CORPORATE IDENTITY
WITH SPECIAL REGARDS TO THE HUMAN FACTOR

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To my Parents

CONTENTS

INTRODUCTION

This PhD dissertation is the author's[1] second thesis in Corporate Identity. He wrote the first one (MBA Management Project) at Bradford School of Management in 1994 (University of Bradford Management Centre at that time). Previously, he had been showing interest in communication and marketing-communication. After one years' teaching of marketing he specialised in human resource management. Its title was "The Identity: A Behavioural Approach" (Csordás, 1994). Although the role of employees was mentioned, that thesis approached behaviour from a corporate perspective. It did not boil down to the conclusion that the human resource function should be involved in the corporate identity management process in one way or another, which is suggested by some authors (Olins, 1995; Balmer, 1998); this time however it is one basic statement that the HR function receives undue attention in the corporate identity formation process.

This section is meant to introduce the dissertation in terms of the following points:
1. Rationale of the research
2. Research areas (structure of the dissertation)
3. Methodology
4. Corporate Identity and Economic Theories

1. Rationale of the research

There is a heightened interest towards corporate identity nowadays; its importance is increasingly being recognised. The reason why managing corporate identity has become important is that business and other organisations have realised that it is indispensable if they wish to create a competitive advantage.

In general, the purpose and objective of corporate identity management is to achieve a favourable image (Abratt, 1989; Balmer, 1995; Van Rekom, 1997, Balmer and Gray, 2000) and reputation (Stuart, 1999; Balmer and Gray, 2000)[2] which leads to competitive advantage (Balmer and Stotvig, 1997; Balmer and Gray, 2000; Bick, Jacobson and Abratt, 2003; Melewar, Bassett and Simões, 2006) or "strategic advantage" as Fombrun (1996:80) puts it. Competitive advantage may be achieved only if the stakeholder groups are (more) favourably disposed to an organisation (than to other organisations), i.e. they are willing to buy the products & services of the organisation, to work for it and they are willing to invest in it or trade with it (ICIG's Strathclyde Statement, 1995; Baker and Balmer, 1997, Melewar and Karaosmanoglu, 2006). Fombrun (1996:84) concludes that "there is enduring economic value in a strong corporate-level reputation".

Reputation is a sort of capital which is manageable and measurable, and it is part of the market value of the firm (Fombrun 1996; Nyárády and Szeles, 2004). They refer to the survey carried out by CEO Magazine and Hill & Knowlton in 1999, the results of which are the followings:
- 96% of CEOs believe that reputation is important for their company;

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[1] The phrase "the author" refers to the writer of this PhD thesis as in the case of Anglo-Saxon academic writings the personal pronoun "I" is not in use in general.

[2] Most "process models" of corporate identity, apart from the nascent literature, e.g. Kennedy (1977) and Dowling (1993) speak of "corporate image" as an "end-product", however, Balmer and Gray (2000) mention "competitive advantage" as the final purpose of the process.

- 77% of them believe that positive reputation helps sell their products and services;
- 61% of them think that positive reputation makes the organisation attractive for employees;
- 53% of them believes that positive reputation increases credibility during crises.

Nyárády and Szeles (2004:215) draw the conclusion that "positive reputation = capital". They list various measurement systems[3] some of which measure reputation value, others measure image and brand values. The value of corporate brand is emphasised by Anson (2000:164) who asserts that nowadays "these assets are often worth far more than many companies' tangible assets". Intangible assets, according to Sveiby can be classified as 'employee competences', 'internal structures' and 'external structures' in the balance sheets of companies (Sveiby, 1995). Corporate identity, brand and reputation belong to the 'external structures' in his system (Nyárády and Szeles, 2004).

It is more and more difficult to gain competitive advantage nowadays when products & services are becoming more similar. In those circumstances companies, wanting to gain it, have to utilise intangibles such as corporate identity, corporate branding, corporate image and corporate reputation (Balmer and Greyser, 2003). Also, from a practitioners' point of view, as products and competitors proliferate, it is the most repeated names and images will dominate (Melewar and Saunders, 2000). According to Topalian's (2003:1124) consumer marketing-oriented statement "it is difficult to differentiate products of increasingly similar appearance and performance, especially in overcrowded markets… People are interested in the kind of organisations they deal with: many resist buying from those whose values are significantly different to their own." In general, companies have realised that managing corporate identity is a strategic tool to improve corporate performance.

The recognition of the importance of corporate identity has led to the emergence of specialised academic courses on the area. These courses have been offered at Strathclyde Business School since 1991 where an International Centre for Corporate Identity Studies was also established. Several other leading business schools have also begun or are about to run courses on corporate identity as part of their degree courses.[4] In Hungary there are two institutions where corporate identity has been offered as a distinct course, one is BGF Business School (course leader is Péter Szeles) and the University of Miskolc (course leader is the author).

In his MBA Management Project the author attempted to clarify some confusions concerning the area: at that time the concepts of "image" and "identity" were used interchangeably and corporate identity was basically regarded as the visual self-presentation of the company, even in the academic literature. Therefore, the author wished to express that the confusion in the terminology is at variance with the need for clear interpretation; and that corporate identity was more than just a concept to be described merely by visual terms. The world has changed but the concept is still fraught with confusion. Professor John M. T. Balmer, founder and head

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[3] Examples: Fortune/Roper Corporate Reputation Index, Image Power (Landor Associates), Brand Vision (Market Facts), BrandPerceptions and CORPerceptions (Opinion Research Corporation International), RQ Gold (The Reputation Institute), The Reputation Report (Walker Information) and The Brand Asset Valuator (Y & R).

[4] These schools include Bradford School of Management (UK), Cranfield University (UK), Erasmus Graduate Business School (The Netherlands), Harvard Business School (USA), HEC Paris (France), Queensland University of Technology (Australia), Loyola University, Los Angeles (USA), and Waikato University (New Zealand) (Balmer, 2001a)

of ICIG[5] published a paper in 2001 in order to point out the main factors contributing to the confusion (the "fog" as he calls it). Four factors, among the fifteen he identified, are

1. "The terminology",
2. "A traditional lack of dialogue between Anglophone and Non-Anglophone scholars and writers",
3. "Multifarious disciplinary perspectives re business identity" and
4. "The traditional lack of dialogue between researchers from different disciplines" (Balmer, 2001a:251).

This is one reason why the author has written this PhD thesis. It contains *the first in-depth review of the Anglo-Saxon literature ever written in Hungary* (which statement is based upon a personal interview conducted with Public Relations expert Péter Szeles, in January 2006; this statement was confirmed by him in 2008). The author posits that standing on the same platform in terms of terminology with those writers can be the starting point of joint research with them. This requires (1) a clarification in terminology in general, (2) introducing the Anglo-Saxon approaches in Hungary.

The meaning of some related corporate-level terms (e. g. corporate brand, image and reputation, organisational identity) has been reconsidered, new concepts have appeared on the horizon and received saliency (e.g. "construed image" – explained later –, which is of particular importance in terms of employee identification, and, it is the first element the author added to Balmer's latest ACID Test version). This PhD thesis, therefore, attempts to systematically introduce those main terms and explain the way they are related to corporate identity.

Corporate identity, originally interpreted (mainly by design and marketing experts) as a visual self-presentation of the company, has been affected by different disciplines, with special regard to behavioural sciences, which has lead to the multidisciplinary approach, especially in academic interpretations. New models have appeared in the literature, part of which have been set up by practitioners (identity consultants) and part of which have been designed by academics.

Finally, the role of the human factor has recently been highlighted: definitions stress its importance, various authors suggest that one should not overlook what people think and feel about their organisations; HR-related questions have to be asked and answered when setting up corporate identity programs; HR may also benefit from an explicitly managed corporate identity.

2. Research areas (structure of the dissertation)

The structure of the dissertation is tripartite: first it gives a brief overview of the terminology. One fundamental aim (or rather mission) of this research is to get the Hungarian and the Anglo-Saxon academics and practitioners closer, to build some sort of bridge between them. This may be reached via reviewing the literature written in English on corporate identity (most of the literature on the topic is written in this language) and positioning the dominant Hungarian approaches in it.

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[5] International Corporate Identity Group: the author is a member of this association.

a) Terminology (Chapter 1 and 2)

One of the main goals of the author, according to the above, is to get the terminology into some sort of order. He will introduce the extant interpretations of corporate identity and the related concepts (image, reputation, corporate communications, corporate brand, organisational identity). Simply put, the "fog" exists in the terminology, in the author's view, because many people (from various disciplinary backgrounds) have argued many things at different times. The author argues that any statement or definition in the literature may be right, different approaches may be collated with one another if one considers the three important interrelated aspects, as follows: (a) who states or argues something – and, more importantly, what his or her disciplinary background is; (b) when he or she stated that – i.e. when his or her fundamental (seminal) work was written; and (c) where – i.e. in what country, region or continent a particular author is from.

Finally, the author posits that the academic interpretation of corporate identity in Hungary today broadly corresponds to that of the Anglo-Saxon literature at the end of 1980s and the early 1990s. When relating to the component parts (areas) of corporate identity, Hungarian literature nearly exclusively uses Birkigt and Stadler's (1986) model (Culture, Design, Communication and Behaviour) but mostly without referring to it.

b) Further model development (Chapter 3)

A further aim of this thesis is to introduce the often quoted models and frameworks in the Anglo-Saxon literature which are relatively unknown in Hungary. One model the author wishes to call attention to is the above mentioned mix of Birkigt and Stadler (1986), which is only one categorisation of the areas of corporate identity. There are more recent ones, e.g. Melewar and Karaosmanoglu's (2006) sophisticated mix.

Some models are further developed from time to time, e.g. Bernstein's (1984) communications model, "The Wheel", by Balmer and Greyser (2003), "The New Corporate Communications Wheel". Another example is Abratt's (1989) influential "process model", "The Corporate Image Management Process". The author further refined this model. He based his MBA Management Project on his new model in 1994. The new elements he added were "Corporate Philosophy" and "Communication of the Identity". One year later, Balmer (1995) identified "Corporate Philosophy" as a separate element in his further developed version and then, three years later, "Communications" were added by Markwick and Fill (1997). That is, the author made exactly the same (unpublished) additions as others made several years later. After many modifications, Abratt himself set up a final model with co-authors in accordance with the modern interpretations of corporate identity (Bick, Jacobson and Abratt, 2003). One merit of this framework is that it recognised and emphasised the role of human resources.

The author has singled out Balmer's ACID Test for further development in his PhD thesis. The reasons for these are that (1) this model includes several areas of corporate identity, also those analysed by the author, in a complex framework and (2) the author introduced a 'way of thinking' similar to the ACID Test in his MBA Management Project. The model can also be applied to explain the terminology (the author clearly refers to it in the dissertation): the increasingly complex definitions may be illustrated by way of covering more and more elements in the model. The main idea of the model is that there are potential misalignments among the elements. First of all, the model distinguishes between the two basic facets of

corporate identity: CI as "distinct attributes" (that also corresponds to Albert and Whetten's tripartite criteria), called "Actual Identity, and CI as an explicit and deliberate "self-presentation", called "Communicated Identity" in the model. The main point here is that the two facets may be misaligned, that is the communicated identity and the actual one may not reflect the same thing. Corporate image ("Conceived Identity") may also be incongruent with either the communicated or the actual one or both. The model, previous versions in a subtle way and Balmer's last version in an explicit way, relates to the human factor by way of making the organisational identity concept part of the model. The author has added "Construed Image"[6] ("Construed-Conceived Identity") and "Informal Communications" ("Communicated Identity – Informal") to the model and offered a new method to operationalise the framework: further developed Balmer's REDS[2] ACID Test Process™. This further development is a novelty: nobody had tried to add to or change Balmer's ACID Test before the author's attempt.

c) Relationships between CI management and HR management (Chapter 4)

Perhaps the most important research question of the author has long been the role of employees in corporate identity management. Clearly, there are obvious references in the literature that suggest that the role of employees and HR in general should not be overlooked when discussing corporate identity and corporate identity management. These explanations are discussed in the brief literature review parts of thesis statements 3 to 5.

The research aims at answering three research questions, although the CI-HR relationship can be examined from other angles as well, for example, "personnel marketing" and "employer branding": the literature of these areas relate to corporate identity. The three questions are as follows.

Research question 1:	The importance of corporate identity in managing human resources: can human resource management benefit from an explicit management of corporate identity? If so, what are those areas?
Research question 2:	The existence of people's behaviour in corporate identity, *and* the extent to which the human resource function is involved when establishing and managing identity.
Research question 3:	The importance of the commonly shared values: to what extent are they taken as a basis when running an identity programme?

The above three main research areas overlap one another:
- Terminology – Further model development: the framework the author designed to collate the main conceptual categorisations is a new model which synthesises previous ones into a complex compound.
- Terminology – CI-HR relationships: (1) The role of the human factor is often touched upon in chapters dealing with terminological issues; also several process models introduced, {e.g. Kennedy's (1977), Dowling's (1986), Stuart's (1998 and 1999) and Bick, Jacobson and Abratt's (2003) frameworks} relate to employees; (2) Each CI-HR

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[6] Construed image (what someone believes about other's beliefs, although not called this way) was mentioned in the MBA Management Project as an element that should be brought into alignment with other elements – five years before the invention of ACID Test and twelve years before Dacin and Brown's (2006) Four Viewpoints Framework which explicitly mention Construed Image. The author designed his version in early 2006.

research question begins with a short literature review with the purpose to elucidate why the particular questions are asked and why they are asked the way they are asked.

- Further model development – CI-HR relationships: the most recent additions of the ACID Test series all relate to the human factor: people's relationship with the actual identity of the company ("Cultural Identity" – added by Balmer); "Construed-Conceived Identity" that refer to how people feel and think about the (unknown) image of the company; and "Communicated Identity – Informal" that is concerned with what people say about their organisation may or may not match with the content of formal communications.

3. Methodology

The methodology of the research is presented under the headings of the three main areas below:

a) Terminology: *literature review + empirical research*

The basis of the methodology is the analytical review of the Anglo-Saxon academic literature which the author began when writing his MBA Management Project in 1994. The starting point of the literature review is setting up a definition of corporate identity reflecting the extant approaches. This definition will be illustrated by the author's version of Balmer's ACID Test later (further model development). Basically, the literature of corporate identity is reviewed; however, the author also takes the literature of the related areas (corporate image, reputation, organisational identity, corporate brand and corporate communication) into consideration. For the purpose of comparison the author reviewed most of the Hungarian literature. He conducted interviews with marketing lecturers (heads of departments and lecturers of courses that include corporate identity) of five leading Hungarian universities one lecturer of organisational behaviour and one lecturer of public relations in August 2006. The main question related to their definition of corporate identity and the mix they use to describe its component parts. Corporate identity was not translated into Hungarian in order to avoid the distorting connotations of the Hungarian term. Their replies were compared with the Anglo-Saxon literature.

b) Further model development: *literature review + logical deduction*

There are models in the Anglo-Saxon literature that are changed (additions are made, restructured) from time to time in order to reflect the most recent developments. The reason for choosing Balmer's ACID Test series has been explained. The author read all the articles on Balmer's ACID Test series, staring from Balmer and Soenen's (1999) first framework to Balmer's (2005) working paper on the AC^4ID Test (4 Cs) and tried to understand the logic behind the changes (the additions and the new structures). Adding "Construed Image" (what someone believes about others' beliefs) to a framework like ACID Test has been one of the author's ideas since 1994 when he suggested a gap-analysis including this item. When the author got to know the AC^3ID Test (3 Cs), he began to suggest this image type (beliefs about beliefs) being an additional element in the ACID Test, although at that time he was unaware of its official name (he was simply not aware of the expression "construed image"). Later, when he found it and noticed that its initial letter is also "C", he made it be the 4th C in 'his'

"AC^{4}ID Test" model. He then found Balmer's AC^{4}ID Test, in December 2005, with C^4 being "Cultural Identity". (AC^{4}ID Test – Cultural Identity – was not explained by Balmer (2005), the author however inferred its meaning from the explanations of previous versions.) This gave him the final impetus to set up the final AC^{5}ID and AC^{6}ID Tests: construed image is closely linked to organisational identity (Dutton, Dukerich and Harquail, 1994). In this way he could clearly position construed image in the framework and could also distinguish between "soft" and "hard" elements within AC^{6}ID Test. This distinction got the author to identify "Informal Communication" as a separate identity type and also to make it the basis of operationalising the model (the 2-step REDS[2] method).

c) Relationships between CI management and HR management: *literature review + empirical research*

The author mentioned earlier that this area of the research is discussed in the light of three research questions. Each question has its root in the corporate identity literature. The guiding principle of the author's research was considering the following, in this order: "This is what the literature suggests", and/or "this is what the author concludes from what the literature suggests"; "Does the empirical research support this proposition?" In order to follow this logic, the author presents a short review of the literature in his PhD thesis, concerning the above research questions.

A survey was conducted among human resource managers of companies in Hungary. These HR managers were contacted at the conference of OHE[7] on 19 May 2006, which also means that the sample is not representative. Everyone received a questionnaire in his or her conference package, 500 questionnaires were placed in the packages and only 3 (three) questionnaires were returned. This number increased to 37 after several rounds of phone-calls. The minimum acceptable sample size, according to the Department of Business Statistics and Economic Forecasting, University of Miskolc, is 30. Each question dealt with in the final analysis was replied to by at least 35 people. The relatively small sample size allowed the author to conduct quasi-interviews with some respondents. Moreover, in order to counterbalance the above mentioned two shortcomings of the sample, the author prepared a case study about the corporate identity programmes taken place at Miskolc City Transport Plc (MVK ZRt).

The structure of the sample by the explanatory variables used was the following:
- Phase of internationalisation: 42.9% domestic, 20% international, 28.6% multinational and 8.6% global
- Majority ownership: 47.2% Hungarian, 50% foreign and 2.8% joint-venture
- Sector: 24.3% primary, 29.7% secondary and 45.9% tertiary
- Ownership: 27.8% state-owned, 72.2% private

Empirical research methods can be categorised as
- objective and
- subjective methods.

Before the 1960s only objective methods were accepted in economics. After the 1960s subjective ones (e.g. interviews about opinions) were also accepted. Conclusions based upon subjective research methods cannot be regarded as incontrovertible ones: they are rather

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[7] Országos Humánpolitikai Egyesület – Hungarian Association of HRM

statements that will be underpinned or refuted by way of objective research methods. In his PhD thesis the author uses subjective techniques. Conducting an objective research is one of the author's future aims.

The methodology of the research, in terms of the three research questions, is as follows:

Research question 1
Respondents were asked to rank eight HR related criteria, as illustrated by the following table:

Criteria (in terms of which Corporate Identity may be regarded as "human resources tool")	Specifically In the Respondent's Company (Fact) (1 2 3 4 5)	In General (In the Respondent's Opinion) (Opinion) (1 2 3 4 5)
1. Attracting People	1 = It is not typical in the company represented by the respondent that CI[8] helps this HR function	1 = It is not typical in general, in the opinion of the respondent that CI helps this HR function
2. Selecting People		
3. Retaining Staff		
4. Motivating Staff		
5. Bringing about cohesion / sense of belonging	5 = It is absolutely typical in the company represented by the respondent that CI helps this HR function	5 = It is absolutely typical in general, in the opinion of the respondent that CI helps this HR function
6. Trust, loyalty		
7. Harmonised employee relations		
8. Identification / commitment		

Table 1: Questions asked in "Research question 1"

First, the "fact" (to what extent HR managers see explicit CI programs as contributors to the success of a given criterion in the organisations represented by them) and "opinion" (to what extent HR managers see explicit CI programs as contributors to the success of a given criterion in general / in their opinion) variables were averaged in order to compare the factual contribution of CI to the given criteria with the potential contribution of CI to the same criteria. Second, the fact variables were deducted from the opinion variables in order to make the differences more noticeable (also illustrated by a histogram). Third, the variables obtained in the previous point were standardised and plotted on a system of coordinates.

Research question 2
(a) The importance of employee behaviour in corporate identity was analysed using the following question: **"Does employee behaviour determine the identity of an organisation, taking the example of yours as a basis (or corporate identity is rather a visual category)?"** (b) The questions relating to the involvement of the HR function in an explicit CI programme were as follows: (1) Has HR played any role in the corporate identity programme? (Optional roles were listed in the questionnaire); (2) "Was a 'behavioural audit'[9] carried out as part of the CI programme?" The replies obtained were processed by means of frequency analyses and cross tables and illustrated by pie-charts.

Research question 3
HR managers were asked if the values expressed in the CI programmes were also shared by employees or those values are merely decided upon by management. The replies obtained were processed by means of frequency analyses and cross tables and illustrated by pie-charts.

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[8] CI is interpreted from a "self-presentation" perspective.
[9] Behavioural audit is Olins' (1995) expression to analyse the current situation as to how the company as a whole and its people behave.

4. Corporate Identity and Economic Theory

The basic question of this section is how corporate identity can be approached from the perspective of economic theory; or rather, which theory is the best foundation for corporate identity. In general, economic growth theories have pointed out that corporate value system is an important factor in growth: classical theories reduced the factors to "acre", "capital" and labour. Modern theories added "institutes". However, the most recent theories include "value system" as a determinant factor. The theory and practice of corporate identity is in close relationship with corporate values, therefore the emergence of corporate identity can be explained by this fact from the economic perspective.

The author is of the view that corporate identity as a multidisciplinary area of management cannot be totally explained on the ground of only one economic theory. The author asked several corporate identity academics for some ideas concerning this question. According to one response "… little contemporary CI writings refer to economics literature. Surely, if you can apply those theories to CI, that will be a real contribution."[10] Attempt to cut the Gordian knot seems to be a challenging job among these circumstances. The next paragraph presents the two economic perspectives from which, in the author's view, corporate identity can be viewed. These schools of thought are (a) evolutionary economics and (b) behavioural economics. Mueller (2004) argues that the two alternative approaches challenging the mainstream economics are evolutionary economics and behavioural economics.

a) "Corporate Identity" is a managerial tool used to achieve competitive (strategic) advantage – *"evolutionary economics";*
b) "Corporate Identity" is a multidisciplinary area rooted in organisational identity, with special regards to people-oriented subsets of organisational identity – *"behavioural economics"* (also *Akerlof and Kranton's work*)

a) Corporate Identity and Evolutionary Economics

One theoretical perspective corporate identity (as a managerial tool used to achieve competitive advantage) can be viewed from is *evolutionary economics*, a school of thought referred to as 'alternative economics' challenging the so called mainstream (neo-classical) economics (Frenken, 2007). Evolutionary thinking in economics, a branch of economic theory that views organisations in context, was fostered by the spectacular development having taken place in natural sciences (Meyer, http://bmekg.uw.hu). It basically suggests, mostly following Darwin and other 'evolutionary biologists' (Krugman, 1996), that there is a "natural selection"[11] not only among biological entities but also among economic organisations. If organisations can adapt to current environmental trends, e.g. they can make use of electronic commerce or they can capitalise on intangibles such as corporate identity and corporate brands, image and reputation, then they have the chance to keep abreast of competition. If they are not able or not willing to do so then they are not 'fit for life', just like biological species, therefore they will necessarily fail. According to Frenken (2007) evolutionary theory implies that firms need to acquire a set of routines that are hard to copy by competitors. The author interprets this statement as the need for developing "distinct ways of doing things" in

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[10] Norwich Business School, University of East Anglia, Norwich, Norfolk, UK
[11] The phrase "natural selection" has been taken from Nelson and Winter (2002:27): "…natural selection … requires the failure of the less efficient firms.")

order to stay in (or ahead of) competition: distinct routines are means of survival in the 'natural selection game'.

