personality amongst others so that organisations can intentionally and calculatedly plan their corporate identity. Unfortunately, in spite the billions of Naira spent on the building of corporate identity, majority of corporate identity plans still often fail to manage informal aspects of corporate identity. This exists because there is always limited behavioural training of the requirements to achieve corporate identity strategic plans at the operational level. Limited knowledge of corporate identity policies and lack of continuous, planned identity communication and management through employees expressions hold sway. This invariably affects corporate image and reputation of the organisation either in the short or long run (Otubanjo and Amujo (2012). This paper therefore, sets out to examine the role of corporate sustainability on the management of informal corporate identity clues on corporate reputation of an organisation. This objective is to answer the question - how does the management of corporate sustainability and informal corporate identity clues affect corporate reputation?

Literature Review

What is informal corporate identity?

Informal corporate identity is derived from the corporate identity concept, which is a subset of a much broader field of corporate marketing (Leitch and Davenport, 2011). It is distinctive engagement of employees behavioural communication with the public (Cornelissen, Haslam and Balmer, 2007; Leitch and Davenport, 2011). The definition is derived from definition of corporate identity that combine visual elements of identity such as logos and corporate colours and non-visual elements as a planned expression of corporate personality through a variety of channels (Otubanjo and Melewar, 2007). This paper adopts the definition of corporate personality by Melewar, (2003) as the formal expression of who the firm is; where the firm was and why it was there; where the firm is currently and where it is going; what it does and what it is good at doing; how it is run; what it stands for; what the firm believes in; how it operates. Answers to all these questions are expressed through a variety of corporate identity mix channels, while corporate image emerges from the receipt and interpretation of these corporate personalities by stakeholders (Otubanjo and Amujo (2012).

Therefore, the presentation of corporate identity by employees can either be formal (strict adherence to rules and regulations of the organisation) or expressed informally (unrestricted, unguided, undirected, unmanaged conditions or circumstances devoid of formality). Informal corporate identity is unconscious, unintended and non-deliberate expression of an organisation's corporate personality through the channel of behaviour (Otubanjo and Amujo, 2012). The contexts of behaviour in this definition includes but not limited to unspoken human actions such as body gestures, postures and facial expressions, and visual appearance such as quality of dressing, beauty looks and so on.

It is therefore expected that once the employees are able to absorb the defined corporate personality statement, the behaviour of employees should be a reflection of the corporate personality values (such as smiles, nod, laughs, waves and other positive body postures) which leads to the development of corporate image. On the contrary, negative behaviours such as raising of voice at customers, frown, slow response to customer's enquiries etc. would leave customers or stakeholders with no choice than to see the organisation as hostile, inhospitable, cold, frosty, unwelcoming and bad. This will generate a negative corporate image. Therefore, organisations that generate positive image transmits positive corporate reputation signals that indicates high level of company's trustworthiness and low level of risk, which can play a role of catalyst in customers making a decision to buy, decision to invest, to make a contract or to be employed.

Corporate Reputation

This concept is multi-disciplinary in nature. Corporate reputation according to Fombrun (1996) is the perceptual representation of an organisation in the minds of key stakeholders. While some marketing and management scholars made no distinction between the terms organisational reputation, corporate reputation, firm reputation or in simple term, reputation; corporate reputation has been defined as an outcome of former actions (Chun, 2005). Definition by Abratt and Kleyn, (2012) sees corporate reputation as a stakeholder overall evaluation of an organisation over time. This implies that stakeholders' experiences and relationships with the organisation, brands and members influence the reputational posture of the organisation on the minds of stakeholders.

Given the importance of corporate reputation as a tool for competitive advantage of a firm; van de Merwe and Puth (2014) developed a conceptual model to establish relationship between corporate trust and corporate reputation. This paper adopts three (integrity, ethical behaviour, identifiability) of the seven listed antecedents (transparency, likability, benevolence, ability) of corporate reputation. Van de Merwe and Puth (2014) further argue that for any organisation to be reputable, it is not only authenticity, consistency in behaviour and appearance that is important, but rather the intrinsic characteristics of the organisation's identity should be based on ethical values and normative rules which stakeholders can identify with, that will make it worthy of having its stakeholders' trust placed in it.