Extant definitions suggest that corporate identity is about distinctiveness, it is defined as a 'set of distinct attributes' (sub-chapter 1.1). Part of those characteristics are innate, they follow from the basic organisational values. Olins argues in his writings (e.g. Olins 1978 and 1989) that the distinct features (values) are mostly determined by those of the founder. These organisations do not have to deliberately acquire distinct routines because those routines follow from the natural characteristics of the firm. Richard Branson's Virgin is one of the best examples. It is rated as the third most admired brand of Britain after Marks & Spencer and Tesco and its total group turnover is over $5 billion. The company started out from its first record store opened on London's Oxford Street in 1971 (Taylor, 2004). What was hard to copy by its competitors was Virgin's way of stretching its brand (or rather its fundamental values based on Branson's personal traits) into many businesses. This distinct way of doing things ensures Virgin's survival. Other distinct routines have to be purposefully developed by companies in order to gain the upper hand in competition, which may or may not become permanent attributes satisfying Albert and Whetten's (1985) identity criteria (sub-chapter 1.4.3.).

Admittedly, the purest reason why evolutionary economics has come into question for the author is that Kenneth Ewart Boulding is said to be the founder of the evolutionary economics movement (Wikipedia). He wrote a book in 1956, titled "The Image: Knowledge in Life and Society". This book is regarded as the starting point of nowadays' corporate identity literature as it will be elaborated on in sub-chapter 2.1.1. However, the author could find no evidence that there are links between the thoughts discussed in Boulding's book and the evolutionary thoughts the author found elsewhere.

b) Corporate Identity and Behavioural Economics

"Corporate Identity" as a multidisciplinary area rooted in organisational identity is best approach from the perspective of *behavioural economics*. This school of thought "is the combination of psychology and economics" (Mullainathan and Thaler, http://www.iies.su.se:1); behavioural economists bring "psychological insights to bear on economic phenomena" (Loewenstein, 1999). This combination should not come as a surprise if one considers the following definitions of economics. Krugman (1996) in his paper on evolutionary economics asserts that: "Economics is about what individuals do… This is not to deny the relevance of higher levels of analysis, but they must be grounded in individual behavior." The author contends that image-making is individual even though it can be analysed at "higher levels" as well. Alessandri (2001) relates to the psychological components of image-making in her process model (sub-chapter 3.1.8.) and its explanation. Summers, Read and Fylan (2005:3) quote Lionel Robbins' definition of economics: "Economics is the science which studies human behaviour as a relationship between given ends and scarce means which have alternative uses". Is human behaviour rational? Do humans behave in a way to maximise their individual self-interest? The answer to these questions divide mainstream (neo-classical) and behavioural economics.

NEF (New Economics Foundation, www.neweconomics.org) calls attention to the sense of social identity in making decisions, as opposed to the neo-classical view of people carrying

out a full rational analysis of all their available options. Putting it simple, we think: what would other people from 'my group' behave in this situation? "My group" can also be a company having a value system with which others in "my group" identifies, therefore I, who define myself in company terms, also have to identify with it and behave accordingly. The author, following He and Balmer (2007:770), will define one subset of organisational identity as "social identity within an organisational context" and will argue that corporate identity should be based on organisational identity. Alternatively, "my group" can also relate to a specific group of consumers: the research of Bhattacharya and Sen (2003) is exemplary on consumer-company identification in this regard.

Perhaps it is not surprising then that both behavioural economists and corporate identity academics refer to psychologists Tajfel and Turner's work on social identity. Cornelissen, Haslam and Balmer (2007) compare and contrast the literature and terminology of social identity, organisational identity and corporate identity and point out that there are obvious interrelationships. Akerlof and Kranton[12] (2005a) also rely on the notion of "social identity" (with special regards to the work of Tajfel) in their economic model-making.

Further inquiry into the field of behavioural economics as an approach to corporate identity seems interesting following the analysis of Foxall, Olivera-Castro and James (2007), who published a book titled "The Behavioural Economics of Brand Choice". The author will argue in sub-chapters 1.4.4. and 3.3. that striving for a consistent corporate identity is inevitable if a company is striving for establishing a strong corporate brand – the question may be extended from "consumers' brand choice" to "stakeholders' corporate brand choice".

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[12] The author found no written evidence to support that Akerlof and Kranton belong to "behavioural economics". However, they wrote a book titled "Explorations in Pragmatic Economics" (Akerlof and Kranton, 2005b), a chapter of which introduces the notion of person's identity (also analysed by recent corporate identity literature) into economic analysis.

1. EXTANT TERMINOLOGY AND THE RELATED CONCEPTS

This chapter introduces the nowadays accepted academic interpretations of corporate identity and its related corporate-level concepts (corporate image, corporate reputation, organisational identity, corporate branding and corporate communications).

The term *"identity"* is not only used in corporate meaning but also in other areas of social life. Considering its linguistic route, according to Balmer (1997), it is derived from the Latin "idem" which means "same". It may also be connected to another Latin word "identidem" which means "repeatedly (the same, each time)" (Bernstein, 1984). Balmer argues that it may be one explanation why the concept is often used in connection with visual symbolism (i.e. logos and other visual identification systems) where a large degree of consistency can be achieved (Balmer, 1997). Szeles seems to explain the origins of the identity concept more profoundly by mentioning its component parts: "idem" and "entitas" (Nyárády and Szeles, 2004); (entity may be defined as "something that has a distinct, separate existence, though it need not be a material existence" http://en.wikipedia.org/wiki/Entity: the key word is "existence"). The aim of this chapter is to put the term *identity* in a broader context in the light of the *extant literature*.

Identity in general is defined as "the individual characteristics by which a thing or person is *recognized* or known" (http://www.thefreedictionary.com/identity). Other definitions of this kind are as follows: "The set of behavioral or personal characteristics by which an individual is *recognizable* as a member of a group" (http://www.answers.com/topic/identity) or the "collective aspect of the set of characteristics by which a thing is *recognizable* or known" (http://dict.die.net/identity/). If one goes further and reveals another stream of definition of identity will find that it is also termed as "sameness", for example, it is "the quality of being alike" (http://www.thefreedictionary.com/identity) or it is "the fact or condition of being the same or exactly alike" (http://encarta.msn.com/dictionary_1861619974/identity.html) also "the quality or condition of being the same as something else" (http://www.answers.com/topic/identity and http://www.thefreedictionary.com/identity): something/someone is identical with someone/something else. Taking corporations as examples, visual signs can make it possible to recognise that a company or an organisation (shop, subsidiary, etc.) in a given place is the same as that in another. In short, in the author's interpretation *visual signs make it possible to recognise the "sameness"*. Furthermore, the author suggests that all these seem to be another explanation, apart from Balmer's previously mentioned view, to those interpretations that equate corporate identity with visual symbolism.

Hungarian literature on corporate identity also shows examples of interpreting identity as "sameness" (*azonosság*), for example Szeles (1997). The Hungarian term that is most often used to denote "corporate identity" can be best re-translated into English as "corporate façade" (*vállalati arculat*), a word stemming from "human face" (*arc*). This fact in the Hungarian literature adds, in the author's view, to the visual orientation of the concept. *"Corporate Identity = vállalati arculat"?* "Corporate" means "vállalati": it should imply that "identity" means "arculat". The author's interviews have explored that marketing academics in Hungary mainly interpret this area as an explicit "self-presentation", taking Birkigt and Stadler's (1986) mix as a basis. Can identity, in its original sense, be seen as a "self-presentation"? The author contends that "self-presentation" can enhance some aspects of the 'naturally existing' identity but it cannot be viewed as an alternative. "Self-presentation", therefore should be related to as an (explicit) corporate identity management or as a corporate identity programme.

Referring to identity as 'individual' and 'personal' characteristics is important in the light of definitions mentioned later on in this review. On one hand, especially earlier definitions, for example that of Abratt (1989) and Olins (1978, 1989 and 1995), suggest that corporate identity is based on the corporate personality. The terminological closeness of corporate personality and identity is exemplified by the title of Olins' seminal work "The Corporate Personality: An Inquiry into The Nature of Corporate Identity" (1978). It is of note to mention here that, in the legal sphere, companies are, in fact, called "legal persons". On the other hand, according to the most common interpretation of corporate identity relates to the distinct attributes (characteristics) of the organisation.

1. 1. Extant Academic Literature on Corporate Identity

The term "identity" according to the "Oxford Advanced Learner's Dictionary" (1989), in general is "who or what somebody/something is". It seems logical then, that corporate identity should be "who the corporate somebody is". Because companies are "persons", as mentioned earlier, since they have personalities, the author omits the word "something" from this quasi-definition and argues that if *"persons have identities"* then *"corporate persons have corporate identities"*. Clearly, the phrase "corporate identity" is grounded in the notion of "human identity". Nevertheless, Balmer (1997) and Cornelissen and Harris (2001) emphasise that the analogy of human identity should be carefully used. If one refers to the concept of personal identity than he or she has to realise that persons have multiple identities (e.g. gender identity, national identity, cultural identity, etc.); this way of reasoning might be of use in conceptualising corporate identity. The multiple nature of corporate identity, albeit in different context will appear in the case of introducing and re-considering (further developing) Balmer's ACID Test series. The author argues, based on his literature review, that as *the academic concept of corporate identity* evolves, it *is getting closer and closer to the original meaning of "identity"* but in a business context.

The in-depth review of the extant literature on corporate identity reveals that academics and practitioners increasingly view corporate identity as referring to the *distinct attributes of an organisation* – that are, according to Balmer and Wilson (1998), rooted in the behaviour of the organisation. Corporate identity, which "grew out of a preoccupation in the design, marketing and corporate communications communities with the ways in which organisations present themselves to external audiences" (Cornelissen, Haslam and Balmer, 2007:6), refers to 'what an organisation is' (similarly to the above definition of the Oxford Advanced Learner's Dictionary) and 'what it stands for' (Van Rekom, 1997; Van Riel, 1995; Balmer, 1995, 1998, 2001a; Dacin and Brown, 2002; Topalian, 2003; Cornelissen, Haslam and Balmer, 2007). It is concerned with reality (Topalian, 2003), culture, strategic vision (Melewar and Storrie, 2001) an organisation's strategy, history, business scope, products and services and its formal and informal communications. (Balmer and Greyser, 2003). It must be meaningful to all employees and others who come into contact with an organisation (Topalian, 2003) and must be applied with "absolute rigidity" (Daffey and Abratt, 2002:91).[13]

The above definition implies that all organisations have a corporate identity (Bernstein, 1984; Abratt, 1989; Olins, 1995; ICIG's Strathclyde Statement, 1995; Balmer and Gray, 2003) even though not all seek to explicitly manage it. Olins (1995) argues that the key word in this

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[13] This definition takes Irene Thomson's definition as a basis: Thomson, I., PhD dissertation, Version 6 (preliminary version), January 2005, the author, however, verified its content in the original sources.

regard is "explicit". The lack of managing corporate identity may inadvertently contribute to the formation of a negative reputation (Kennedy, 1977; Markwick and Fill, 1997).

Balmer and Greyser (2003) argue that the area of identity provides a new way for companies and other types of organisations to be conceptualised, comprehended and managed. Not only individual companies may benefit from the concepts but also holding companies, subsidiaries, entire industries or industry-wide alliances. Furthermore, apart from for-profit entities, many of the principles may be applied to non-profit organisations, cities, regions and supranational bodies. Olins (1989) gives historical examples of country-identities, while, for example, the marketing group at Bradford University School of Management, together with Bradford municipal bodies, is administering a city-identity (city-branding) project using the general identity and branding concepts, for example the Melewar and Jenkins (2002) model, "Place Branding and Identity Dynamics", that builds upon the general identity and branding principles, e.g. "5Ps of Place Branding" (Trueman and Cornelius, 2006). The author wishes to mention here that one of his later plans is to conduct an, initially, literature-based survey to compare the identity projects of Bradford and Miskolc.

Having looked at nowadays' common multidisciplinary approach to corporate identity and the purpose of managing corporate identity, is important to map up the terrain by taking account of the most exemplary definitions and related corporate-level concepts, in order to understand the complexity of the area.

1.1.1. Complex Definitions of Corporate Identity

There is confusion of terminology in the area of corporate identity which, according to Thomson (2005), is the symptom of its complexity and growing multidisciplinary nature. Balmer (2001a:252) argues that "the muddled use of the terminology has, perhaps, contributed more to the fog surrounding the business identity domain than any other factor". What are the reasons for this confusion? There are many: according to Balmer and Greyser (2003:1) for example, "the divide between practitioners and scholars" (the practitioners' self-presentation approach vs. the academics' multidisciplinary approach), "the existence of disciplinary silos", "the divisions caused by geography, language and culture". Although the importance of corporate identity has been recognised, the confusion has also led to the situation of having no universally agreed-upon definition (Thomson, 2005).

Some authors, however, are attempting to adopt a broader vista and formulate relatively all-encompassing, complex definitions of corporate identity. Balmer (2001a:280) offers a detailed one:

> *"An organisation's identity is a summation of those tangible and intangible elements that make any corporate entity distinct. It is shaped by the actions of corporate founders and leaders, by tradition and the environment. At its core is the mix of employees' values which are expressed in terms of their affinities to corporate, professional, national and other identities. It is multidisciplinary in scope and is a melding of strategy, structure, communication and culture. It is manifested through multifarious communications channels encapsulating product and organisational performance, employee communication and behaviour, controlled communication and stakeholder and network discourse."*

This definition reveals several key points of the topic, in the author's view (his comments are in brackets following each point), such as:

- Corporate identity is about distinctiveness (that is, "distinct attributes", as mentioned earlier);
- It is also about intangible elements (not only tangible ones, such as logo and other types of corporate visual imagery) – the historiographies will show (Chapter 2) that the concept of identity increasingly focuses on internal aspects of the organisation;
- Employees' values are at its core (the importance of taking employees into account is highlighted by this definition – this will be one of the foci of the author's research). The author holds the view that Topalian's (2003) earlier statement, "it must be meaningful to all employees", is not just a question of communication, i.e. employees are told the "meaning"; it needs to meet the values originally held by them. Balmer (Balmer, 1997:12) refers to corporate personality as "the values held by personnel within the organisation";
- Strategy, structure, communication and culture are the elements of Balmer's corporate identity mix Balmer (2002) – these factors can also be found in Hungarian author Szeles' (1998) corporate identity formula (also in Nyárády and Szeles, 2004);
- Corporate identity manifested mainly through communications (communications are interpreted in a broad sense; employee communications are highlighted; controlled communications is mentioned as part of the total communications).

The most comprehensive definition of corporate identity, in the author's view, is known as "Strathclyde Statement" (ICIG, 1995):

"The Strathclyde Statement	"The Strathclyde Statement (revised version)
Corporate identity management is concerned with the conception, development, and communication of an organisation's mission, philosophy and ethos. Its orientation is strategic and is based on a company's values, cultures, and behaviours. The management of corporate identity draws on many disciplines, including strategic management, marketing, corporate communications, organisational behaviour, public relations and design. It is different from traditional brand marketing directed towards household or business-to-business product/service purchases since it is concerned with all of an organisation's stakeholders and the multifaceted way in which an organisation communicates. It is dynamic, not static, and is greatly affected by changes in the business environment. When well managed, an organisation's identity results in loyalty from its diverse stakeholders. As such it can positively affect organisational performance, e.g. its ability to attract and retain customers, achieve strategic alliances, recruit executives and employees, be well positioned in financial markets, and strengthen internal staff identification with the firm.* John M.T. Balmer (Strathclyde Business School) and Stephen A. Greyser (Harvard Business School)	*Every organisation has an identity. It articulates the corporate ethos, aims and values and presents a sense of individuality that can help to differentiate the organisation within its competitive environment.* When well managed, corporate identity can be a powerful means of integrating the many disciplines and activities essential to an organisation's success. It can also provide the visual cohesion necessary to ensure that all corporate communications are coherent with each other and result in an image consistent with the organisation's defining ethos and character. By effectively managing its corporate identity an organisation can build understanding and commitment amongst its diverse stakeholders. This can be manifested in an ability to attract and retain customers and employees, achieve strategic alliances, gain the support of financial markets and generate a sense of direction and purpose. Corporate identity is a strategic issue. Corporate identity differs from traditional brand marketing since it is concerned with all of an organisation's stakeholders and the multi-faceted way in which an organisation communicates."*

Table 2: The Strathclyde Statement (original and revised versions)

1. 2. Corporate Identity and Other Corporate-Level Concepts

Corporate identity is linked to other concepts used to describe and reveal organisations, those that are often provided to explain the identity concept. The most popular of them is inevitably corporate image that is sometimes used interchangeably with corporate identity. The author offered examples in his MBA Management Project (Csordás, 1994) to support this point.

The most common (inter-) related concepts, mentioned by Balmer and Greyser (2003:4) are as follows:
- Corporate Image (1.2.1.)
- Corporate Reputation (1.2.2.)
- Organisational Identity (1.2.3.)
- Corporate Branding (1.2.4.)
- Corporate Communications (1.2.5.)

Before addressing each of the above concepts, the author presents Balmer and Greyser's (2003) "Key Questions – Key Constructs" model, with a brief explanation, to illustrate the meanings of the most common concepts. The later explanation of the terms, after the following model, has the limitations as follows:
(a) They do not attempt to encompass the totality of the given concept;
(b) They provide key points only related to corporate identity;
(c) They are only based (with some exceptions) on the corporate identity literature, although most of the concepts have their distinct literatures.
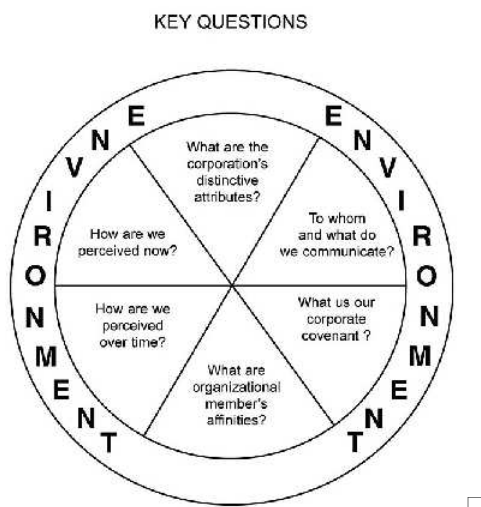
Explanations anticlockwise:

Corporate Identity answers questions relating to a the distinct attributes of a corporation;

Corporate Image is concerned with how an entity is perceived *now*;

Corporate Reputation is about how an organisation is perceived *over the long term*;

Organisational Identity relates to the members' attitudes and affinities towards their organisation;

Corporate Branding is viewed as a promise (covenant) made to stakeholders;

Corporate Communications are concerned with what is communicated, to whom.
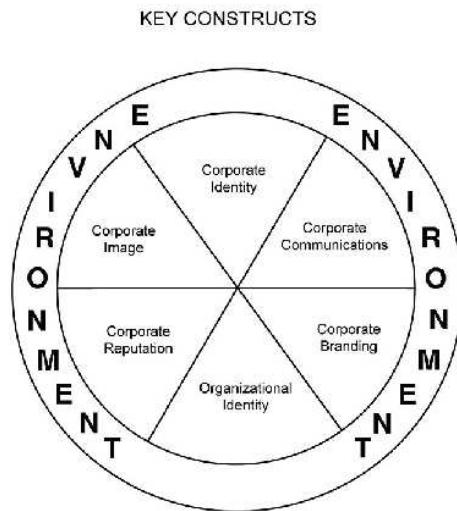
KEY CONSTRUCTS

Exhibit 1: Key Questions and Key Constructs
Source: Balmer and Greyser (2003:4)

1.2.1. Corporate Image

Corporate image, according to the above short definition, is concerned with *current* perceptions as opposed to perceptions *formed over time* (corporate reputation). According to Abratt (1989) it is believed that corporate identity took a big step forward when Pilditch (1970 in Abratt, 1989) articulated the difference between corporate identity and corporate image.

The author, in his MBA Management Project (Csordás, 1994) dealt with the distinction of these concepts. His thesis began with these two sentences: "Corporate identity and corporate image are not the same, the former has to do with the self presentation of the company to the public, and the latter is about the resulting perceptions by the public. In spite of this easily understandable difference, the literature often mentions the two terms in an interchangeable way". (Defining corporate identity as *'self-presentation'* will be explained later.) One notable misconception of its kind is the explanatory model put forward by P. R. Smith (1993) about the relationship of corporate identity and image, who interpreted it as "Corporate Image = Corporate Identity + Something More" (Csordás, 1994) – as he puts it: "Corporate image (including corporate identity)…" (Smith, 1993:334). In his, in the author's view, wrongly conceived model, corporate identity is a set of about visual cues while corporate image is this plus the behavioural elements, shown above the "Corporate Identity" circle.

CORPORATE IDENTITY

LOGO

LITERATURE ADVERTISEMENTS ANNUAL REPORTS PRODUCTS & PACKAGING INTERIOR AND EXTERIOR DESIGN OF BUILDINGS UNIFORMS LIVERY AND SIGNAGE LETTERHEAD
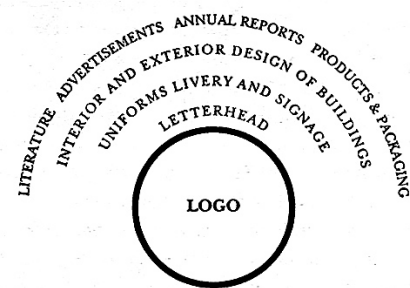
Corporate Identity is projected through all the points of public contact.

CORPORATE IMAGE

CORPORATE IDENTITY

PRODUCTS & SERVICES INCLUDING CUSTOMER SERVICE/HUMAN BEHAVIOUR SOCIAL RESPONSIBILITY ETHICS COMMUNITY AFFAIRS BUSINESS ENVIRONMENTS COMMUNICATIONS

Corporate Image embraces everything from the visual impression of a corporate logo to observations and experiences of products, services and corporate behaviour in general.

Exhibit 2: P. R. Smith's Misconception of Corporate Identity and Corporate Image
Source: P. R. Smith (1993:325, 333)

The traditional approach to the corporate identity – corporate image interface is best illustrated by Chajet's (1989) analogy: "Corporate identity is to corporate image what exercise is to physical fitness". Process models – introduced later, the most influential of which is that of Abratt (1989) – illustrate this relationship. Abratt's (1989:71) famous definition is one of the best examples: Image is "…The overall impression formed… in the minds of audiences constitutes an image…" Topalian (2003:1120) adds "expectation" to the definition: "sum of impression and *expectations*". The literature provides a plethora of references to explain this interface; the author does not intend to give an overview of it, part of which can be found in the author's MBA Management Project, while others are in the more recent literature, e.g. Olins (1995:xvii), Markwick and Fill (1997:398), Balmer (1997:4), Alessandri (2001), Topalian (2003:1120), etc. Alessandri (2001) puts this concept in a psychological framework when further assuming that the "learning" of perceptions works in two stages, (1) at a low involvement level, and (2) through classical conditioning (part of her process model). It has to be noted, however, that Alessandri's approach is rather consumer oriented, i.e. she gives examples from the consumer behaviour terrain. Her process-model is introduced in sub-chapter 3.1.8.

Public Relations specialist Cutlip (Balmer, 1997) adds an interesting point regarding image. He notes that the word image is derived from the Latin word *"imitari"* (imitation) and he is critical of most marketing authors, notably Kotler (1991), who refer to image in terms of a set of beliefs, ideas and impressions held about an organisation. This explanation of the linguistic root of image can also be found in Hungarian academic Totth's (1991) "CSc" dissertation! Cutlip further argues that PR people are concerned with reputation, not image, because, according to Grunig (1993 in Balmer and Greyser, 2003), quoting Bernays (1977), "image" suggests that PR deals with shadows and illusions rather than reality. However, the author has to mention here that Bernstein (1984) calls image reality (obviously, it seems, as a result of interpreting 'reality' slightly differently). It may be interesting to note that Hungarian author and PR specialist, Szeles' (1998) textbook on the topic has "reputation", not "image", in its title: "Hírnév ereje" (The Power of Reputation).

Image may be categorised in many ways. Hungarian literature mentions multiple categorisations (Sándor, 1997:48, 49). Taking the *object of the image* as a basis, one can distinguish between:

1. Product image
2. Brand image and
3. Corporate image – This tripartite categorisation is also mentioned by Szeles (1997).

Furthermore, image, according to its *formation*, may be:

1. Spontaneous image
2. Planned image

Based on the *time dimension*, image can be:

1. Current image
2. Wish image

Considering the *point of perception*, the image may be:

1. Self or mirror image
2. Outside image.

Balmer and Greyser (2003:174, 175) suggest another type of categorisation. They offer four perspectives (completed by the author's comments and explanations):

1. **Transmitted images** (image management categories) within which they distinguish:
Projected image that relates to the creation and projection of a single image to stakeholder groups. The author suggests that this seems to be the image-category that one refers to when he or she speaks of the often heard *"image-making"* process. Only this kind of image can be planned (compare it to "planned image" in the previous categorisation): "The image … can be consciously built and modified" (Coulson-Thomas, 1986).
Visual images are similar to the above but achieved via visual identities and logotypes (the phrase "organisational imagery" is best applicable here – the author's comment).
Desired future image that can be viewed as a variant of the projected image based on the vision of senior management. This, in the author's opinion, is akin to the above "wish image" and also a similar category to the "Desired Identity" in Balmer's ACID Tests (a series of models, further developed by the author, showing the multiple identity types of the identity of an organisation).

2. **Receiver-end image categories,** containing four image versions
Transient image that refers to the immediate mental picture construed by a receiver through the direct observation of what the organisation emits (symbols, communications, etc.). The author's comment is that this type is called most often "the image", although "marketers often fail to differentiate between images produced by the organisation and an image which is formed as a result, in the mind of an individual" (Balmer, 1997:5); in this respect, "image… cannot be managed directly" (Markwick and Fill, 1997:398). *Corporate reputation* is concerned with judgements made about the organisation over time, as mentioned earlier.
The brand user image that represents the image of the company/product that most closely corresponds to the self-image of the stakeholder (or stakeholder group)
Stereotype image refers to the shared beliefs across all stakeholder groups. Instead of using the explanations in the literature, the author would argue that stereotype image describes perceptions, part of which *a priori* exist in the minds of the audiences, e.g. Italians are good at operas – and football.

3. **Focus-of image categories** *The brand image* can be viewed as the perception as a brand in relation to others in the same industry or product class. This seems similar to the "brand image" category, in the Hungarian classification; here the attention is called

to the objective of brand positioning, i.e. the brand image is not perceived in isolation, rather in relation to competitive brands. *The industry (product class) image* which means the entire industry (sector). Exhibit 3 illustrates the image categories:
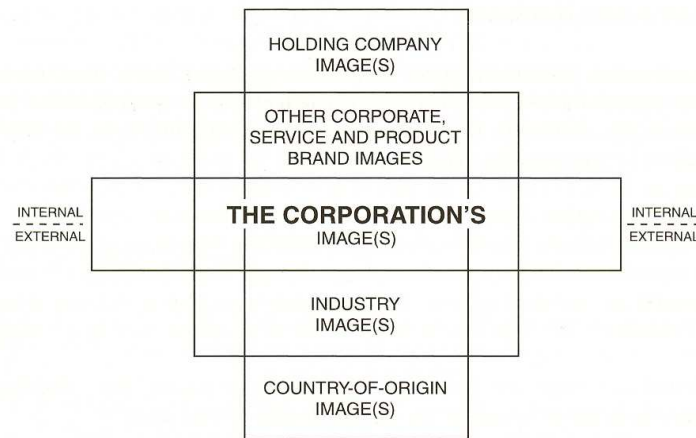
Exhibit 3: The Corporation's Images
Source: Balmer and Greyser (2003:176)

4. ***Construed-image categories*** that will be mentioned again when the author proposes his new ACID Test version (AC^{5}ID and AC^{6}ID Tests). Construed image relates to what one group believes another group believes: "the way organization members believe others see their organization" (Dutton and Dukerich, 1991). (The author's interpretation of the concept may be this: "I think you view me as a smart/arrogant/nice person": "this is what I think of your perceptions of me, in other words, this is my construed image".) Balmer and Greyser (2003) mention six construed image types, the author, however, intends to highlight the first two: they are part of the above mentioned new versions of the author's ACID Tests. *Construed corporate image* refers to how *employees* envision that external audiences perceive their organisation. *Construed strategic corporate image* describes how *senior managers* envision that external audiences perceive the corporation. Other construed image categories mentioned are construed brand user image, construed stereotype image, construed brand image and construed industry (product class) image. Although the construed image theory was put forward by Dutton and Dukerich (1991; and 1994, in Hatch and Schultz, 1997), the author did not hear of that concept when writing his MBA Management Project. Notwithstanding, he mentioned the concept of corporate beliefs of others' perceptions and its possible mismatch with the real image. He further argued that if a company does not administer an in-depth image-analysis, then the construed image may be the only starting point of any attempt to change public perceptions: "this is what we think others think of us because we *do not know exactly* what they really think."

The multiple categorisations of image show that image is a complex phenomenon. It seems to support Szeles' (1997:11, 1998:156) statement about image: "Image in general! It simply does not exist!" (Szeles also asserts it in Nyárády and Szeles, 2004)

1.2.2. Corporate Reputation

The word "reputation" is derived from the Latin word "reputance" which means "to reckon" (Balmer, 1997). Other sources mention "reputo" (Barát, 2003, http://www.fibraco.hu/biztolm.htm), also "reputo" and "reputare" that mean to consider, judge (http://archives.nd.edu/rrr.htm).

Corporate reputation, although often used synonymously with image (Markwick and Fill, 1997) is different from corporate image in that it is not an immediate perception of the entity but it is formed *over a longer period*. This idea is also advocated by Schreiber (2005:5), Bennett and Kottasz (2000), as well as Gotsi and Wilson (2001). Concluding only this, however, may let someone believe that the only difference between the concepts is the time span (immediate vs. longer period). Later, the author argues that the sources of information may be different as well. One aspect, however, in terms of which reputation is similar to image is that it may differ by different stakeholder groups (Balmer, 1997).

Weigelt and Camerer (1988) define reputation as "a set of attributes ascribed to a firm inferred from a firm's past actions". Similarly, Nakra (2000) refers to it as the stakeholders collective opinions towards an organisation based on its past record. This means (the author's comment) that while image may be established or changed relatively easily via corporate communications and visual self-presentations, a distinctive corporate reputation requires "past actions", based on which the various audiences (stakeholder groups) can form their experiences. Markwick and Fill (1997:398) conclude that reputation "is a reflection of the historical, accumulated impacts of previously observed identity cues and possible transactional experiences". The author is of the view that the keywords are "past" (history) and "experience". "Experience" is also part of Schreiber's reputation formula – "Conceptual Model of Reputation" – (Schreiber, 2005:17). Furthermore, in the author's opinion, using an excerpt of the starting definition of corporate identity, namely 'it is reality and its communication', then communication (one source of information – that can be altered quickly and is rather superficial) may be substantially influential to image, while reputation can mostly be established or changed by way of dealing with reality (another source of information – that is rather profound and changes rather slowly). In his opinion, this is the most acceptable definition-based explanation, although there may be more, why the above public relations authors prefer reputation to image.

"Our names are labels, plainly printed on the bottled essence of our past behavior" (Logan P. Smith – an afterthought quoted by Fombrun, 1996). This afterthought well illustrates the overlap between the definitions of reputation put forward in previous paragraphs *and* the Hungarian expression used to denote reputation: "hírnév" – 'the name that brings us fame'.

Corporate reputation can be find as a final element in some of the process models, for example Markwick and Fill (1997), Stuart (1999), Balmer and Gray (2000), Alessandri (2001). However, Balmer argues against viewing reputation as a guarantee to corporate success on its own (Balmer, 1997), therefore it should not be regarded as an end itself (Balmer, 2002). According to him it is because "the key to on-going success is whether the organisation meets the wants and needs of key stakeholder groups and networks" (Balmer, 2002:9). It is interesting to compare this statement with that of Schreiber (2005:4) who suggests that "a good reputation occurs when the organisation's attributes (its value proposition) are both consistent with the needs and interests of key stakeholders and better than the value proposition available from competitive offerings". Schreiber puts the concept

in a competitive context, i.e. reputation can be interpreted in relation to what other organisations offer! Balmer (2002) also mentions competition, in his "New Corporate Identity Management Mix", as being part of the element "Environment" of his model.

The most recent review of definitions of reputation, known by the author, has been presented by Barnett, Jermier and Lafferty (2006:5 to 7), who categorise them on the basis of reputation being viewed as (1) "Asset", (2) "Assessment" or (3) "Awareness". Perceptions and judgements "over time" fall predominantly into category (2) and, to a lesser extent, category (3).

The author's conclusion is that it is not reputation indeed that should be regarded "as an end itself". It is rather the company's performance (reality) and the communication that has to be consistent with the "wants", "needs" and "interests" of the key stakeholder groups and networks. It needs to be ensured "over time" so that the positive perceptions, based on experiencing the good performance, can be formed. In this respect, competitive environment also needs to be taken into account as people seem to form perceptions of an organisation in relation to competitive offerings. If all these aspects are managed continuously and simultaneously then its *result* should be the formation of a positive corporate reputation.

Before going onto the next related concept, it might be interesting to briefly introduce Dacin and Brown's (1997, 2002) terminology on **corporate associations**. They use this term as a "generic label for all the information about a company that a person holds. For example, corporate associations might include perceptions, inferences, and beliefs about a company; a person's knowledge of his or her prior behaviours with respect to the company; information about the company's prior actions; moods and emotions experienced by a person with respect to the company; and overall and specific evaluations of the company and its perceived attributes" (Dacin and Brown, 1997:69). The "generic label" implies that it is seen as a broader concept than the previously mentioned categories. The above authors divide corporate associations into two types, *corporate ability (CA) associations* and *corporate social (CSR) associations*. CA associations relate to those feelings and beliefs that individuals hold of an organisation's ability to develop and produce a product and service, etc. CSR association, in turn, refer to those beliefs and feelings that relate to whether the organisation is seen as acting as a responsible entity in society.

1.2.3. Organisational Identity

"Corporate identity" vs. "organisational identity": "corpus" vs. "organisation". The Latin word "corpus" means "body" that can be seen as it is. But the organisation, the "system of organs", is internal by nature. (Body cannot exist independently of organs; if the system of the organs does not work properly then the body functioning will not be optimal either. This dichotomy may be well illustrated for Hungarian Readers by translating the terms as "*test*ületi" and "*szerv*ezeti".) In the author's opinion, this linguistically rooted deduction may reflect the fundamental, and nowadays shared, differences between corporate identity and organisational identity and the internal orientation of the latter concept. Although, he postulates that with time, as the multidisciplinary approach of corporate identity is evolving and developing, the two concepts should converge.

Broadly speaking, there are two ways how organisational identity and corporate identity are distinguished in the literature:

1. Organisational identity and corporate identity are different because not every organisation is a corporation and the identity concept is applicable to various sorts of organisations. As Olins (1995:xviii) puts it: "Because the identity resource has now been adopted by organisations of all types, many of them quite remote from the corporation, the term *organisational identity* is increasingly and rightly being used."

2. Organisational identity is different from corporate identity, in that while corporate identity is "the task of senior management in identifying corporate vision and strategy and focuses on how the latter is communicated through everything the organisation says makes on does", organisational identity "focuses on members identification with the organisation" (Balmer, 1997:17). Hatch and Schultz (1997:357), apart from emphasizing the above distinction, also describe the difference from the point of view of the sources of literature: "The discussion of identity within the organizational literature has developed around the concept of organizational identity, while the marketing literature focuses on corporate identity. Organizational identity[14] refers broadly to what members perceive, feel and think about their organizations." That is, while the marketing approach (corporate identity), in their view, similarly to what Balmer says, rather speaks of the ways in which management expresses the key idea to external audiences, organisational identity has a basically *internal* and behavioural orientation.

The author wishes to make four comments regarding the distinction described in point 2:

1. Balmer's definition here reflects the practitioners' "self-presentation" approach that marshals the various forms of corporate communications;

2. Balmer (1997:12) seems to use "organisational identity" synonymously with "corporate personality" – he defines the latter concept as "the values held by personnel" and later he speaks of "the corporate personality/organisational identity (an individual's identification with a mix of ideologies)" (Balmer, 1997:17);

3. Kiriakidou and Millward (2000:51) contend that "organisational identity is at the core of corporate identity" and 'efforts to manage corporate identity should reflect the organizational identity of the company'. These statements and Balmer's distinction between *corporate identity* ("the task of senior management…") and *organisational identity* ("members identification with the organisation") (Balmer, 1997:17) have led the author to assert that corporate identity programmes should be based upon organisational identity.

4. At present, having known the multidisciplinary approach to corporate identity, it seems cynical to argue that it is an 'externally focused' and 'marketing oriented' construct; however, in 1997 the multidisciplinary nature of the interpretation of corporate identity, although it definitely existed already, it did not seem to be popular.

It is commonly accepted that organisational identity is the approach to identity represented by organisational behaviourists (mentioned also in Balmer's historiography – phase 3 – in the subsequent chapter), the first of whom are claimed to be Albert and Whetten who wrote their seminal work in 1985 ("Organizational Identity" published in "Research in Organizational Behaviour, 1985, 7:263-295 <u>in</u> Balmer and Greyser, 2003). It was their merit to specify the basic criteria of organisational identity, which are:

1. *The criterion of claimed central character*: features that are seen as the essence of an organisation,

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[14] "Organisational, organizational", both spellings are in use. "Organisational" is rather used in British English, whereas "organizational" is the form rather accepted in the USA, although British authors also give examples to this spelling.

2. *The criterion of claimed distinctiveness*: features that distinguish an organisation from others, and
3. *The criterion of claimed temporal continuity*: features that exhibit some degree of sameness or continuity over time.

The criteria answer questions to like "who we are" (="who the organisation is"). The author's comment to the above criteria is that the first one is the basis of what is referred to as "corporate personality" by many authors, it should serve as a basis for the second criterion: it is basically the central character that ought to be distinct in order for the organisation to be distinguishable. The third criterion has the word "sameness" (*'azonosság'* – the Hungarian word that can be found in some of the interpretations of corporate identity) in it, a phrase that can be found in the general definition identity as well.

The complexity of organisational identity is highlighted by the fact that itself is not a monolithic phenomenon. He and Balmer (2007), following Gioia *et. al.*'s (2000) categorisation, suggest that the concept of organisational identity may be divided into the following three sub-categories (sub-concepts):
1. identity of organisations (collective organisational identity),
2. identity of people within organisations (organisational identity),
3. people's identification with organisations (organisational identification).

(1) *Identity of an organisation* is argued (by Gioia *et. al.,* 2000; Cornelissen, 2002) to be a metaphor coming from an individual's identity. Identity, in this sense, refers to the whole organisation, with the underlying assumption that every organisation has an identity, which defines that organisation. It defines questions such as "who we are" and "what we are". In the author's words "identity of an organisation" can be viewed as the synonym of "corporate identity" from an organisational perspective; in this regard Balmer and Greyser's (2003) note, that the concepts of organizational and corporate identity can be seen as alter egos, can totally be accepted. (2) *Identity of people in an organisation* may be viewed as "an individual's social identity within an organisational context" (He and Balmer, 2007:770), just as an individual may have other identities (affinities) as well, such as ethnical, gender, national, professional, etc. In other words, these social identity categories describe who an individual is, and who the individual is not! (3) *Identification with the organisation* can be defined as "the degree to which a person defines him or herself as having the same attributes that he or she believes define the organisation" (Dutton, Dukerich and Harquail, 1994:239). Organisational identification is one type of an individual's social identification and it can be regarded as a cognitive process (He and Balmer, 2007).

The author argues that if companies can achieve some degree of employee identification then "absolute rigidity" is not required in enforcing behavioural norms formulated as part of an identity program. Economists Akerlof and Kranton's (2005:10) statement seem to underpin this point: "employees may have identities that lead them to behave more or less in concert with the goals of their organizations". They define identity as a person's self image (Akerlof and Kranton 2005:12) which seems akin to the above quoted definition of identification (self-definition of a person).

1.2.4. Corporate Branding[15]

"Branding is, and has been, everywhere… Branding is part of our lives", said Bernstein (2003:1134) during the Third Lord Goold Memorial lecture he delivered at Bradford School of Management in November 2000 at the 7th International Corporate Identity Symposium, at which the author was also present. Various further statements illustrate the popularity of branding and corporate branding: "Ubiquitous, venerated, coveted, sought and bought, brands represent one of the most fascinating perspectives on the business environment in the twenty first century" (Balmer and Greyser, 2003:245); "Corporate branding is one of today's most fashionable management fashions" (Morsing, 2006). It seems, however, that is more than just a mere fashion.

The growing importance of corporate branding was first emphasised by King (1991 in Balmer and Greyser, 2003), in his seminal and classic work on "company branding", as he called the topic. King to corporate branding was what Olins was to corporate identity and what Bernstein was to corporate communication (Balmer and Greyser, 2003).

There are many *definitions* of branding, also corporate branding. According to the most recent approach, as seen in the Key Questions – Key Constructs model (Balmer and Greyser, 2003), and Balmer's (2002b) complex definition below, *corporate brand is basically a promise, a corporate covenant.* Visual and verbal identifiers – having little intrinsic values on their own (Balmer and Greyser, 2003) – help creating awareness and recognition. Describing corporate brand as a "promise" is increasingly acknowledged by an increasing number of authors, including Balmer (2002b), de Chernatony and McDonald (2003), Aaker (2004), Argenti and Druckenmiller (2004).

The *difference and the link* between corporate identity and corporate branding are illustrated by various statements in the literature. While corporate identity refers to the questions "what/who we are" and "what we do", corporate branding embraces issues relating to "what we profess/promise" (Balmer, 2001a). This profess/promise (covenant), however, is inseparable form the previously mentioned fundamental questions of corporate identity: it should be based on the attributes of the identity. As Thomson (2005) puts it, corporate identity is inextricably linked to corporate identity. Or, expressing it more precisely: "Corporate identity provides the grit around which the pearl of corporate brand is formed" (Balmer, 2001b: 7).

The scope of this review, however, within the whole dissertation does not make it possible to give an account of the definitions of (corporate) branding. Therefore, it may be sensible to introduce the *three types of branding definitions* (Balmer and Greyser, 2003) – in characterising the first two types they draw upon the work of Barwise *et. al.* written in 2000 (Balmer and Greyser, 2003).
   1. *Erstwhile.* "In its simplest sense a brand denotes a name, a logotype, or trademark and was originally used to signify ownership, as with the branding of livestock" (Balmer and Greyser, 2003:245), apparently because of its linguistic origin, as Keller explained in 2003: in Old Norse language the word "*brandr*" meant "to burn"[16] (Thomson 2005). In this sense, branding "for a number of years, has emphasised the aesthetic representation of products in the creation and interpretations of logos, names and

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[15] Branding has a vast literature. The author's review refers only to (part of) the literature on *corporate* branding.
[16] The author's supervisor, Dr Iván Fekete, called his attention to the German word "brenner" (to burn). There is another German word, "Brand", with a similar meaning.

advertising (Olins, 1989). The American Marketing Association's definition of brand is also example of this type: a brand is "a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors" (http://marketing.about.com/cs/brandmktg/a/whatisbranding.htm) From this definition it logically follows that "corporate branding refers to the practice of using a company's name as a product brand name" (http://www.infoscouts.com/misc/Corporate-branding.htm) and also using the accompanying visual identifiers for the same purpose.