Integrity

This paper defines integrity according to van de Merwe and Puth (2014) as the level of congruence between an organisation's words and actions; its ability to consistently honour its word and to deliver on its promises or to communicate to those who were counting on the organisation to keep its word as soon as it knows that it will not be able to do so, for whatever reason, and then to take steps of retribution. By this definition, it implies that integrity is devoid of any normative content but characterized as the objective state or condition of an object, system, person, group or organisational entity where its state, or condition is whole, complete, unimpaired and sound (Erhard, Jensen and Zaffron, 2009). Thus, organisation must ensure that agreements or statements between them and stakeholders must be adhered to in order to be regarded as being credible.

Ethical behaviour

This paper sees ethical behaviour as the organisation's consistent conduct and adherence to a set of moral principles and ethical behavioural standards (including legal compliance and procedural fairness) or values that the stakeholders find worthy and acceptable within the wider societal context (van de Merwe and Puth (2014). It is expected that organisations use this set of moral principles or values to direct its commercial activity, decision-making, actions and business operations, to ensure that it acts fairly, honestly and responsibly towards all its stakeholders in everything it does (van de Merwe and Puth (2014).

Identifiability

This paper in line with earlier studies such as van de Merwe and Puth, (2014) and Vanneste, Puranam, and Kretschmer, (2011) that sees identifiability as a situation where organisations stakeholders get to know and to identify with an organisation through internalizing its preferences and aligning themselves with the organisations' goals. Furthermore, it is observed that for stakeholders to identify with an organisation there must be value congruence between the stakeholders and the organisation which the firm conspicuously communicate and act in line with core values, norms and beliefs that its stakeholders can identify with (van de Merwe and Puth, 2014; Murray and White, 2005; Vanneste *et al*, 2011).

Corporate Sustainability Theory

Simoes and Sebastiani (2017) observed that there is no universal perspective on the notion of corporate sustainability. However, the authors defined the theory as an approach aiming to create long term stakeholder value through the implementation of a business strategy that focuses on ethical, social, environmental, cultural and economic dimensions of doing business. The strategy is expected to be systematic, interconnected and interdependent with economic, environmental and social concerns at different levels of organisations. It is therefore expected that organisations must effectively integrate social and environmental issues into the vision, values, culture and operations of the organisation. This posits why Sebastiani, Corsaro, Montagnini and Caruana, (2014) argue that for organisations to attain a corporate sustainability level, it must be primarily driven by the development of an ethically-based organisational culture with a focus on human resources, rather than being driven by organisational size or type of market offer. Therefore the thinking of the organisation should be holistic in which corporate ethics and culture are developed because an overarching posture of the organisation acts as a platform that supports stakeholder agreement, organisational learning, corporate sustainability monitoring and control systems (Simoes & Sebastiani, 2017).

Four key dimensions (Aras & Crowther, 2008) aid the pursuit of corporate sustainability. They include societal influence, environmental impact, organisational culture and economic dimensions. Societal influence gauges the mutual impact between the society and organisation, the social contract and stakeholder influence. Environmental impact on the other hand addresses the effects of organisation's actions on the geophysical environment. Organisational culture captures all aspects of the relationship between the organisation and its internal stakeholders which particularly are the employees. Finally, the attainment of a suitable return of investment derived from financial risk management is observed as economic dimensions. While corporate sustainability is a cross functional stream that requires the coordination of heterogeneous actors at different levels of the organisation (Simoes & Sebastiani, 2017); management is therefore expected

to combine the integration of strategies and resources at different levels of the organisation when pursuing the achievement of corporate image or reputation. Because, the implementation of corporate responsibility practices legitimizes organisation to be desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions by stakeholders (Suchman, 1995). Therefore, the coordination of the heterogeneous factors across the different levels of the organisation (normative, strategic and operational management levels) is expected to generate consistent sustainability strategy into action. This in essence will enhance structure and culture fit, power and influence fit, communication, commitment, encouragement and support that will generate the exhibition of cues that reflects corporate identity and enhances corporate image or reputation.