2. *Established*. This relates to the added values that a brand delivers to the product. Knox (2004:106) offers a definition that falls into this category: "In simple terms, a brand is an entity that offers customers (and other relevant parties) added value based on factors over and above its functional performance". According to Bernstein (2003:1134) a "brand equals product plus values", i.e. it equals hard plus soft, denotation (meaning) plus connotation (inherent attributes). A product name denotes, while a brand name denotes *and* connotes. He puts forth The London Eye (the giant Ferris wheel) as an example: it is not called "The Wheel" that would refer to the "product", but it is called "The London Eye" that refers to the "value" (one can take a magnificent view of London from it). Bernstein (2003) also speaks of the dichotomy of the terms "physical branding" (hard) and "psychological branding" (soft). The author attempts to put this dichotomy in the context of the current categorisation by suggesting that "physical branding" rather refers to the "erstwhile" type and the "psychological branding" relates to the "established" category. By doing so, he suggests that both categories exist simultaneously; however, the emphasis has shifted to the latter type.

3. *Emergent*. This new category relates to brands at the corporate level. "Corporate brand values are not contrived; they need to be bona fide" (Balmer and Greyser, 2003:246) – perhaps this is the reason, in the author's opinion, why corporate branding has to be based on (actual) corporate identity. It is not surprising then that, according to the above authors, the role of personnel and of culture is essential in establishing, maintaining and establishing corporate brand values. It is the employees who make the corporate brand "bona fide" therefore their role is crucial (the author's comment). This comment seems to be underpinned by King's (1991 in Balmer and Greyser, 2003) point who regarded staff as "brand-builders". He also emphasised the role of the Personnel Director in this respect. According to Hardaker and Fill (2005) employees should even be recognised as 'brand ambassadors'.

Balmer's (2002b) *complex definition* (adapted from Balmer, 2001a:281) of corporate branding is as follows:

> "Corporate brands are to be found in organisations, of every hue. Corporate brands are characterised by their cultural, intricate, tangible and ethereal elements and demand total organisational commitment. In most instances, creating a corporate brand involves the conscious decision by senior management to distil the attributes of the organisation's identity in the form of a clearly defined branding proposition. This proposition may be viewed as a covenant with key stakeholder groups and networks. This covenant underpins organisational efforts to communicate, differentiate and enhance the brand in the minds of such groups. The organisation professes this covenant by means of a concerted communications message across multiple channels of communication. A corporate brand covenant requires senior management fealty and financial

support. On-going management of the corporate brand resides with the chief executive officer and does not fall within the remit of the traditional directorate of marketing. Whereas corporate identity management requires organisational congruency with the defining attributes of the organisation corporate brand management demands organisational congruency with the corporate branding covenant."

The author wishes to highlight the following (not all) points of the above definition:

- This definition includes Balmer's "Defining Characteristics of Corporate Brands" conceptualised in the form of the acronym C^2ITE: corporate brands are Cultural, Intricate, Tangible, Ethereal and they require Commitment from all personnel and senior management (Balmer, 2001b:2, 2002b:5).

- Corporate branding is viewed as a corporate covenant with stakeholders – all stakeholders.

- The definition includes "The Three Virtues of Corporate Brands" – C+D+E: corporate brands should "communicate" (the proposition clearly and consistently), "differentiate" (the proposition from the competitors) and "enhance" (the esteem and loyalty in which the organisation is held by stakeholders) (Balmer, 2002b:14).

- The last statement (last sentence) of the above definition is illustrated by the author in the following form (Exhibit 4):

CORPORATE BRAND MANAGEMENT	DISTINCT PROPOSITION (COVENANT)
CORPORATE IDENTITY MANAGEMENT	DISTINCT ORGANISATIONAL ATTRIBUTES
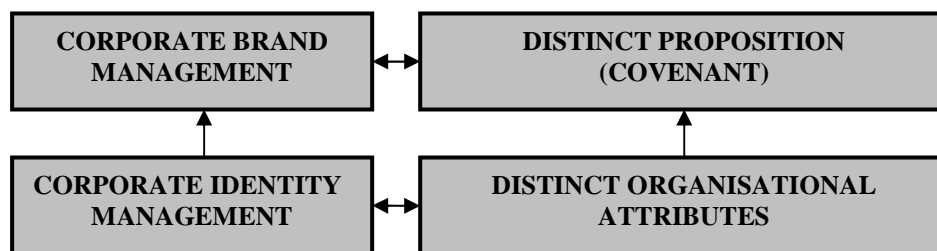
Exhibit 4: The author's illustration of the relationship between corporate identity (management) and corporate brand (management)

The *objective of corporate brand management* is similar to that of corporate identity management in that its aim is to "establish a favourable disposition towards the organization by its various stakeholders and, as such, this is likely to lead to a propensity to buy the organisation's products or services, to work or invest in the company, etc." (Balmer, 1995:30). Because of this common objective, and because corporate branding is inextricably linked to corporate identity (Thomson, 2005) – as mentioned earlier, the author would suggest that corporate branding might be included in the process models, i.e. apart from the "identity-image interface" and the "identity-reputation interface", there should be an "identity-branding interface", as well as a "branding-image" and "branding-reputation" interface – for example, in Stuart's (1999) model. Corporate branding is, in fact, part of the ACID Test: Covenanted Identity, C^3 – a distinct identity type (Balmer and Greyser, 2003).

There are many *advantages and benefits* of corporate branding listed in the literature. The *advantages*, among others not specified here, include "attracting talented personnel" (Ind, 1997; Einwiller and Will, 2002; Olins, 2003). A research of MORI (Market & Opinion Research International, now part of Ipsos Group, a research institute offering "a full range of quantitative and qualitative research services, as well as extensive international research capacity", www.mori.com) undertook a research on corporate branding, based on which Lewis argued in 2000 that strong corporate brands have *benefits* in terms of public profile, customer attractiveness, product support, visual recognition, investor confidence, communicating core values and *staff motivation* (Balmer 2002b).

Referring to the last point, the author postulates that apart from corporate branding in general, there is a discipline within that, namely *"Employer Branding", or HR Branding* as it is more often used in the Hungarian literature, which has a closer link to staff motivation. If the definition of the corporate brand is based on the keyword "covenant to various stakeholders" then the concept of employer (HR) branding should relate to a "covenant to employees": "this is what we promise/profess to employees". In fact, Backhaus and Tikoo (2004:503) suggest that employer branding should be regarded as "the brand 'promise' made to recruits".

1.2.5. Corporate Communications

Corporate communications, according to the Key Questions – Key Constructs model, relates to the content of a company's communications (the question of "what") and its possible target audiences ("to whom"). Van Riel (1995:26) provides the following definition: "…corporate communication is an instrument of management by means of which all consciously used forms of internal and external communication are harmonised as effectively and efficiently as possible, so as to create a favourable basis for relationships with groups upon which the company is dependent".

The question of "what is to be communicated" is intricate and depends on many factors, company goals, etc. From the point of view of the topic of this thesis, it is the identity (and the brand promise) of the company that should be communicated. The question of "to whom" is usually answered by listing the target audiences. Bernstein (1984) set up an influential model, on corporate communication, known as "The Wheel", that is often referred to in the literature. This model was updated by Balmer and Greyser in 2003 and the new version is now called "The New Corporate Communication Wheel", shown by Exhibit 5.

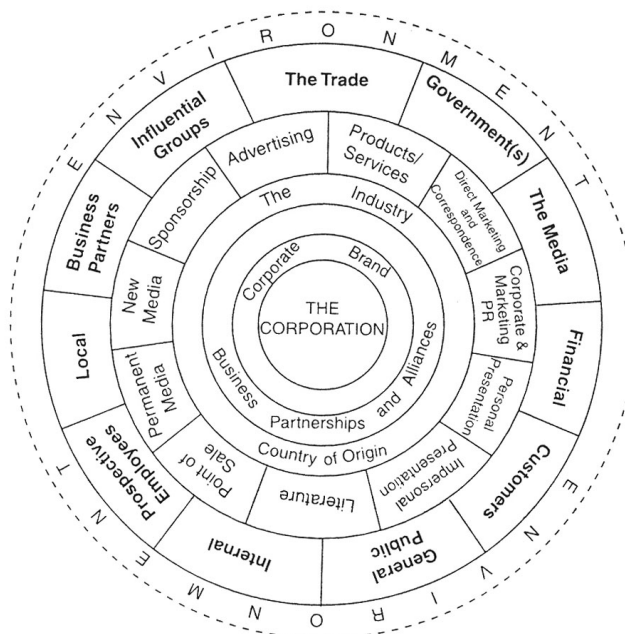*Exhibit 5: The New Corporate Communications Wheel*
Source: Balmer and Greyser (2003:141)

This updated version is more than Bernstein's (1984) original model in that it also includes "Corporate Brand", "Business Partnerships and Alliances" and "Environment". The model highlights the importance of identifying and prioritising the main stakeholder groups and the most appropriate communication channels for each group.

The *purpose* of corporate communications, according to Van Riel (2001:157) is to "*create awareness, understanding and appreciation for the firm's strategic goals, ideally resulting in the satisfaction of the interests of both the firm and its environment.*" Its importance comes from the fact that it provides a link between the identity, image and reputation of an organisation (Csordás, 1994; Markwick and Fill, 1997; Stuart, 1999; Balmer and Gray, 2000)[17]. It has to be noted, however, that the distinct literature on corporate communications is more developed than that referring to the corporate identity paradigm (Balmer and Dinnie, 1999).

Within corporate communication *various forms (sub-categories)* can be identified. Van Riel (1995) defines corporate communication as the integration of
1. management communication,
2. marketing communication and
3. organisational communication.

(1) *Management communication* refers to managers' conveying information to their employees. Its role, according to Pincus *et. al.* (1991) is to develop a shared vision of the company within the organisation; to establish and maintain trust in the organisation's leadership; to initiate and manage change and to empower and motivate employees. (2) *Marketing communication*, where companies tend to spend the highest proportion of their communication budgets (Melewar, Bassett and Simões, 2006), consist "…primarily of those forms of communications that support sales of particular goods or services" (Van Riel, 1995:10), i.e. it incorporates elements of the promotional mix. (3) Organisational communication, although initially referred to as public relations, is sub-divided into activities such as public relations, public affairs, environmental communications, labour market communications, investor relations and internal communications (Melewar, Bassett and Simões, 2006). In establishing the link between these three forms of corporate communications and connecting them to corporate identity, Markwick and Fill (1997) argue that whereas marketing and organisational communications serve to explain the link between corporate identity and image, as well as, between image and strategic management. Management communication forms part of the link between corporate personality and identity, and also, between strategic management and both personality and identity. This will be illustrated by their process model, in sub-chapter 3.1.5.

Corporate communications can also be categorised as:
1. formal communications   vs.   informal communications
2. controllable communications   vs.   uncontrollable communications
3. planned   vs.   unplanned communications

(1) The categorisation as *formal vs. informal* will be important also from the point of view of the author's ACID Test version, namely the AC^{6}ID Test, where the author will call attention to the potential misalignment of formal and informal communications. (2) The *controllable vs. uncontrollable* distinction is used by Balmer and Greyser (2002) in defining the Communicated Identity of the AC^{2}ID Test. The author does not support it entirely because he asserts that what cannot be controlled cannot be managed either; nevertheless, it can be mentioned as an exogenous factor in corporate identity management. Later the above authors omitted uncontrollable communications from explaining the communicated identity as part of the subsequent ACID Test versions. Uncontrollable communication is also discussed by

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[17] This link is illustrated by Csordás (1994), Markwick and Fill (1997), Stuart (1999), Balmer and Gray (2000) in their process models. Other process models, e.g. Abratt, 1989; Balmer, 1995 do not include corporate communications (sub-chapter 4.1.).

Melewar and Jenkins (2002) in their model and by Melewar and Karaosmanoglu (2006) in the revised and further-developed version of the Melewar and Jenkins (2002) model. (3) Finally, communication may be planned vs. unplanned. The author argues that "unplanned" is not the same as "uncontrollable" because while the former can be loosely controlled (by way of managing the culture), it is, by definition, not true of the latter form. Unplanned communication can, however, be treated as a contingent.

Balmer and Gray (2000) pay due attention to corporate communication in their process model. They distinguish between:
- primary
- secondary and
- tertiary communication.

Primary communication includes products and services, as well as various behavioural areas such as market behaviour, behaviour towards employees, employee behaviour to other stakeholders and non-market behaviour. The elements of *secondary communication* are formal communications and visual identification systems. *Tertiary communications* include word-of-mouth, media interpretation and "spin" and competitors' communication and "spin".

Corporate communication can be found in various *corporate identity mixes* (sub-chapter 3.2) as well. The most popular mix, especially in the Hungarian literature, is that of Birkigt and Stadler (1986) that will be introduced in sub-chapter 3.2.1. The elements of the Birkigt and Stadler mix are corporate personality, behaviour, *communications* and symbolism. Various further mixes including corporate communication are as follows:
- Olins' (1995) corporate identity mix (elements: central idea, products, *communications*, behaviour, environment)
- Schmidt's (1995) "structure model for holistic corporate identity development". Elements: corporate culture, corporate behaviour, market conditions and strategies, products and services, *communication* and design
- Balmer and Soenen's (1999) mix. Elements: the soul, the mind, the voice. The last element, "the voice", encompasses corporate communications.
- Balmer's (2001a, 2002a) corporate identity mix. Elements: culture, structure, strategy, *communication*; and his corporate identity management mix. Elements of the CI management mix: culture, structure, strategy, *communication*, reputations, stakeholders, environment
- Melewar and Jenkins' (2002) corporate identity model. Elements: *communication* and visual identity, behaviour, corporate culture, market conditions – "communication and visual identity" is further divided into corporate communication, uncontrollable communication, architecture and location (similarly to "environment" in Olins, 1995), corporate visual identity
- Schmidt and Ludlow's (2002) holistic brand model. Elements: culture, behaviour, market and customers, products and services, *communication*, design – at the core of the model are vision, mission, values, differentiation factors (substance and expression), customer benefits, proposition.
- Melewar and Karaosmanoglu's (2006) model, which is the further developed version of Melewar and Jenkins' (2002) model

1.3. Conclusions

The first part of this chapter attempted to explain the concept of identity, based on the linguistic roots of the term. It has pointed out some reasons for corporate identity being seen

as a predominantly visual concept. Hungarian terminology, which translates "corporate identity" as "vállalati arculat", seems to strengthen this visual orientation. The author has given references from the extant literature relating to the modern academic interpretations of corporate identity suggesting that corporate identity is seen as "what the organisation is" and the "distinct attributes" of the organisation. In this respect, every organisation has an identity (as stated e.g. by ICIG, 1995) but not every organisation seeks to manage it explicitly (Olins, 1995). The generally accepted purpose of corporate identity management is to achieve a favourable image and reputation, which can lead to competitive advantage. The author has introduced two seminal definitions to exemplify the complexity of the corporate identity concept: Balmer's (2001a) definition and the two versions of the Strathclyde Statement.

The second part has reviewed the literature concerning the corporate-level concepts relating to corporate identity. The basis of this review was Balmer and Greyser's (2003) "Key Concepts – Key Construct Model". This model interprets *corporate image* and *corporate reputation* as perceptions, but whereas the former relates to how an organisation is perceived now, the latter is concerned with how it is perceived over the long term. The author has presented various categorisations of corporate image, among which "construed image" is of particular importance from the point of view of his reconsideration of Balmer's ACID Tests. *Organisational identity* has been introduced as a concept relating to members' attitudes and affinities towards their organisation, although it has a different interpretation as well which holds that the relevance of organisational identity comes from the fact that not every organisation is a corporation, therefore, corporate identity cannot be applied to them. Three subsets of organisational identity have been put forth: the (1) "identity of organisations (collective organisational identity)", the (2) "identity of people within organisations (organisational identity)" and (3) "people's identification with organisations (organisational identification)". *Corporate branding*, according to Balmer and Greyser's (2003) model is seen as a corporate covenant between the organisation and its stakeholders. Balmer's (2002b) complex definition explicates this concept. The basic definitions of corporate branding have been classified as "erstwhile", "establishes" and "emergent". Finally, the complexity of *corporate communication* has been demonstrated by introducing the updated version of Bernstein's (1984) wheel model: "The New Corporate Communications Wheel" suggested by Balmer and Greyser (2003) and by putting forth the various subcategories of corporate communication. This sub-chapter also listed the various corporate identity mixes containing corporate communications.

2. HISTORY, DEVELOPMENT AND THE MAIN PERSPECTIVES

The previous chapter gave an overview of the main definitions, interpretations of corporate identity and the related main corporate-level concepts. The literature of corporate identity is rich; there are many, often contradictory definitions, statements and approaches, which may confuse readers. Bick, Jacobson and Abbratt (2003:837) states the followings: "It became apparent in the literature that, despite apparent differences, most academics, corporate identity practitioners and marketers had similar objectives. They used different phrases to denote the same meaning. Unfortunately the same phrases were used by different people to mean different things (for example corporate identity)."

The author argues that *any statement or definition in the literature may be right*, different approaches may be collated with one another if one considers the three important interrelated aspects, as follows: (a) *Who* states or argues something – and, more importantly, what his or her disciplinary background is; (b) *When* he or she stated that – i.e. when his or her fundamental (seminal) work was written; (c) *Where* – i.e. in what country, region or continent a particular author is from (Exhibit 6).
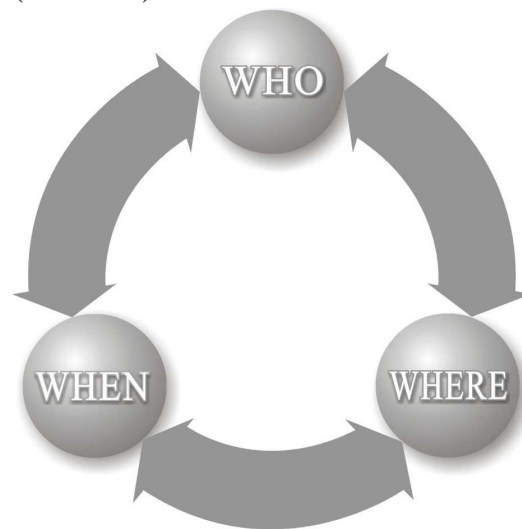
Exhibit 6: The author's model for interpreting the (often conflicting) approaches in the literature (The "When-Who-Where Model")

The tripartite structure of this chapter is as follows:

1. **When** (history, development): subchapter 2.1.
2. **Who** (main perspectives): subchapter 2.2.
3. **Where** (national roots): subchapter 2.3.

2.1. History and development of CI and CI studies

The aim of this subchapter is to introduce the history and development of the corporate identity concept (the question of *'when'*), by way of two main models:
1. Balmer's (2003) five-stage historiography (2.1.1.) and
2. He and Balmer's (2007) model describing the development of the concept (2.1.2.).
The question of *"who"* will be discussed within 2.2, whereas the topic of *"where"* will be elaborated on within 2.3.

2.1.1. Balmer's five-phase historiography

It is difficult to understand the terminological differences without knowing the historical roots because the terminology is somewhat changing with time. Building on previous reviews, Balmer (1997; 1999 <u>in</u> Balmer and Greyser, 2003) identifies five distinct phases in the evolution of corporate identity. The phases are summarised by Exhibit 7.

2.1.1.1. Phase 1: the 1950's to 1970s

In this period corporate image was considered to be of paramount importance to organisations. While it is not clear who discovered the concept of "corporate image", the 1956 work of Boulding (Balmer, 1997) and Martineau (1958 <u>in</u> Balmer and Greyser, 2003) were very influential (Balmer, 1997). American economist and philosopher, Boulding, noted in his book "The image" that humans had to rely on images. It was his conclusion that "there was an 'a priori' link between an individual's image of an organisation and that person's behaviour towards the organisation" (Balmer, 1997:4). It seems to be an impetus for later authors to realise the importance of managing the image of the company, because in this way stakeholders' (persons') behaviours towards the organisation can be maintained or changed. Two years later, Martineau (1958 <u>in</u> Balmer and Greyser, 2003) dealt with the question of corporate image management and concluded that corporate image was of such importance that it deserved the attention of senior managers (Balmer, 1997).

Other notable events of this period were the establishment of the term "corporate identity" and then defining the difference between corporate identity and corporate image. It was J. Gordon Lippincott, co-founder of the famous corporate identity consulting company "Lippincott & Margulies", who first coined the term "corporate identity" (Hagley Museum and Library, Wilmington, United States: http://www.hagley.lib.de.us/2206.htm).[18] According to Balmer (1997), this happened in 1964. Six years later, Pilditch (1970) articulated the difference between corporate identity and corporate image, as mentioned earlier.

2.1.1.2. Phase 2: the 1970's and early 1980's

This period witnessed a growing importance of *graphic design consultancies* in the US. British *design, image-research and marketing communications consultants* showed interest in the area, for example Olins (1978), Bernstein (1986) and Worcester (in the same year) (Balmer, 1997)– the author would suggest the 1970's and early *and mid* 1980's. Increasing attention was given to the internal environment, corporate communications, concepts of corporate personality and, in particular, corporate identity. Academic research, Kennedy's (1977) work has to be mentioned here, revealed *importance of personnel* in image formation (Balmer, 1997).

2.1.1.3. Phase 3: late 1980's to c. 2000

This phase saw a heightened *academic interest* in corporate identity, especially from
- *marketers* (Abratt 1989; Dowling, 1986; Balmer, 1995; Van Riel, 1995);

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[18] Lippincott and Margulies consulting company was founded by J. Gordon Lippincott and Walter P. Margulies in 1945. (http://www.hagley.lib.de.us/2206.htm)

- *strategists* (Gray and Smeltzer, 1985);
- *organisational behaviourists* (Albert and Whetten, 1985 <u>in</u> Balmer and Greyser, 2003; Fombrun and Shanley; Mael and Ashforth, 1992; Hatch and Schultz, 1997);
- *psychologists* (Bromley, 1993);
- *public relations specialists* (Grunig, 1993 <u>in</u> Balmer and Greyser, 2003).

Although Pilditch (1970) made the mentioned distinction between corporate identity from corporate image, it was this phase when corporate identity began to take over from corporate image. In addition, corporate identity was moving away from its visual design definition to increasingly be viewed as the, distinct attributes of an organisation. There was a growing appreciation that corporate identity is multi-faceted, drawing on different disciplines (Thomson, 2005), due to the interest in it by the above mentioned academic groups. This, with special regards to the representatives of organisational behaviour, has led to the nowadays most widely accepted "multidisciplinary approach" to the area.

The foundation of the multidisciplinary International Corporate Identity Group (of which the author is a member) at the House of Lords (1996), Palace of Westminster, is an evidence of the recognition of the growing importance of corporate identity. The Group, headed by John M. T. Balmer, Professor of Corporate Identity (the only professorship of its kind), from the very beginning included academics from the University of Strathclyde in Scotland, Erasmus University in The Netherlands and Harvard Business School in the USA, as well as leading consultants. Strathclyde Statement (ICIG, 1995) summarised the Group's basic views on the area.

2.1.1.4. Phase 4: c. 2000 onwards (the present)

The multidisciplinary nature of the interpretation of corporate identity considerably increased at the beginning of the 21st century. Also, contacts and collaborations increased between practitioners and academics, as well as between different nationalities. This, predominantly fostered by the establishment of ICIG, has led to the growing consensus on the fundamental tenets of corporate identity and other corporate-level concepts (Thomson, 2005). This does not mean, however, that corporate identity and the various concepts are approached in a consistent manner. Balmer and Soenen (1999) and later Balmer (2001a) provide a list of 15 possible reasons for the misunderstandings about the concepts.

Another notable happening was that *corporate branding* received a heightened attention in this stage of evolution. Several corporate identity consulting companies renamed themselves, for example Wolff-Olins, and now they are called brand consultancies. Henrion Ludlow Schmidt[19], however, still calling itself "identity consultants", is an example of this change, considering the titles of the books written by the founders – Schmidt (1995): "The Quest for Identity"; Schmidt and Ludlow (2002): "Inclusive Branding". The author's possible explanation of this phenomenon is twofold: (1) Consultancies have their backgrounds mostly in graphic design (visual identity) (Balmer and Wilson, 1998; Balmer, 2001a) thus corporate branding is easier for them to cope with, also easier to control, having realised that corporate identity has become a more complex construct; (2) Many of the, mostly, academic authors in the area are from marketing backgrounds – they may feel more comfortable with branding, an

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[19] Henrion Ludlow Schmidt is an "identity" consultancy in London, founded by FHK Henrion, Klaus Schmidt and Chris Ludlow. The author worked for them in 2004.

area the have got used to already. Thomson (2005) argues that the usage of "corporate brand" in the brand management literature suffers from confusion in terminology, often being used interchangeably with corporate identity. It seems that by raising point (2) the author provides a good explanation to this!

2.1.1.5. Phase 5: the future

The final phase is the advent of *corporate marketing* which is multidisciplinary in nature, with more strategic focus (Thomson, 2005). The author's opinion in this regard is somewhat similar to what he suggested in point (2) above. Corporate identity is traditionally the area of marketers, who were facing the challenge of the topic being discussed by authors from various disciplines. This has inevitably stretched the corporate identity concept ("multidisciplinary approach"). Therefore, in order to stay within the relatively comfortable context of marketing, this discipline had to stretch as well, i.e. it also had to become "multidisciplinary in nature" so that it could accommodate the more complex corporate identity concept.

The establishment of a new interdisciplinary area of management marshalling all the concepts is the most likely. This is to be known as "identity studies" and/or "corporate marketing", as suggested by Exhibit 7, below.

STAGE 1 - 1950's to 1970's

CORPORATE IMAGE
FOCUS

STAGE 4 - C.2000 onwards

SIMILAR TO STAGE 3
plus
CORPORATE BRANDING FOCI

STAGE 5 - The Future?

ESTABLISHMENT OF A NEW,
INTERDISCIPLINARY AREA OF
MANAGEMENT, MARSHALING
ALL THE CONCEPTS, TO BE
KNOWN AS
'IDENTITY STUDIES'

STAGE 2 - 1970's and early 1980's
CORPORATE IDENTITY
CORPORATE PERSONALITY
and
CORPORATE IMAGE
FOCI

STAGE 3 - Late 1980's to c.2000

ORGANIZATIONAL IDENTITY
CORPORATE IDENTITY
CORPORATE
COMMUNICATIONS
and
CORPORATE REPUTATION
FOCI

Exhibit 7: Balmer's historiography
Source: Balmer, J. M. T. in Balmer and Greyser (2003:6)[20]

This historiography has described the evolution of the approach to corporate identity, in a chronological order, through five stages. Hungarian author, Sándor (1997) also presents a historical overview but that is rather general and very limited in scope. The overview of

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[20] Adapted from J. M. T. Balmer, "Corporate Identity", in M. J. Baker (ed.) The IEBM Encyclopaedia of Marketing, London: International Thomson Business Press, 1999, pp. 732 – 746

Szeles is different, albeit more detailed than that of Sándor (1997). Szeles discusses the development of corporate identity practise, rather than the development of the concept (Nyárády and Szeles, 2004), therefore both his framework and the time scale he refers to is different from what has been introduced in this sub-chapter.

2.1.2. He and Balmer's description of the main trends of development

It has been argued that academic research into corporate identity increasingly adopts a multidisciplinary and more strategic approach to it. He and Balmer (2007) suggest that the resulting shift in the conceptualisation and pattern can be described by three aspects:
1. From peripheral elements to central elements (2.1.2.1.)
2. From external focus to internal focus to holistic focus (2.1.2.2.)
3. From tactical to more strategic approaches (2.1.2.3.)

2.1.2.1. From peripheral elements to central elements

The conceptualisation of corporate identity has metamorphosed from being concerned with the peripheral elements of organisations (graphic design) to the more central elements (strategy, structure and culture) (Balmer, 1995; Van Riel and Balmer, 1997; Balmer and Wilson, 1998; Balmer, 2001a; Balmer, 2002; Bick, Jacobson and Abratt, 2003). The original visual 'orientedness' of corporate identity ('it is all about logos, corporate names and other types of visual identity') has shifted over time towards its deeper and more profound comprehension. Corporate identity was conceptualised in terms of corporate "self-presentation" (e.g. Markwick and Fill, 1997), which was underpinned by corporate behaviour, communications and symbolism (Margulies, 1977 in Balmer and Greyser, 2003; Van Riel, 1995) – based on Birkigt and Stadler's (1986) corporate identity mix. However, both approaches of corporate identity mentioned above – corporate identity as 'visual identity' and 'self-presentation' – represent its observable and relatively superficial elements. As He and Balmer (2005:5) put it, "it does not address the question of an organisation's actual identity but only focuses on the desired identity that management wishes to convey". This statement, also suggested by Kiriakidou and Millward (2000), underpins the author's findings concerning the recognition of commonly shared values in corporate identity programmes. The possible incongruence between actual and desired identities will also be explained by Balmer's ACID Tests and its further developed versions by the author (sub-chapter 3.3).

Over time, academics realised that corporate identity refers to those inner and deeper elements that make one organisation distinct from another. Consequently, corporate identity is increasingly conceptualised as the distinctive attributes of companies.

2.1.2.2. From external focus to internal focus to holistic focus

Along with the change mentioned in the previous section, "*corporate identity management has moved from more external-oriented to more internal-oriented and then to a more holistic, multidisciplinary and integrated approach*" (Balmer, 1999), although one can find examples to internal-oriented approaches in the nascent literature as well, for example Kennedy's (1977) "company personnel perception of the company", in the famous Kennedy's process model,

where she highlights the importance of employees in the process of corporate image formation – Dowling (1986) also mentions employees in this regard.

External concerns meant overly focusing on customers and stressing the visual aspects. This can be found, however, in Hungarian literature as well, for example, Sándor (1997) argues (in a chapter that refers to corporate identity as the objective of marketing communications) that corporate identity is important for companies building direct contacts with *customers* (services companies), it is also in significant in *markets* where *visual signs* ("peripheral", "external" oriented elements) are of importance, etc.

The fact that corporate identity was fundamentally concerned with the self-presentation of companies, resulted in a narrow conceptualisation of corporate identity management in terms of *graphic design* and *visual identity*. Its rationale was that visual identity could shape or influence *externally* held perceptions. The deeper comprehension of identity in terms of "distinct characteristics of an organisation" lead to a shift of emphasis "that was to be of seismic proportions" (He and Balmer, 2005:6): a shift from external concerns to an emphasis on internal concerns and to questions relating to culture and historical development, i.e. the source of identity.

The expansion of the focus to employees (internal orientation) is illustrated by the following quotes: "The most important audience for any company is its own staff…" (Olins, 1991); "…employees are particularly effective spokespersons for any organisation" (Balmer, 1995:40).

He and Balmer (2007) argue that the focus has to logically be expanded to stakeholder groups and networks and should not emphasize the exclusive importance of customers and employees. It is not the question, they further suggest, whether organisation should pay attention to internal and external groups but rather that all key – external and internal – stakeholder groups are important to the management of corporate identity.

2.1.2.3. From tactical to strategic approaches

The third aspect of the trend is the shift from tactical to strategic approaches of corporate identity. Corporate identity is now recognised as a strategic issue (ICIG, 1995, Schmidt, 1995).

The underlying idea dates back to Gray and Smeltzer (1985) who argued that corporate image was an integral part of strategy. Several conceptual models of corporate identity include strategy, for example, Markwick and Fill (1997:400), Stuart (1999:206) and Melewar and Karaosmanoglu (2006). Balmer (2001a) also asserts that strategy should be a key component of the corporate identity mix (apart from culture, structure and communication) which means that that the current identity of an organisation is, in part, the consequence of strategic decisions in the past.

As the authors summarise the three trends, "corporate identity and corporate identity management have evolved into a more strategic and multidisciplinary approach, which advocates a stakeholder-orientation (instead of sole customer or employee-orientation) and, moreover, one which is characterised by and accords a strategic role for corporate identity" (He and Balmer, 2005:6).

The basic trends outlined by He and Balmer (2007) are illustrated by the author in the following form (Exhibit 8):

Peripheral elements	Central elements
External focus	Internal focus	Holistic focus
Tactical approach	Strategic approach
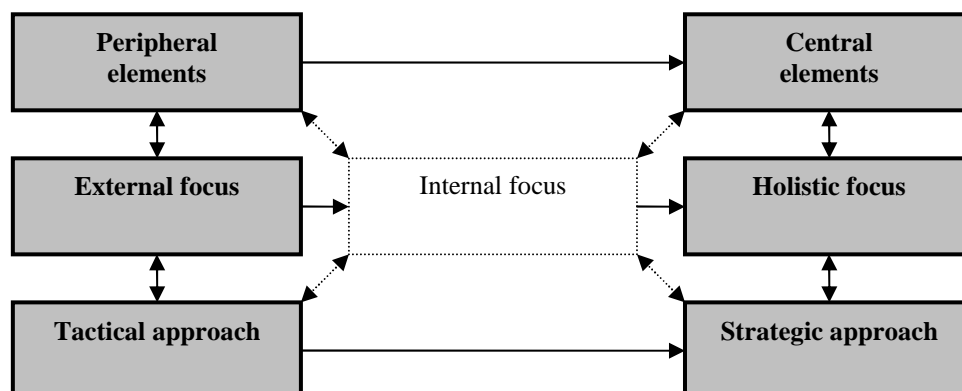
Exhibit 8: The author's illustration of the trends outlined by He and Balmer (2007)

2.2. Main perspectives of identity studies

It has been argued that there are three important, broadly overlapping, aspects that have to be considered if one wishes to understand the main approaches to corporate identity, one is the question of "who and from what background" (disciplinary perspectives), the other is the question of "when" (history and development) and the third is the question of "where" (countries, regions and continents). The previous chapter overviewed the history and development of identity studies using two models: Balmer's (2003) historiography and He and Balmer's (2007) description of the main trends of development.

This chapter examines the main perspectives discussed in the literature, in terms of:
- Disciplinary perspectives (schools of thought[21]) – *"who"* (2.2.1.)
- National roots – *"where"* (2.3.)

This analysis draws upon Balmer and Greyser's (2003:34) nine streams of inquiry. They argue that the corporate identity concept has been examined in terms of (a) disciplinary and national roots, (b) schools of thought, (c) philosophical underpinnings, (d) components, (e) characteristics, (f) management, (g) analysis, (h) structure and hierarchy, and (i) relationship with other corporate level concepts.

2.2.1. Disciplinary perspectives

Balmer and Greyser (2003:34) conclude that the complex nature of identity studies is the "consequence of the rich disciplinary and philosophical traditions that underpin scholarship and practice associated with the area". This section is to provide a structured overview of the most dominant disciplinary perspectives.

---

[21] Categorisation of the main schools of thought was attempted by Balmer (1995). Thomson (2005) explained the main concerns of the various schools of thought in a table-format. The author has re-edited this table; it is presented in Appendix 1.

The author has found the following *four dominant perspectives (approaches)* in the literature (Van Riel and Balmer, 1997; Balmer and Wilson, 1998; Balmer, 2001a, 2006; He, 2004; Thomson, 2005):

(a) **The visual approaches** – 'corporate identity is mainly about visual identification, e.g. logos, colours, fonts, signage, liveries, and other visual identifiers'

(b) **The communication** (marketing communication, integrated communication and total communication) **perspectives**, mostly advocated by marketing specialists and practitioners in general – 'corporate identity is about planned communication, *self presentation*' – this seems to somewhat overlap with the previous perspective

(c) **The organisational behaviourists' approach (organisational identity)** – 'identity is about the internal aspects of an organisation', and

(d) **The multidisciplinary (interdisciplinary) approach** – 'corporate identity is a complex phenomenon'.

The main implication of this list is that authors from these disciplinary backgrounds define and approach corporate identity differently!

Above mentioned (a), (b), (c) and (d) will be used below, in the case of the various classifications, in order to demonstrate in what way they can be reconciled with the categories identified by the author.

Van Riel and Balmer (1997) attempted to establish an early classification of the main disciplinary streams, as Exhibit 9, designed by the author, illustrates it. They listed three of them, namely

- *"The graphic design paradigm"*: "Originally, corporate identity was synonymous with organizational nomenclature, logos, company housestyle and visual identification" (ibid:340): (a).

- *"The integrated communication paradigm"*: "The realization by graphic designers and marketers of the efficacy of consistency in visual and marketing communications led to a number of authors arguing that there should be consistency in formal corporate communications (Bernstein, 1986): (b).

- *"The interdisciplinary paradigm"*: "Increasingly academics acknowledge that corporate identity refers to an organization's unique characteristics which are rooted in the behaviour of the members of the organization. … the management of an organization's identity is of strategic importance and requires a multidisciplinary approach" (ibid:341). The author wishes to remark here that "corporate identity" is a term mainly used by marketing specialists and designers, whereas the behavioural roots belong to the terrain of authors coming from the behavioural sciences. The cross-fertilisation of these areas has resulted in the multidisciplinary (interdisciplinary) approach: (d).
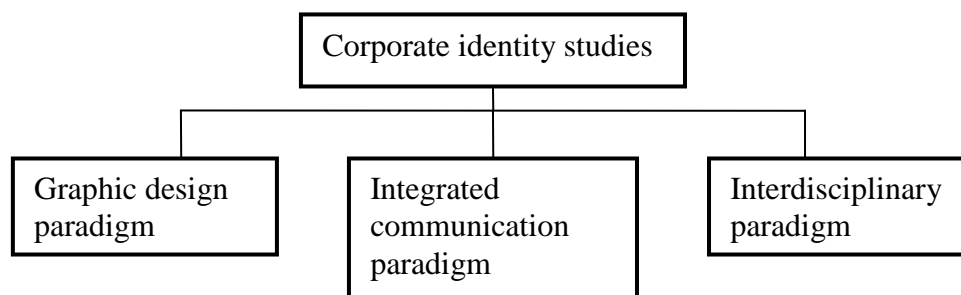
Exhibit 9: Van Riel and Balmer's (1997) categorisation (the author's illustration)

Balmer and Wilson (1998), who also quote Van Riel and Balmer's (1997) tripartite division, emphasise that the interest in corporate identity come from two distinct but inextricably linked areas of scholarship. They argue that while marketing specialists have focused on corporate identity, the behaviourists have emphasised the concept of organisational identity. "One sign of the interdisciplinary nature of the area is the increasing recognition of the area is the increasing recognition of the strong link between marketing and organizational behavior with regard to corporate identity scholarship" (Balmer and Wilson, 1998:16).

Balmer (2001a:249) speaks of "business identity" which "encompasses a triumvirate of related concepts and literature which are:
  1. corporate identity (d);
  2. organisational identity (c); and
  3. visual identity (a)."
The markings "a", "b" and "c" are not originally in Balmer's text, they refer to the four main perspectives the author referred to above. Furthermore, the author offers the following form to illustrate Balmer's (2001a) classification (Exhibit 10):
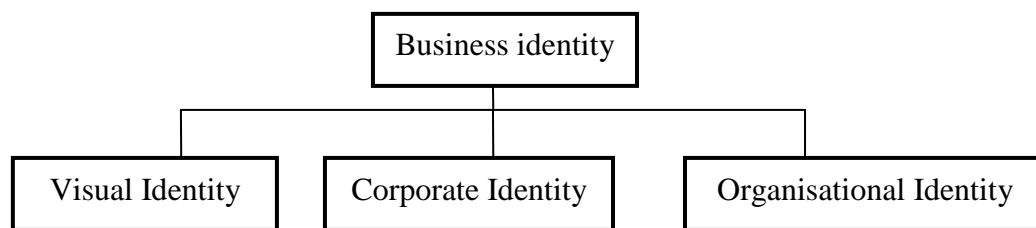
Exhibit 10: Balmer's (2001a) categorisation (the author's illustration)

The main difference between Van Riel and Balmer's (1997) and Balmer's (2001a) categorisation is that in the latter one "Corporate Identity" has replaced "Integrated Communication Paradigm" in the former model. Having read "The author's interpretative diagram illustrating He's (2004) statement and Thomson's (2005) literature review" below (Exhibit 11) the reason for that difference will be clear.

Differently from Balmer (2001a), He (2004:45) has set up a more detailed categorisation, differentiating seven perspectives within "identity studies", which he calls the "New categorisation of perspectives of identity studies". He presents it in an illustrative form, as follows:

```
                        ┌─────────────────┐
                        │ Identity studies │
                        └────────┬────────┘
              ┌──────────────────┴──────────────────┐
    ┌─────────┴────────┐                  ┌──────────┴──────────┐
    │ Corporate identity │                │ Organisational identity │
    └─────────┬────────┘                  └──────────┬──────────┘
      ┌───────┴───────┐          ┌──────────────┬────┴─────────┬──────────────┐
```

| Perspective 1 | Perspective 2 | Perspective 3 | Perspective 4 | Perspective 5 Identity |
| Visual identity | CI: Multi-disciplinary | Identity *of* organisation | Identity *in* organisation | *with* organisation |
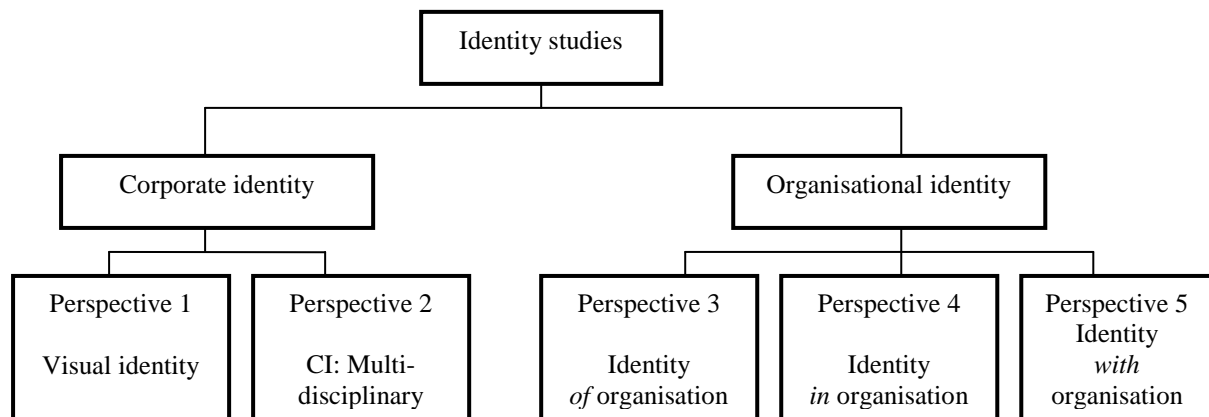
Exhibit 11: He's (2004) categorisation

Perspective 1: (a); Perspective 2: (d); Perspectives 3 to 5: (c), drawing upon what the author called the "four dominant approaches" in the literature. The three subsets of organisational identity have already been discussed within 2.3.

The author has attempted to collate Balmer's (2001a) categorisation with that of He (2004): Exhibit 12

```
                        ┌──────────┐
                        │ Identity │
                        └────┬─────┘
        ┌────────────────────┼──────────────────────────┐
┌───────┴──────┐   ┌─────────┴─────────┐     ┌───────────┴───────────┐
│ Visual Identity │  │ Corporate Identity │     │ Organisational Identity │
│               │   │ (multidisciplinary) │     │                       │
└──────────────┘   └───────────────────┘     └───────────┬───────────┘
                                         ┌────────────────┼────────────────┐
```

| Identity *of* org. | Identity *in* org. | Identity *with* org. |
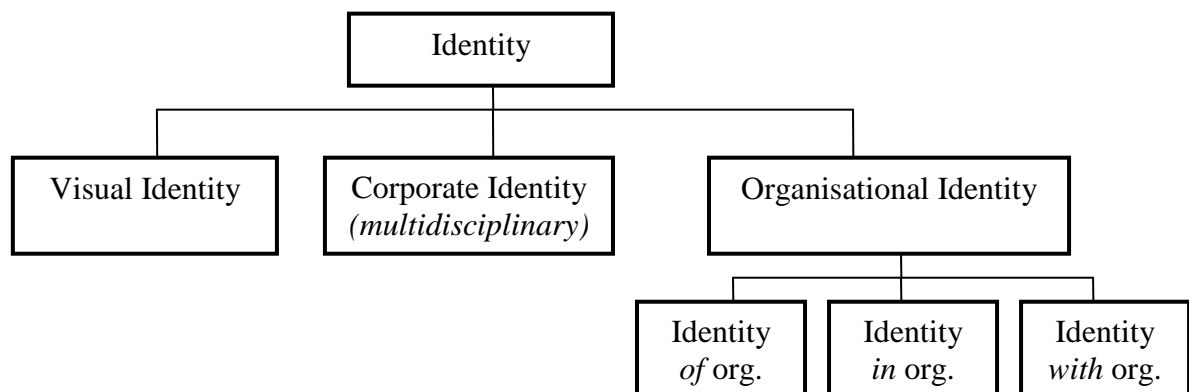
Exhibit 12: The author's categorisation, collating those of Balmer (2001a) and He (2005)

This division of the areas shows "visual identity" as a separate category. The author finds it more useful a structure than exhibiting visual identity under corporate identity because it provides a better way to present the evolution of corporate identity leading from the marketing communication paradigm to the modern multidisciplinary perspective. Moreover, it might be confusing in He's categorisation (Exhibit 11) that there are two corporate categories on the same line: "corporate identity" and "CI: multidisciplinary".