Discussion and Findings

Following the review of literature in the paragraphs above, it is safe to assume that it is essential to have an aligned relationship among corporate identity, informal corporate identity cues, with corporate image or reputation. This perhaps implies that there should be a fit between formal corporate identity messages expressed through informal employee behaviour and other formal corporate identity messages expressed through formal lines of corporate communications via the notions of corporate sustainability. Perhaps, this posits why Otubanjo and Amujo, (2012) assert that in situations of non-alignment of corporate identity and informal corporate identity clues, a misaligned corporate identity is most likely to occur.

In figure 1, the corporate personality appraisal starts in the first stage with an appraisal of the personality of the organisation. This is where defining questions are asked by the management so that they can categorically identify their personality. This is followed in stage two by the melding, positioning and communications stage where committees are set up to harness answers to the earlier asked questions. Thereafter, it is communicated and assimilated in the third and fourth

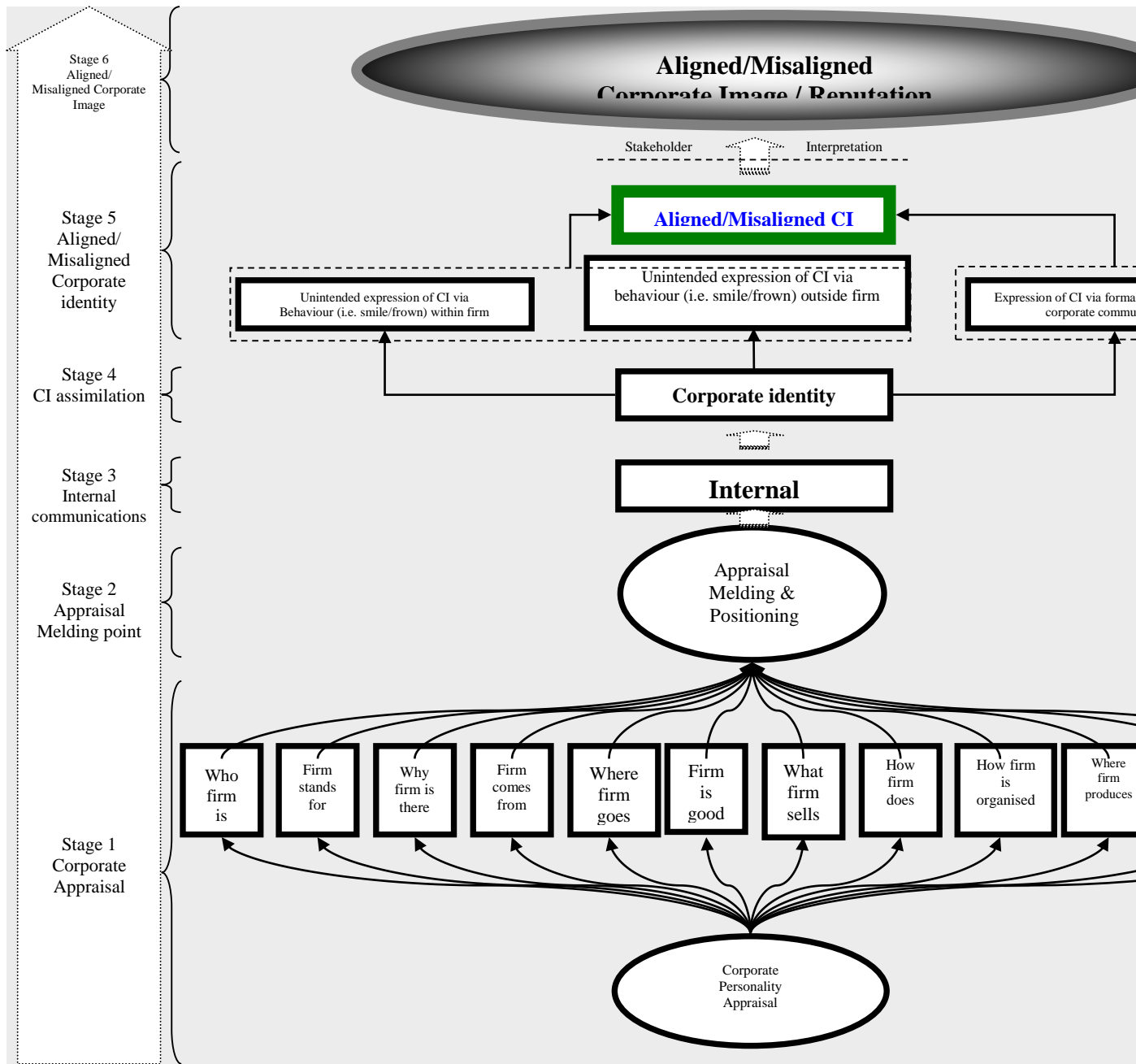


Figure 1: Holistic Corporate Identity Communication Process;
 Source: Adapted from Otubanjo and Amujo, (2012)

Stages. It is also in these stages that corporate sustainability issues are discussed, formulated and expressed by management as strategic policies. These policies are further translated into operational tasks for understanding and action. The alignment or lack of it between the views of management and understanding of employees has its impact on the next stage. The fifth stage shows the drawing together of expressions within and outside the premises of the firm together with the corporate personalities expressed through the formal lines of corporate communications which consequently leads to the development of an aligned or a misaligned corporate identity. Thereafter, stakeholders interpret aligned or misaligned corporate identity in the business environment which eventually becomes an aligned or misaligned corporate image. On the long run, consistent positive or negative corporate image becomes positive or negative corporate reputation.

Therefore, there is need for Organisational management to:

- 1) Develop corporate sustainability approaches at the strategic level: this can be achieved by defining relevant strategies to establish effective organisational culture, continued understanding of sustainability activities by employees will have an impact on culture and behaviour.