There are some basic differences between the categorisations presented so far. Van Riel and Balmer's (1997) classification includes the integrated communication perspective, that is, "integrated communication paradigm" as they call it, whereas Balmer's (2001a) and He's (2004) categories do not. The author finds its explanation in what He (2004:45) states: "Though integrated communication approach to corporate identity (for example: corporate

identity as corporate self-presentation) has been a key school of thought in 1990s, it has shifted towards a more multi-disciplinary approach."

Thomson (2005), in her literature review, provides an overview of three dominant approaches, namely the "organisational behaviour perspective", the "visual identity perspective" and the "marketing communications approach", similarly to the disciplinary strands put forth by Van Riel and Balmer (1997), and also points out that the communication perspectives has finally led to the nowadays accepted multidisciplinary perspective.

Drawing upon He's (2004:45) statement and Thomson's (2005) literature review, the author has attempted to illustrate the development of the communications perspectives. Exhibit 13 shows the main stages of this evolution, completed with the author's comments.

Stages of the evolution	**The author's comments**
Marketing Communication Perspective (b)	CI is seen as an element of the "4th P" (Promotion)
↓ *evolving towards*	
Integrated Communication Perspective (b)	Bernstein's (1986) „wheel" model is exemplary
↓ *evolving towards*	
Total Communication Perspective (b)	Exemplified by Balmer and Gray's (2000) „total communications mix"
↓ *evolving towards*	
CI: Multidisciplinary approach (d)	Most widely accepted academic approach in the extant literature

Exhibit 13: The author's interpretative diagram illustrating He's (2004) statement and Thomson's (2005) literature review

In the light of the above diagram, the difference between Van Riel and Balmer's (1997) and Balmer's (2001a) categorisations can be understood (Exhibit 14):
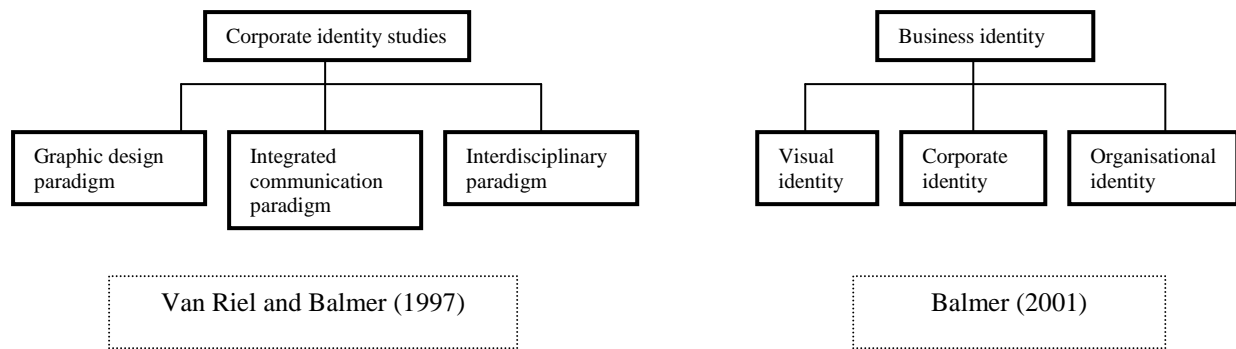
Exhibit 14: Van Riel and Balmer's (1997) and Balmer's (2001a) categorisations

"Corporate Identity interpreted as *Integrated Communications*" and "Corporate Identity seen as a *multidisciplinary area*" should be viewed as different phases of the evolution of the concept, instead showing them as two distinct categories as Van Riel and Balmer (1997) did. Organisational identity, however, is not an alternative perspective as it may follow from the above comparison, that is, it should not disappear from the model. Multidisciplinary (interdisciplinary) approach to corporate identity refers to a synthesis between marketing academics' and organisational behaviourists' view (also referred to as "cross-fertilisation"), but basically used by marketing academics. Therefore, the author proposes the following model to compare Van Riel and Balmer's (1997) and Balmer's (2001a) classifications (Exhibit 15):
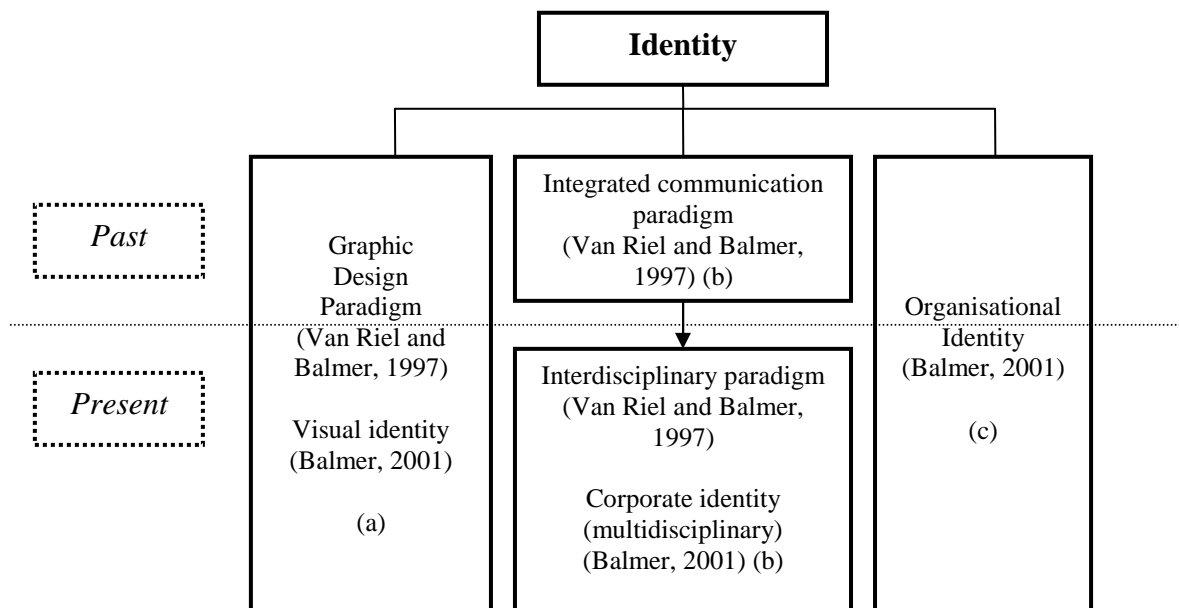
Exhibit 15: The author's categorisation, collating those of Van Riel and Balmer (1997) and Balmer (2001a)

There is only one task left at this point and it is to put the fragments together and to attempt to extrapolate the trends towards the future, in the form of a complex model which comprises all the aforementioned academic models. The author proposes the following model to meet this end (Exhibit 16):

Identity

Graphic Design Paradigm

or

Visual identity

(a)

Marketing communication perspective (b)

Integrated communication perspective (b)

Total communication paradigm /perspective (b)

Corporate identity (multidisciplinary) (c)

Organisational Identity

Identity „of" org.

Identity „in" org.

Identity „with" org.

(He, 2004)

(c)

Past

Present

Future

Identity: multidisciplinary *and systems* approach; *no isolated disciplines*
(It seems to be similar to Stage 5 – future – in Balmer's historiography)

Exhibit 16: The author's vision for a unified (multidisciplinary and systems) approach to Corporate Identity

This visionary model suggests that "a new, interdisciplinary area of management" will be present in the future, "marshalling all the concepts" (Balmer and Greyser (2003:6), adapted from J. M. T. Balmer, "Corporate Identity) that will relate to all areas of organisational life. The various disciplines will be parts of one system. Design, employee identification, communication, PR, marketing, etc. should form a convergent system. This concept is expected not to be fraught with misunderstanding arising from the conflicting interpretations of identity. Currently, it may sound somewhat naïve, as scholars seem to have their own personal identities as being representatives of their specific and distinct disciplines. However, attitudes and approaches may change with time.

2.3. National roots

The author has already touched upon this topic in his MBA Management Project (Csordás, 1994) when he wrote about the interpretation of corporate identity by Scandinavian countries. The rationale for dealing with this issue is that the way corporate identity is approached also differs in terms of geographical areas (countries, continents, etc.)

One outstanding example is the existence of the French School of Thought of corporate identity. The paper published by Moingeon and Ramanantsoa (1997): "Understanding

corporate identity: the French school of thought" is exemplary in this regard. They explain that: "Since the 1970s, French researchers have elaborated a theoretical framework built around the concept of organizational identity. This theoretical framework integrates concepts from several research disciplines, including sociology, psychology, psychoanalysis, and history. Although this approach focuses primarily on improving the understanding of the internal functioning of organizations, the approach also helps marketing professionals who are responsible for managing organizational image and organizational communications." (Moingeon and Ramanantsoa, 1997: Abstract – 'html version available on Emerald Insight')

Balmer and Greyser (2003) assert that North American scholars accord particular importance to staff identification and to the conceptualisation of identity based on theories concerning organisational behaviour. (Balmer and Greyser, 2003:45, precisely refer to those scholars.)

MORI carried out a series of pan-European studies, commissioned by Henrion Ludlow & Schmidt (now Henrion Ludlow Schmidt), in 1989, 1991 and 1993 (Schmidt, 1995)[22], interviewing leading managers of functional areas (public relations, corporate communications, marketing, *personnel*, advertising, other), and also the Chairman of the Board and the Managing Director. This survey revealed some national variations. Balmer and Greyser (2003:35), following Henrion Ludlow and Schmidt's "Summary of the Third Pan-European Study on Corporate Identity (Corporate Identity in a Multicultural Marketplace), 1993", summarise the main findings of the MORI surveys in this regard: "Whereas in Germany many respondents viewed identity as comprising a multidisciplinary mix of elements …, in the U.K. and in Scandinavia visual presentation was accorded particular importance. Of note is that the single most aspect of identity was considered to be corporate culture in every country apart from Belgium, where corporate communication was singled out. There was wide consensus too in identifying the main audience to which an identity is targeted, with existing customers being identified in all countries apart from the U.K., where financial institutions and shareholders were seen as the main target group."

2. 3. 1. Hungarian Academic Approaches to Corporate Identity

The author conducted an empirical survey relating to the conceptualisation of corporate identity in July to September, 2006. The interview questionnaires may be found in Appendix 1. In the questionnaire, the author intentionally did not translate "corporate identity" into Hungarian so that the terminological differences between English and Hungarian ('identity' vs. 'arculat') do not distort the potential responses. The author had hypothesized that corporate identity studies in Hungary have a strong traditional marketing bias, that is, it is mainly seen as "ways in which organisations present themselves to external audiences" (Cornelissen, Haslam and Balmer, 2007:6).

Indeed, Hungarian academic approach to corporate identity, predominantly views the area as 'purposeful self-presentation' – of the personality of the company (Orosdy, interview[23]). According to Totth (interview) Hungarian academic papers have a somewhat practitioner focus. Totth (interview) and Orosdy (interview) suggest that "academic approaches seek

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[22] The author worked for this identity consultancy in 2004. He asked Klaus Schmidt on 3 January 2007 via email if 1993 had been the last year when a survey of its kind was conducted. Schmidt replied that email on 29 January 2007 mentioning that "there were no more studies with MORI".

[23] In this subchapter the author refers to comments given by interviewees. He refers to those comments as "Name of interviewee (interview)" or "(Name of interviewee, interview)".

complexity" and "they are more sophisticated" than practitioners' approaches. While the former are rather multidisciplinary in nature (He and Balmer, 2007), the latter seem rather design oriented (Alessandri, 2001; Piskóti, interview). It also seems that practitioners do not know the academic theories or if they do they do not believe in it (Papp, interview).

The concept in Hungary is based, basically, on German authors Birkigt and Stadler's (1986) corporate identity mix (culture, design, behaviour and communication being mentioned as elements in the Hungarian literature). Some academics, e.g. Hoffmann (2000) and Kollin (interview), even include those elements in their definitions. Hoffmann (2000:393), however, defines the areas of corporate identity "on the basis of experiences". The original elements of the Birkigt and Stadler (1986) model will be introduced in sub-chapter 3.2.1. This is an undoubtedly useful framework. However, there are several problems with the way some Hungarian academics approach to the problem. Since the starting hypothesis was that interviewees would only mention the above mix without referring to Birkigt and Stadler, the author asked them to provide references apart from relating to corporate identity mixes. From the replies the author has drawn the conclusion that Birkigt and Stadler's mix is used nearly as an only mix of CI elements and the personalities of the authors who set up the mix seem unimportant. Sándor (1997) refers to them in the footnote of his book ("Handbook of Marketing Communication"). Two, fortunately exceptional, replies were the followings: "we do not understand the question" (relating to what corporate identity mixes are in use), "we do not provide references, we shape attitudes".

There are other corporate mixes as well in the international literature, as shown in sub-chapter 3.2. Papp (interview), unlike others, referred to Olins' (1989) mix (elements: product/service, environment, information and behaviour – expressing the 'central idea'). Szeles (interview) supported the author's statement relating to the use of Birkigt and Stadler's (1986) model. In spite of the traditional interpretation of corporate identity, the basis of a multidisciplinary approach exists in Hungary: (1) Szeles (interview) suggested that the roots of corporate identity should be sought in behavioural sciences. In the author's subjective view his views might somewhat be similar to those of the French School of Thought represented by Larçon, Reitter, Moingeon and Ramanantsoa (1997); (2) some interviewees reported that, in teaching corporate identity, they view "organisational identity" as an area related to corporate identity; (3) Veresné Somosi (interview) thinks it might be possible that the 'two identities' (corporate and organisational) may get closer in the academic world.

2.4. Conclusions

The author stated at the beginning of this chapter that "the literature of corporate identity is rich; there are many, often contradictory definitions, statements and approaches, which may confuse readers". To solve this, the author suggest taking three important interrelated aspects: (a) *Who* from what disciplinary background states or argues something; (b) *When* that author stated that – i.e. when his or her fundamental (seminal) work was written; (c) *Where* a particular author is from. This chapter introduced the evolution of the corporate identity concept, based on two descriptions: Balmer's historiography and He and Balmer's review. Balmer's historiography depicts the five stages of the enrichment of the corporate identity concept, in which stage five refers to the future when the establishment of a new multidisciplinary area of management is expected which marshals all the related concepts. He and Balmer argue that the development of the conceptualisation of corporate identity can be best described by way of three trends: the emphasis has been shifting from (1) peripheral

elements to central elements (2) from external focus to internal and then holistic, and finally (3) from tactical to more strategic approaches.

Following the logic of the "when-who-where model", this chapter also overviewed the main disciplinary approaches to corporate identity ("who"): the visual perspectives, the communication perspectives, the organisational behaviourists' perspectives and the multidisciplinary perspectives. The author contends that Hungarian academic approaches to corporate identity seems to be positioned within the "communication perspectives". Having introduced several categorisations, the author has set up a complex model to describe the evolution of the corporate identity thought. The author contends that the future should be an identity concept that adopts a multidisciplinary and systems approach and there are no isolated disciplines. Finally it argued that the way corporate identity is approached also differs in terms of geographical areas ("where").

3. MODELS OF CORPORATE IDENTITY

This chapter has a mission which is more than simply an objective. The author wishes to explain to Hungarian academics that there are many models of corporate identity, not only the mix of "Corporate Culture, Corporate Design, Corporate Communication and Corporate Behaviour". When the author made a survey (personal and electronic) among Hungarian academics, four marketing academics mentioned this as the only mix of elements/areas of corporate identity. Only one of them reported that they used Olins' (1989) mix, according to which corporate identity consists of "Products/Services", "Environment", "Information" and "Behaviour". It is basically the same as what the author refers to as Olins' (1995) mix; however in Olins' new mix "Information" is replaced with "Communication" with content left the same. One respondent argued that they did not use a mix in corporate identity, although he/she referred to a mix when describing the areas of corporate identity. One marketing lecturer reported that they did not even understand the author's question referring to "corporate identity mix/model"; however he/she[24] listed the "traditional" areas of corporate identity.

The author asked respondents to provide references when mentioning the corporate identity models they apply. The rationale was that according to the first hypothesis of the author (H1), mainly a somewhat changed version ("Corporate Culture, Corporate Design, Corporate Communication and Corporate Behaviour") of Birkigt and Stadler's (1986) model is used in Hungary but almost without anyone referring to this original source! Some do refer[25] but this is not typical. The author's mission is to point out that:

- one can argue that this model is the best one ever invented but at least one should mention others as well and draw the conclusion that the above mix is still the most useful; and
- this model should not been used without referring to the original authors.

The original "Birkigt and Stadler mix" consists of a quartet of elements: Personality, Behaviour, Communication and Symbolism. It is definitely one of the most popular corporate identity mixes, as Van Riel's (1995) definition of corporate identity incorporates this mix. Olins (1995), although he has developed his own mix, suggests conducting his audits (situation analyses) using the elements of the Birkigt and Stadler's mix. Also, German author Asterholt's model (set up in 1993) describing the possible overlaps between corporate identity and personnel management (Uglyai, 2005) has its basics in Birkigt and Stadler's model.

There are many models used in corporate identity. Balmer (2002a:6) categorised the main models (called the "Examples of The Multifaceted and Multidisciplinary Nature of Corporate Identity as Conceptualised by Academics and Practitioners"). He grouped those models under three headings: (1) "Model" which the author calls "Process Models", (2) Audit Processes and (3) "Articulation of the Corporate Identity Mix" which the author refers to as "Corporate Identity Mixes". The author wishes to introduce the evolution of the Process Models and the Corporate Identity Mixes because these are the two categories in relation to which he wishes to add some points or use them to underpin some of his hypotheses.

The author intends to formulate his second thesis about Balmer's ACID Test by adding two elements to the model and setting up a new framework, which might be more logical and probably more applicable than the existing one. Balmer's ACID Tests are complex models of

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[24] The author does not intend to reveal the gender of the respondent.
[25] e.g. Gedeon Totth; Péter Szeles; Imre Sándor in footnote; Márta Németh and Bernadett Kukoda, according to Péter Szeles (based on literature review and personal interviews)

corporate identity. There are several complex models in the literature, however ACID Tests, which the author has chosen for further scrutiny, provide a useful and logical framework for an ongoing corporate identity and brand management, by identifying gaps to eliminate occurring between, for example, what the company is (organisational reality), how it presents itself, what management think the company should become and what it should really become based on analysis of the environment, as well as what people think of the organisation (image and reputation). The author will argue that construed image and real image may need to be brought into alignment, and potential misalignment may occur between formal and informal communications.

3.1. Process Models

This sub-chapter describes the evolution of the main process models. The author also designed a process model when writing his MBA Management Project (Csordás, 1994), which was based on Abratt's (1989) famous model.

Process models, in general, introduce the "image formation process": the way corporate philosophies, personalities are translated into corporate identities, leading to the formation of an (ideally) favourable image, reputation, which in turn, results in creating a competitive advantage.

3.1.1. Kennedy's (1977) model

The earliest process model was established by Kennedy (1977), although she did not use the term "corporate identity" (Exhibit 17). Her main focus was the way corporate image was formed. The most significant element of her model was the box called "company personnel perception of company" (Stuart, 1999), which is of paramount importance from the point of view of placing employees at the heart of image formation.
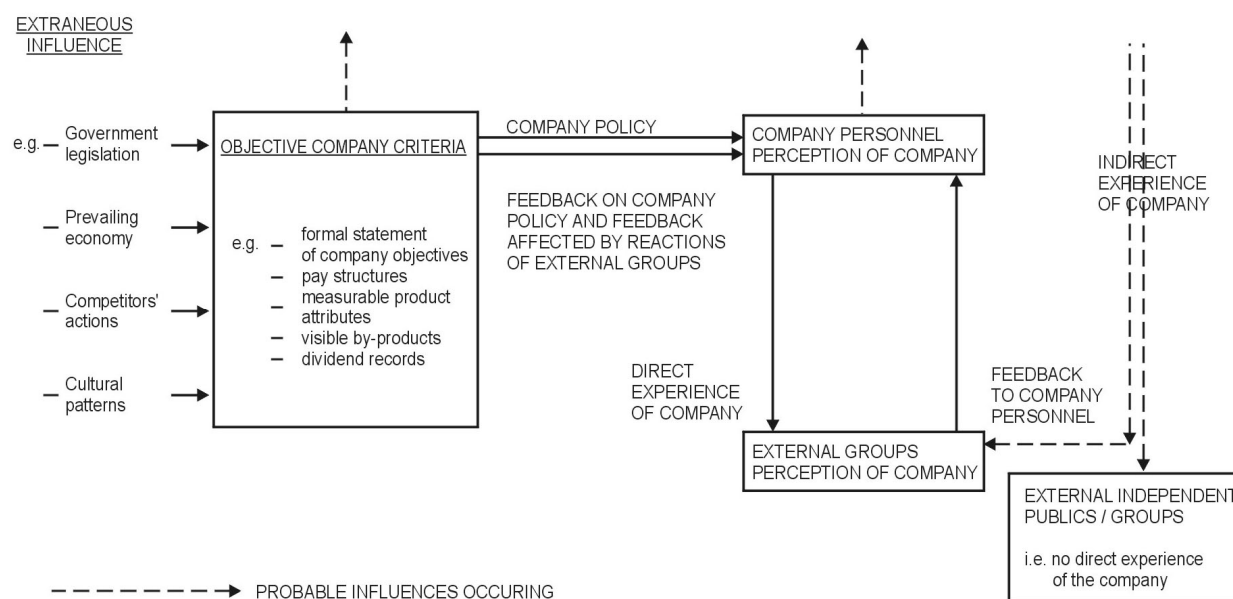
Exhibit 17: Kennedy's (1977) model

Stuart (1999) argues that the main contribution of this model was the recognition of the necessity for company policy to be based on the organisational reality for effective company image formation.

3.1.2. Dowling's (1986) model

Dowling's (1986) model (Exhibit 18) followed Kennedy's model closely. One obvious improvement was the inclusion of communication (formal company policies being transmitted through internal and *employees' image* of the company – transmitted through interpersonal communications). Another point was putting "organisational culture" in as an element, which is now viewed as a common sense. Employees' image of the company, according to Dowling, is influenced by culture and influences external image. It is an interesting point if one considers that nowadays' academic attention is focused on employees' construed image of the company (employees' perceptions about the company's external image). This image category has already been mentioned in sub-chapter 1.1. and will be mentioned as part of the author's versions of Balmer's ACID Test (AC^{5}ID and AC^{6}ID Tests). The author will explain that employees' construed image is culturally embedded and also influences organisational culture (e.g. Dutton and Dukerich, 1991; Dutton, Dukerich and Harquail, 1994). Of course, Dowling, at that time did not elucidate this image category; the influence of organisational culture on employees' perception, however, is remarkable.
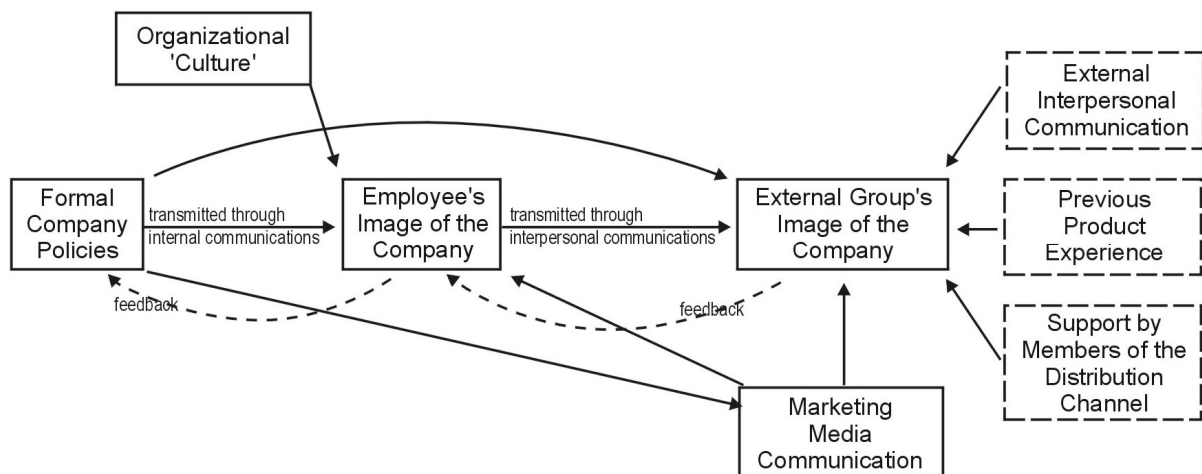
Exhibit 18: Dowling's (1986) model

One limitation of the model is that, according to Hatch and Schultz (1997), it did not include top management as a symbol of corporate identity, therefore it seems naïve. They suggest, in criticising Dowling's model, that "top management is as much a symbol of corporate identity as any other device top managers use to influence what employees and other constituencies perceive, feel and think about the organization" (Hatch and Schultz, 1997:363). Dowling's model, in general, apart from some differences, did not represent a significant change from Kennedy's (Stuart, 1999).

3.1.3. Abratt's (1989) model

Abratt's (1989) model (Exhibit 19) seems to be a significant shift from the previous models (and now even this model has been further developed by Bick, Jacobson and Abratt, 2003).

Based on a literature review, with special regards to Olins (1978), he introduced the concept of "corporate personality". Olins called corporate personality the "soul, the persona, the spirit of the organisation" (Olins, 1995:xvii), which is explicitly managed (presented, projected) by the organisation (Corporate Identity), which is then perceived by various audiences. Abbratt's (1989) model illustrates this process:

The Corporate Image Management Process

Corporate Personality	*Corporate Identity*	*Corporate Image*
Corporate Philosophy ↓ Core Values Corporate Culture ↓ Strategic Management Corporate Mission Business Objectives ↓ Strategy Formulation ↓ Strategy Implementation	Organisation's Communication Objectives and "Game Plan" ↓ Functional Communication Objectives ↓ Development of Structures and Systems	IMAGE INTERFACE | ORGANISATIONS PUBLICS Customers Government Bankers Influential Groups General Public The Media The Trade Internal

FEEDBACK

Exhibit 19: Abratt's (1989) model

Abratt (1989) defined corporate personality as the sum total of the characteristics of the company that distinguish one organisation from another (also in Csordás, 1994), based on the analogy of human personality (human character – corporate character). It sounds like nowadays' academic definition of corporate identity: "distinct attributes", "innate character", etc. (references in Chapter 1). Balmer's definition of corporate personality is different in that he views personality as "the distinct mix of sub-cultures present within organisations" (Balmer, 1997:14). It is of particular importance that Bick, Jacobson and Abratt, (2003) now define corporate personality as "an amalgamation of all the sub-cultures that are present within an organisation", that is Abratt has distanced himself from his previous definition and has come closer to that similar to Balmer's. Corporate personality, as Balmer (1997) remarks, has not been a widely used concept. The author argues that it might be because of its somewhat muddled use, in one sense its concept is close to that of corporate identity while in another sense it is rather close to organisational culture/identity.

Abratt's (1989) model was followed by several revised versions, one of which is the author's (Csordás, 1994)

3.1.4. The author's (1994) model

The author built the structure of his MBA Management Project (Csordás, 1994) on the model he set up, based on Abratt's (1989) framework (Exhibit 20).
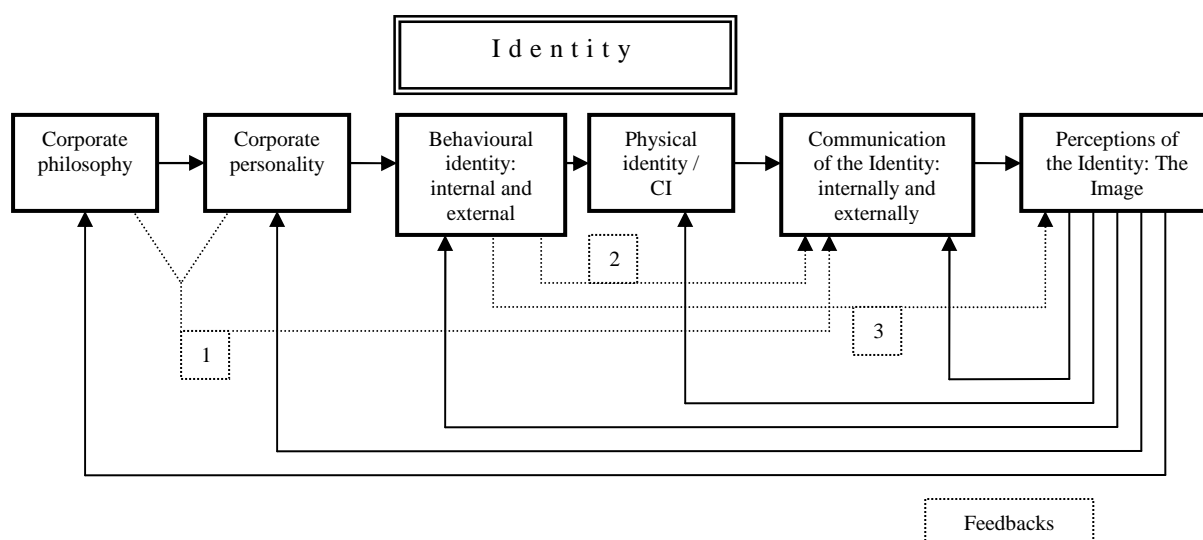
Exhibit 20: Csordás' (1994) model (re-edited)

Explanations: (1) Philosophy and personality can be communicated directly; (2) Behavioural identity, although influences physical identity, can be communicated directly (the way the company behaves, employee behaviour can be the topic of formal communications); (3) Behavioural identity can directly be perceived. (This model does not entirely reflect the author's current views on corporate identity: this way of interpreting Corporate Identity is only one kind of the "Corporate Identity Theories" – "Corporate Identity as expression of corporate personality", according to Cornelissen and Harris, 2001:64)

The author, unlike Abratt (1989), included "communication" (similarly to Dowling, 1986). Balmer's (1995) model, as if he had known about the author's framework, has some notable similarities with it! However, while the author included "communication", it is missing from Balmer's (1995) model (as a distinct element) but will be included by models set up later, e.g. Markwick and Fill (1997)[26].

3.1.5. Balmer's (1995) model

The boxes of Balmer's (1995) model (Exhibit 21) are about the same as those of the author's, apart from the author's distinction of behavioural and physical (visual) identities within corporate identity.

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[26] Stuart (1998) refers to an earlier framework of hers as "Stuart (1994)", however, she does not exhibit her earlier model and neither does she explicitly relate to its specific elements. In this way the author cannot obviously decide if the elements identified by him had already been identified by Stuart.
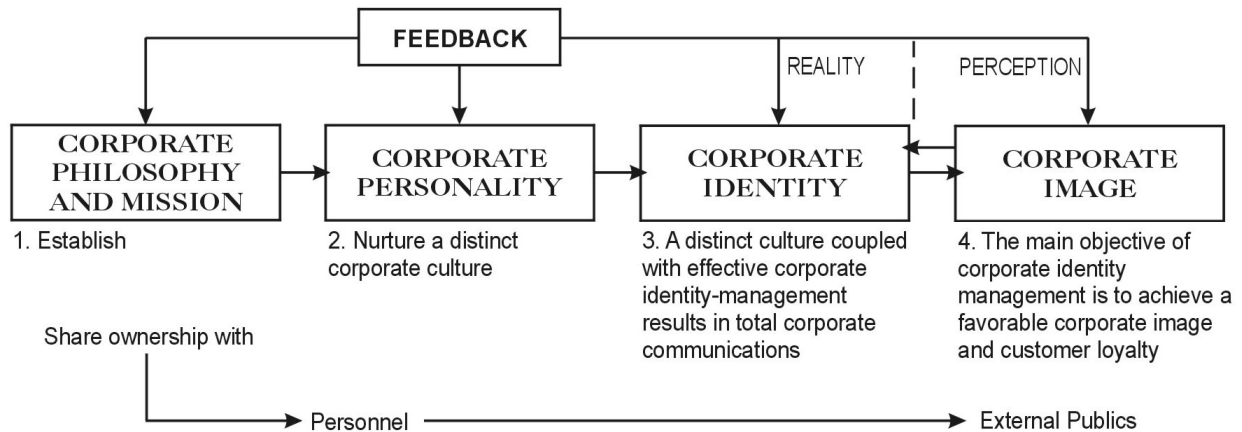
Exhibit 21: Balmer's (1995) model

He emphasised the "shared ownership" of philosophy and mission with personnel, which is a merit of this model. One shortage of the model, in the author's view, might be its customer oriented nature: the "loyalty of constituencies" might have been a better terminology. This model will be further developed by Balmer and Greyser (2003), to be shown below.

3.1.6. Markwick and Fill's (1997) model

A remarkable advancement represented by Markwick and Fill's (1997) model (Exhibit 22) is the inclusion of "strategic management". Abratt (1989) mentioned "strategic management" and some related elements as part of "corporate personality"; however strategy (strategic management, responsibility of top management, etc.) is of key importance, which means that it should be included as a separate element. Another novelty is inserting "communication" between corporate identity and corporate image, as the author had suggested three years before Markwick and Fill set up their framework.
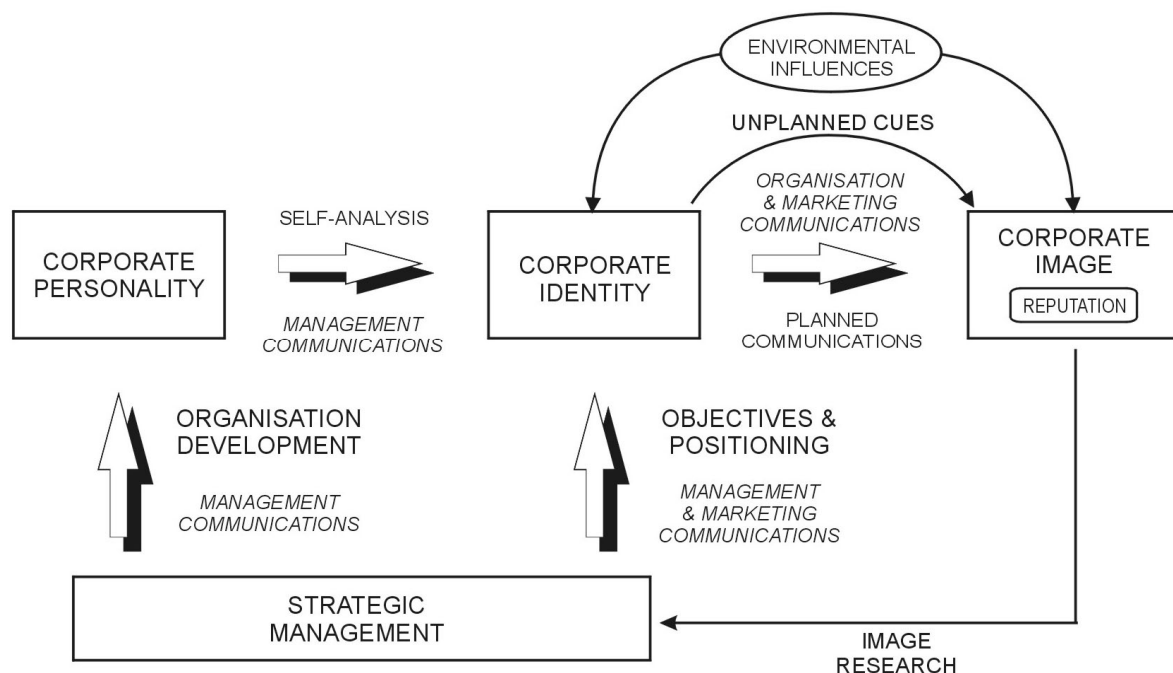
Exhibit 22: Markwick and Fill's (1997) model

Communication is explained by the model on the basis of Van Riel's (1995) tripartite division of communication, "management communication", "marketing communication" and "organisational communication". Communication, according to the model, may take place also in the form of "unplanned cues", which seems to be important from the point of view of the author's ACID Test version (AC^{6}ID Test), in which he argues that unplanned (informal) cues may be incongruent with planned (formal) ones. Environmental influences are mentioned here, although they will be emphasised more visibly in the next framework of Van Riel and Balmer (1997).

3.1.7. Van Riel and Balmer's (1997) model

Environment is a factor influencing each component of the process in Van Riel and Balmer's (1997) model (Exhibit 23). Corporate identity is included in the model in the form of a box titled "CI mix" that contain elements found in Birkigt and Stadler's (1986) mix (nota bene, Van Riel's definition of corporate identity reflects this mix).
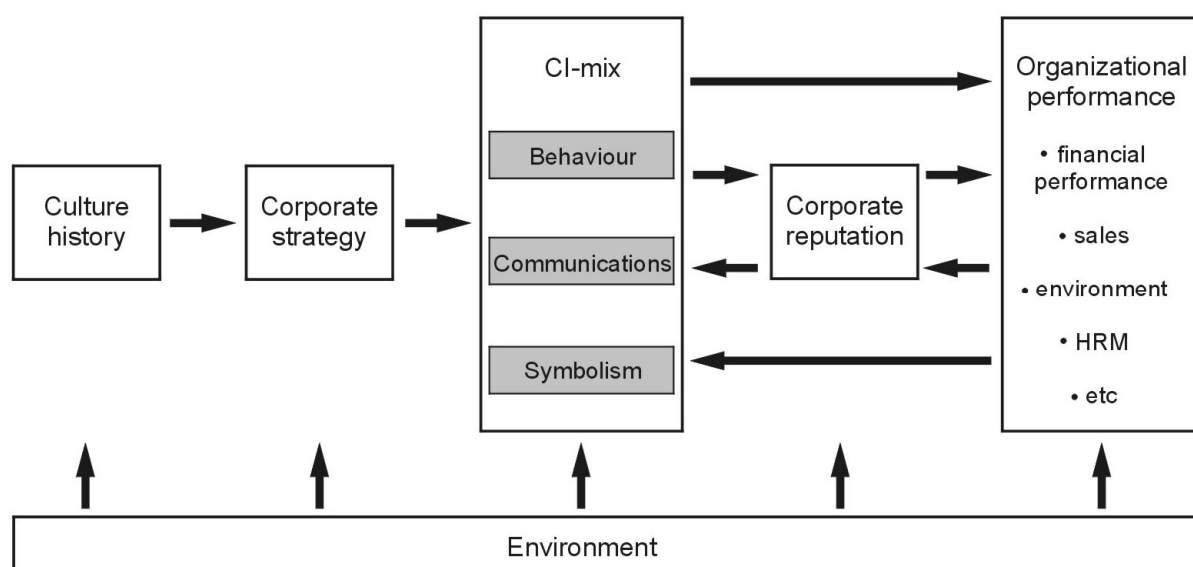
Exhibit 23: Van Riel and Balmer's (1997) model

The model recognises that there is a two-way relationship between corporate reputation and various areas of business, among others, *human resource management*. The model does not emphasises its existence, a version of it "updated" by Illia, *et. al.* (2004)[27] even omits it. The message of this updated version is that it calls attention to a potential "gap" between Identity and the Environment, not covered by Van Riel and Balmer. Illia *et. al.* (2004:12) argue that corporate identity, apart from its role in creating a positive image and reputation, "is also relevant because it is a core element of organisational fitness for change. Identity is therefore a management function which contributes to strategic decisions taken to adapt to changes.

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[27] The author does not exhibit their model because of its minor difference in outlook from Van Riel and Balmer's (1997) framework.

3.1.8. Stuart's (1998 and 1999) models

Stuart's 1998 model, based on her unexhibited version from 1994, follows Abratt's (1989) framework relatively closely (Stuart 1999) (Exhibit 24). The content of the boxes of Abratt's model is simpler; one main change to it is the inclusion of corporate culture and corporate symbols under corporate identity. Another significant improvement is the communication part between corporate identity and corporate image.
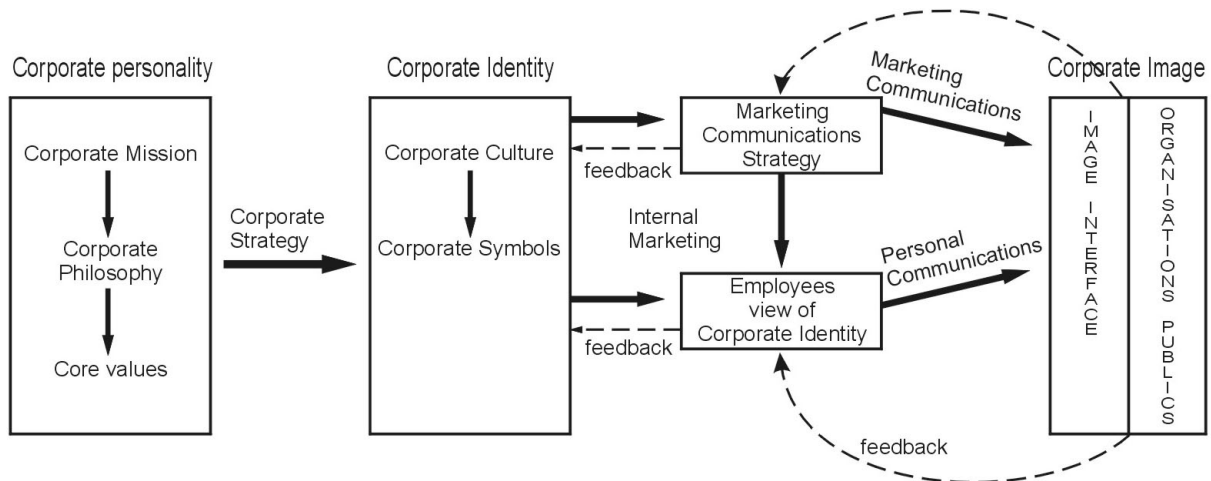
Exhibit 24: Stuart's (1998) model

From Kennedy (1997) and Dowling (1986) she takes the idea of *emphasising employees' perceptions* ("employees' view of Corporate Identity") on corporate image. This view is transmitted through "personal communication" (the author's comment: "which is a kind of informal communication by nature"), while the company communicates its identity also formally ("marketing communications"). Marketing communications also influences *employees' perceptions* in the form of "internal marketing".

Stuart (1999) calls her new framework "Towards a definitive model of corporate identity management process" (Exhibit 25). The main features of the model are that (a) it draws upon Abratt's (1989) framework plus inserting "corporate strategy" as a separate element between corporate personality and identity, as Van Riel and Balmer (1997) did, but in a more elaborate form; (b) its corporate identity element is based on Birkigt and Stadler's (1986) mix, following again Van Riel and Balmer (1997); (c) corporate personality, strategy and identity are seen as part of "organisational culture" – this seems to reflect the view of Hatch and Schultz (1997) who argue that culture should be seen as a context, not a variable of corporate identity; (d) the communication element includes Van Riel's communication categories; (e) the environmental influences (Van Riel and Balmer, 1997) are also part of the model; (f) both corporate reputation and image appears in the right order (Markwick and Fill put reputation within the box of image; Van Riel and Balmer uses only reputation). The author refers back to Balmer and Greyser's (2003) "Key Concepts – Key Constructs" model and concludes that it is correct in Stuart's model that image ('the way we are currently perceived') precedes reputation ('the way we are seen over time').
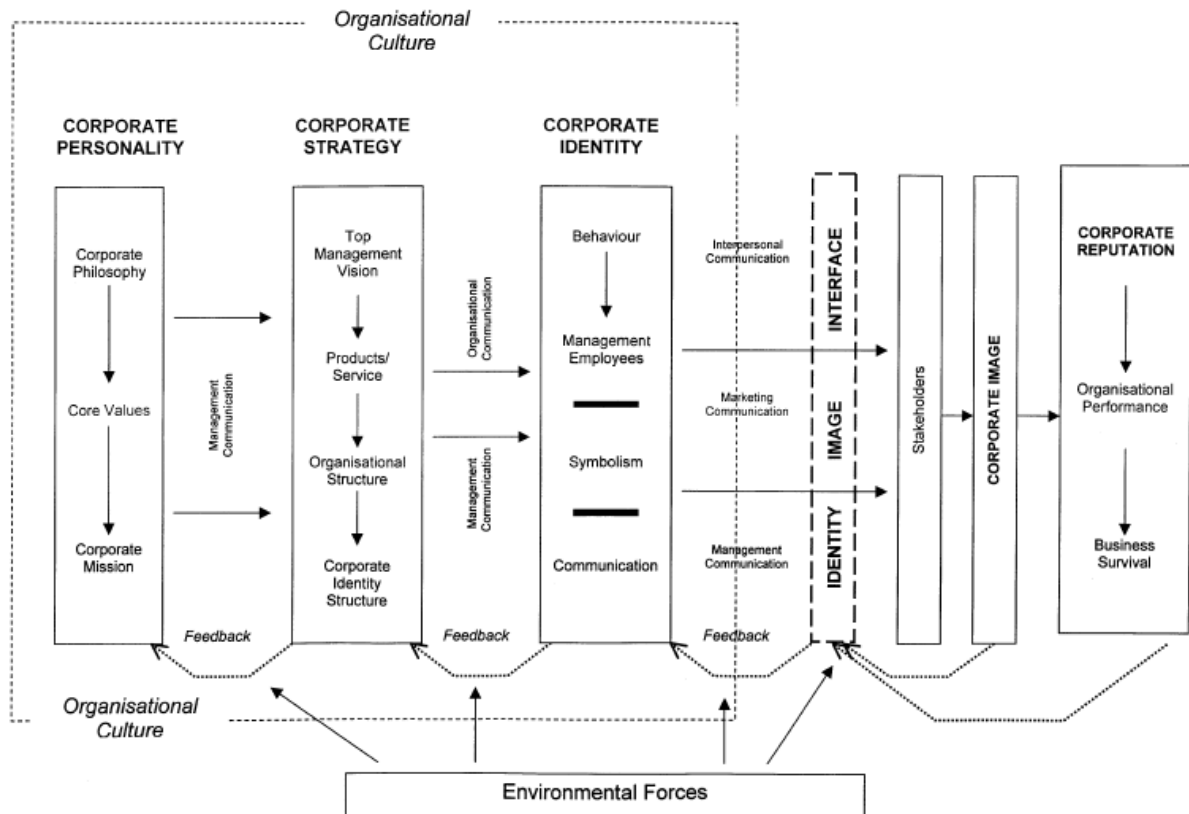
Exhibit 25: Stuart's (1999) model

Stuart (1999) explains her own model, also Bick Jacobson and Abratt (2003) summarise the key points of the Stuart (1999) model, however, the author found it better to provide his own explanation. The author proposes that probably corporate brand could be included in the model between identity and image and thus the interface could be called "identity / brand / image interface".