- 2) Educate staffers on why mission statement and organisational values play a key role in orienting the business strategies organisations develop.
- 3) Developing corporate sustainability symbols such as corporate logo, corporate label etc. around the offering(s) of an organisation so as to represents the strategy on the minds of different stakeholders.
- 4) Consistently frame corporate identity through leadership commitments and leadership behavioural expression that reflects and exemplifies the strategic position of the organisation. This will have a great impact on corporate image or corporate reputation.
- 5) Develop more fluid sustainability strategies to create a unique positioning in the market in situations when sustainability becomes a salient, coherent and holistic aspect of corporate identity formation. Also, organisational management must take proactive approaches towards sustaining corporate image and reputation based on changes in environmental and societal levels.
- 6) Constantly communicate positive information about the institution while at the same time create a network of partners committed to sustainability activities (i.e. organisations known to have positive corporate reputation) in order to strengthen institution's position in the market.
- 7) Engage in community support activities that are strategic to both management and immediate communities so as to influence and sustain corporate image and reputation within the external environment.
- 8) Engage in constant trainings and meetings within the Institution to resolve differences between strategic and operational policies during implementation, in order to reduce confusion that can generate the communication of negative corporate identity clues by employees to external stakeholders.
- 9) Enhance its brand positioning through consistent communication of formal and informal corporate identity cues of employees. This can be achieved through employees' consciousness about sustainability issues and enacting on the corporate mission through expression of corporate identity using brand positioning strategy.
- 10) Use control and monitoring systems that will enhance compliance to strategic policies, so as to improve the delivery of corporate messages via formal and informal processes that will continuously improve corporate image and corporate reputation.
- 11) Also, strong leadership is relevant to successfully setting the direction, creating the alignment and maintaining the internal commitment to strategies when there is misalignment.

Consequently, it is expected that the following benefits should accrue to employees, organisations and the nation at large when firms within a country are able to make representations that increases their credibility and image.

- i. **Personnel Relations:** it positions employees as central to the achievement of strategic corporate personality policies. This makes organisations to appreciate their employees through different welfare programmes. The multiplying effect of appreciating employees either through job promotions, financial reward etc. will have a positive impact on the economy.
- ii. **Reliability:** organisations are positioned in the minds of stakeholders as ethical, credible, trustworthy, reliable and honest that could be trusted and relied on. This enhances the development of positive image and reputation. The products of the firm will always be patronized. This will boost sales, productivity, growth and development of the firm.
- iii. **Positive Image:** an organisation that has been able to constantly satisfy the expectation of consumers will automatically be differentiated within the fierce competitive market due to her positive image amongst other reasons.
- iv. **Collaborative Efforts:** the alignment will not only enhance the development of positive image of the firm, but will also enhance the collaboration of employees to work cohesively and cooperate to achieve organizational goals and objectives. Thus, as many firms are able to achieve this feat within an industry, it enhances the development and growth of a nation.
- v. **Credible Recruitment:** as the firm constantly communicates her corporate personality through formal and informal lines of communication, will unconsciously influence the interest of talented and highly intelligent executives that will be employed. This perhaps will always enhance the quality of product delivered on a long term.

- vi. **Country or National Image:** as more and more firms are able to satisfy the alignment of their informal corporate identity clues and their corporate personality, so will it enhance the trust, quality, ethical and credible representation in the minds of stakeholders within and outside the country based on positive image. Eventually, as more and more firms are recognized as credible, the image of the country's manufacturing or service industry will be enhanced as a nation that produces quality products, hence, the enhancement of high volume foreign trade.

Misaligned Corporate Identity and Associated Risks

Misaligned corporate identity occurs when there is divergence between the expressed corporate personality messages through formal lines of corporate communication and those informally conveyed through employee behaviour. As this occurs, there are many risks involved especially in service oriented industry like a University. As organisation's continuously try to enhance the image of themselves through different structural and architectural changes to buildings, logo etc. so is it expected that the behaviour of employees too will meet the communicated identity. Unfortunately, when this ceases to occur, a misaligned identity is established in one or more of the following ways:

customer disloyalty, negative corporate image, business divestitures, loss of profit, lack of motivation amongst employees, Employee – management crisis, High employee turnover and corporate dissonance.

Conclusion

The paper underscores the importance of employee behaviour as an important resource in the expression of corporate identity (Brexendorf and Kernstock, 2007; Otubanjo and Amujo (2012). The study provides conceptual importance of using corporate sustainability perspective as a basis of forming strategic policies of organisations in order to influence corporate image. The findings of this study supports positions of earlier scholars such as Grönroos, (2000), Harris and de Chernatony (2001) and Otubanjo and Amujo (2012) that the behaviour of employees affect the image of firms amongst others. This paper also acknowledges that informal projection of corporate identity via employee behaviour must be properly managed, otherwise, often leads to misalignment of corporate identity and distorted corporate image among stakeholders. This consequently will affect the reputation of the organisation over time if the behaviour is observed as a common practice. While misaligned corporate identities especially among services organizations whose personality and image evolved through unplanned corporate identity communications, which are caused by failure on the part of management to consciously, manage their employee behaviours, are critical drivers of corporate identity. Thus, unfortunate disregard for corporate identity management to the vagary of employees and half-hearted commitment of the top management, will ultimately spell doom for the corporation as this will invariably lead to projection of antagonistic and counterproductive multiple corporate identities (Brexendorf and Kernstock, 2007; Otubanjo and Amujo (2012). Therefore, the use of corporate sustainability advocacies during the development of organisational policies will avoid disconnect between pronouncements of organisation and performance damages of employees that leads to negative corporate reputation and lack of trust.

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