3.1.9. Balmer and Gray's (2000) model

Balmer and Gray (2000) placed the main emphasis on "total communications": breaking it down to "primary", "secondary" and "tertiary" communications (Exhibit 26) – these types are explained within the model. This can even be called their "total communication mix". The model begins with corporate identity (not with personality and strategy – Balmer in 1997 regarded corporate personality as a "not widely used concept" – strategy and culture are under the heading "corporate identity").

CORPORATE IDENTITY

Primary Communication

through

Secondary Communication

STAKEHOLDERS

Tertiary Communication

STAKEHOLDERS

Creates

Creates

CORPORATE IMAGE AND CORPORATE REPUTATION

Exogenous Factors

Can lead to

COMPETITIVE ADVANTAGE

Feedback

Feedback

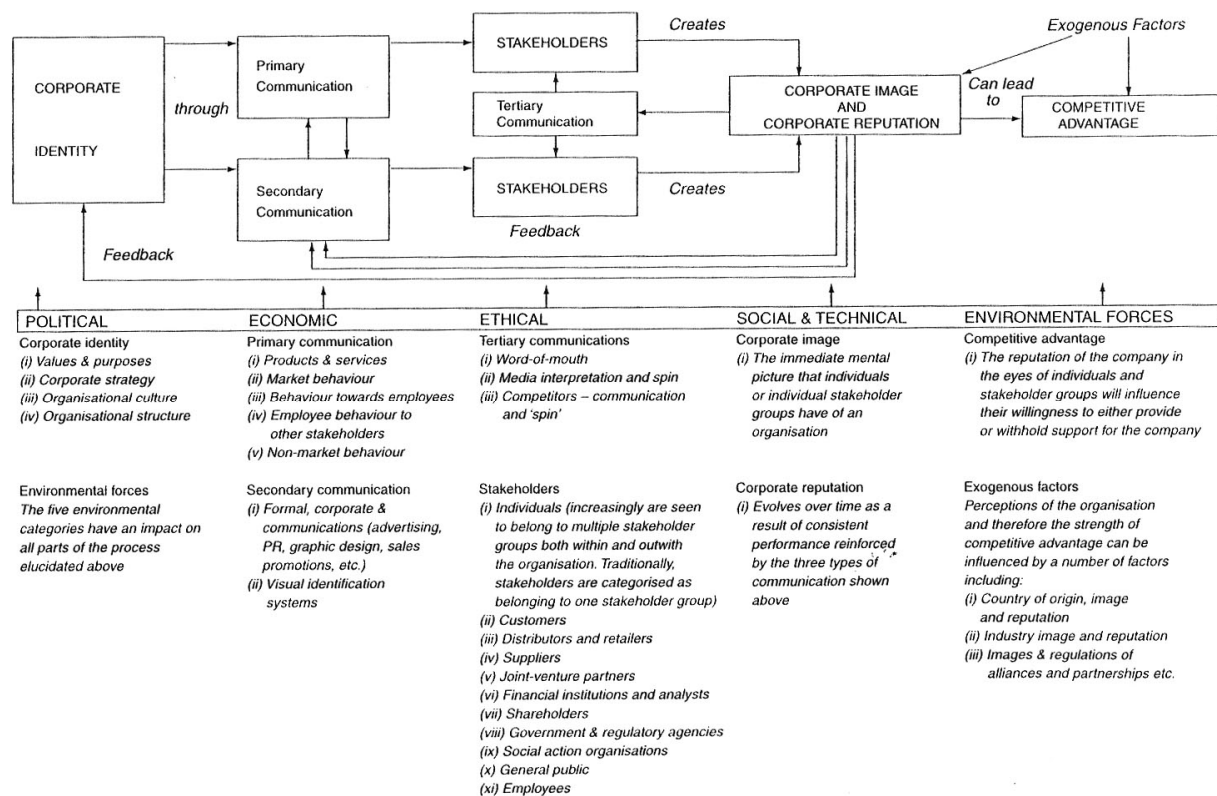| POLITICAL	ECONOMIC	ETHICAL	SOCIAL & TECHNICAL	ENVIRONMENTAL FORCES
Corporate identity (i) Values & purposes (ii) Corporate strategy (iii) Organisational culture (iv) Organisational structure	**Primary communication** (i) Products & services (ii) Market behaviour (iii) Behaviour towards employees (iv) Employee behaviour to other stakeholders (v) Non-market behaviour	**Tertiary communications** (i) Word-of-mouth (ii) Media interpretation and spin (iii) Competitors – communication and 'spin'	**Corporate image** (i) The immediate mental picture that individuals or individual stakeholder groups have of an organisation	**Competitive advantage** (i) The reputation of the company in the eyes of individuals and stakeholder groups will influence their willingness to either provide or withhold support for the company
Environmental forces *The five environmental categories have an impact on all parts of the process elucidated above*	**Secondary communication** (i) Formal, corporate & communications (advertising, PR, graphic design, sales promotions, etc.) (ii) Visual identification systems	**Stakeholders** (i) Individuals (increasingly are seen to belong to multiple stakeholder groups both within and outwith the organisation. Traditionally, stakeholders are categorised as belonging to one stakeholder group) (ii) Customers (iii) Distributors and retailers (iv) Suppliers (v) Joint-venture partners (vi) Financial institutions and analysts (vii) Shareholders (viii) Government & regulatory agencies (ix) Social action organisations (x) General public (xi) Employees	**Corporate reputation** (i) Evolves over time as a result of consistent performance reinforced by the three types of communication shown above	**Exogenous factors** *Perceptions of the organisation and therefore the strength of competitive advantage can be influenced by a number of factors including:* (i) Country of origin, image and reputation (ii) Industry image and reputation (iii) Images & regulations of alliances and partnerships etc.

Exhibit 26: Balmer and Gray's (2000) model

The environmental factors, first exhibited in Van Riel and Balmer's (1997) framework, are categorised here as "political", "economic", "ethical", "social and technical" and other "environmental forces". Another new aspect of the model is the inclusion of "competitive advantage" in order to emphasise that attaining a favourable image (reputation) is not an end in itself.

3.1.10. Alessandri's (2001) model

Alessandri's (2001) framework seems over-simple (Exhibit 27), in the light of the evolution of the process models presented so far. The author regards one point worth for particular attention; it is adding psychological considerations to the process-model. She analyses the way how the public forms perceptions because it is "key to explaining why a firm's corporate identity has the power to produce positive or negative results, and why the corporate identity is truly within the control of the firm. The theoretical explanation offered here assumes that this »learning« of perceptions works in two stages: (1) at a low-involvement level; and (2) after an image has been formed through classical conditioning" (Alessandri, 2001:178).
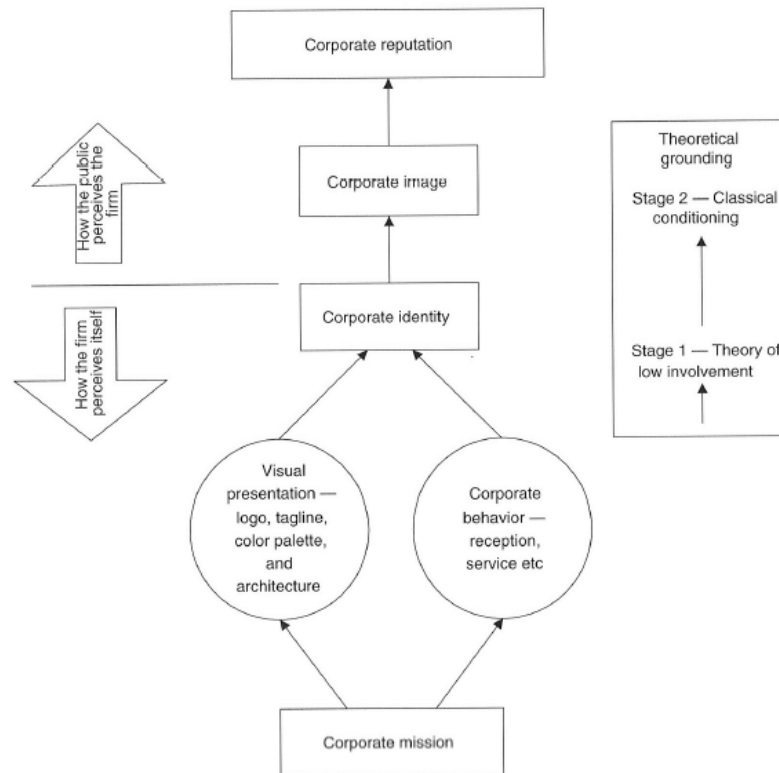
Exhibit 27: Alessandri's (2001) model

She recognises that "these two theories have not been explicitly linked with corporate identity before, it seems appropriate to borrow theories from the psychological literature to explain the symbolism, in particular the visual symbols, associated with corporate identity" (Alessandri, 2001:178, 179). The author adds that theories should also be borrowed from the literature of *cultural anthropology* as they also deal with identity, identification and symbolism, however in their case business and non-business organisations are not typical people groups. Balmer made a point about it (Balmer and Greyser, 2003) several years after the author had already invited guest lecturers from the area of cultural anthropology to present at his lectures on corporate identity.

3.1.11. Bick, Jacobson and Abratt's (2003) model

Having revised the process models, Bick, Jacobson and Abratt (2003) offer their totally new framework, called their "21st Century Model of the Corporate Identity Management Process" (Exhibit 28).
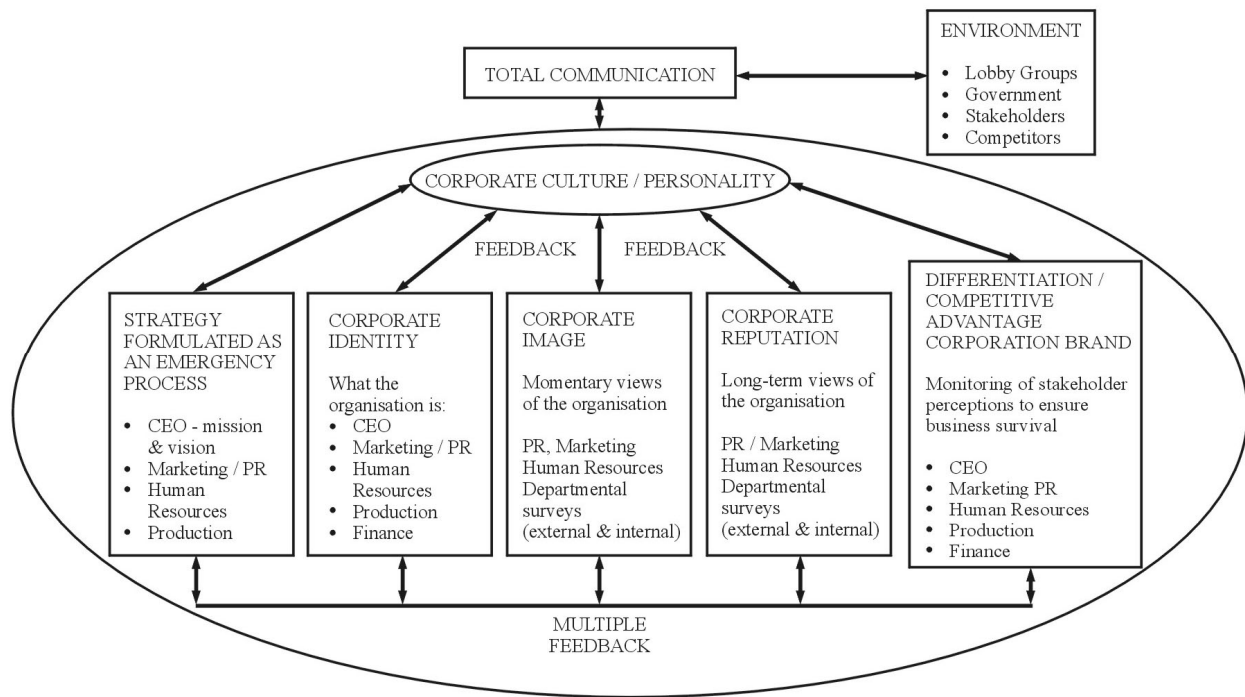
Exhibit 28: Bick, Jacobson and Abratt's (2003) model

This seems to take the various results of previous authors into consideration: "corporate culture/personality is shown as impacting on all aspects of the corporate image management process" as "the organisation derives its characteristics from the mix of cultures which pervade the organisation". Personality is described as "a reflection of the underlying cultures of the various members of the organisation", and strategy is a separate variable. The author suggests that the definition of personality should also reflect "individuality" and "distinctiveness". In this way it can be regarded as the basis "corporate identity" in a more comprehensible way. They also put "reputation" as a separate element (as Stuart, 1999) and refer to "competitive advantage" as the end of the process (as Balmer and Gray, 2000).

The attention has to be highlighted which is given to the various business areas, including the *human resource function*.

The author wishes to remark that more process models can be found in the literature but the referred ones are those he got access to and he thinks can demonstrate the evolution of views, attitudes and explanations associated with the corporate identity management (sometimes called the "image formation process").

3.2. Corporate Identity Mixes

'Mixes can be viewed as the elements or areas of a discipline or, more precisely, a particular way to categorise the numerous elements pertaining to that discipline. Those elements can also be referred to as tools of reaching specific goals' (the author's definition). Everyone knows the so-called "Marketing Mix", which has four groups of elements, referred to as the 4Ps. Much less people know that it was created by McCarthy in 1960 (Balmer, 2006) and even less know that it is a simplification of a mix originally devised by Borden (ibid). While in marketing it is seen as the only mix being in use nowadays, in corporate identity there are many mixes. Nevertheless, aforementioned Birkigt and Stadler's (1986) mix, at least as far as Hungarian literature is concerned, is apparently the only mix used, based on the author's

research (interviews with Hungarian academics and reviewing the literature offered by them). What aggravates the problem is that most academics use that mix without referring to it: (1) one respondent reported that they did not refer (to any particular author), they shape attitudes; (2) another respondent did not even understand the question relating to what corporate identity mix was. This is why the author has a mission to introduce a wider horizon of corporate identity models to the Hungarian academic world.

3.2.1. Birkigt and Stadler's (1986) mix

The elements have been identified earlier. The model takes the following shape (Exhibit 29):
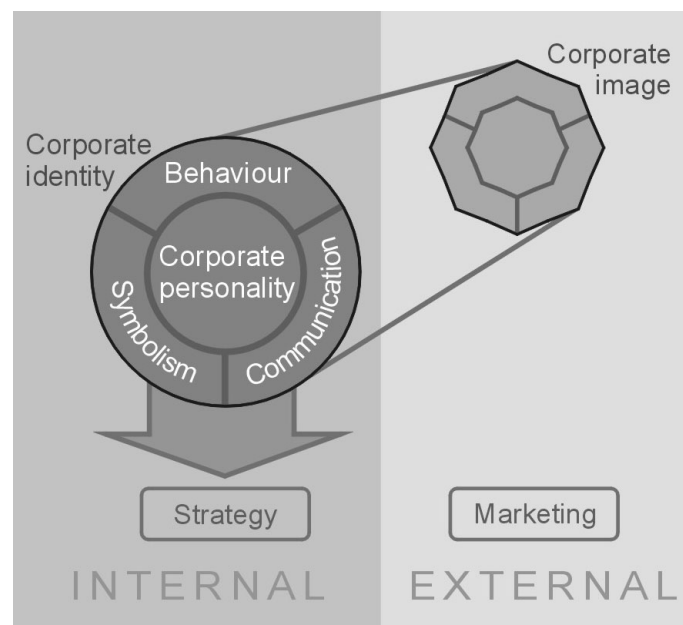

Exhibit 29: Birkigt and Stadler's (1986) mix

The model at that time represented a "distinct shift away from a categorisation of corporate identity in purely visual terms" (Balmer, 2001a:261). The model revealed three main channels that transmit the internal aspects of the organisation in order to create an image in the minds of external target audiences. Later corporate identity mixes did not specify "corporate image" as a separate element. Szeles (in a personal interview) argued that it is a merit of this otherwise already outdated model.

3.2.2. Olins' (1989 and 1995) mixes

The Olins (1995) mix (Exhibit 30) is the successor of a previous version, namely the Olins (1989) model. In that "communication" was named as "information". According to Olins (1995) an explicit corporate identity can project four things (central idea): (1) 'who the company is', (2) 'what it does', (3) how it does it' and (4) 'where it wants to go', by means of (a) *'products and services'*: what the company makes or sells, (b) *'environments'*: where it makes or sells it, (c) *'communications'*: how it explains what it does and (d) *'behaviour'*: how it behaves to its employees and the world outside.

Olins call attention to the fact that these elements come together in various proportions, there may be a dominant factor: some companies are mainly known by their *products* (Sony); in other organisations *environment* is crucial in projecting the central ideas (services companies); again other companies use *communications* as the prime means by which corporate identity emerges (Coca-Cola, companies making 'life-style' products). Behaviour may also be dominant in services companies, where especially front-line employees have an important role.
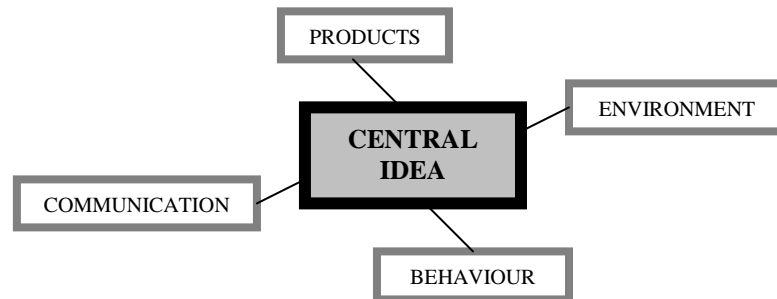
Exhibit 30: Olins' (1995) mix (re-drawn by the author)

Olins' model is has a strong marketing orientation in that implicitly customers are seen as the main (or, better to say, the only) audience. Olins, however he set up this corporate identity mix, he still used Birkigt and Stadler's one in proposing the situation analyses (audits).

3.2.3. Schmidt's (1995) mix

Founder of Henrion Ludlow Schmidt identity consultancy, Schmidt (1995), set up a corporate identity mix (Exhibit 31).

Exhibit 31: Schmidt's (1995) mix

Corporate culture is defined here as an element containing the mission, goals, philosophy, also the principles and value systems, as well as the cultural surroundings and the resulting mutual differences. Corporate behaviour covers employees' and managers' behaviour and that of the company as a whole. "The market dimension contains all the conditions, goals and strategies which relate to the market or result from it" (Schmidt, 1995:37). The product element means what follows from its common-sense meaning, however, environmental design, architecture and interior design can also be subsumed into this dimension. In communications and design (communications not being restricted to verbal and non-verbal communications but including content and subject matter) design is seen as a conceptual framework. Later version of this model is the holistic model of corporate branding (Schmidt and Ludlow, 2002).

3.2.4. Balmer's, including Balmer and Soenen's (1999), mixes

Balmer and Soenen's (1999) are said to be the first to make a clear distinction between (1) the elements of the corporate identity mix and (2) the elements required of its management. Exhibit 32 shows their model.
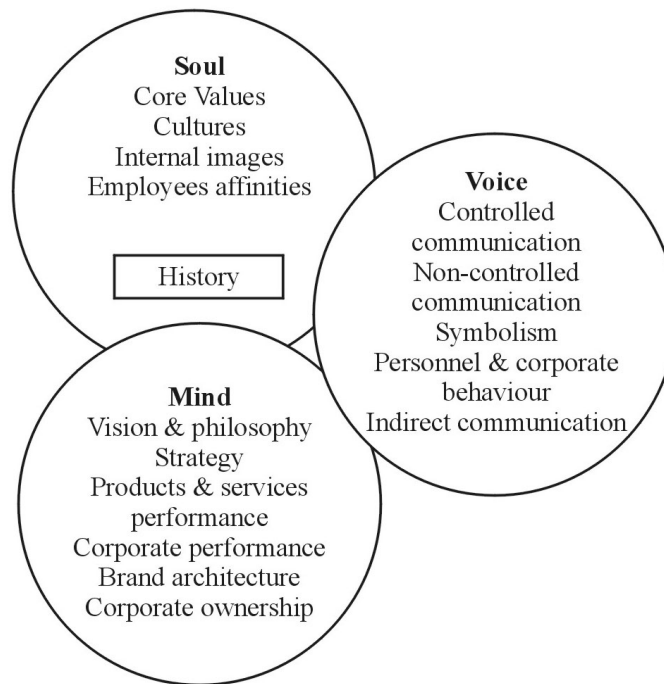
Exhibit 32: Balmer and Soenen's (1999) identity mix

(1) "The soul" comprises subjective elements of corporate identity; "the mind" consists of elements concerning conscious decisions made by the organisation; and "the voice" encompasses the multi-faceted way an organisation communicates ("total corporate communications": Balmer and Gray, 2000). (2) The corporate identity *management* model will be introduced after Balmer's (2001a) identity mix.

Later Balmer (2001a), based on his literature review, set up his new corporate identity mix. This review revealed that 'corporate identity change programmes' were used to assist in 'strategy formulation', 'culture change', 'effective corporate communications', 'acting as a platform in corporate communications', 'articulating a corporate strategy', 'articulating/changing organisational culture', and 'ensuring that the organisation's visual identity is fashionable'. The model, called "The New Identity Mix", comprising strategy, culture, structure and communication (as mentioned in the complex definition in sub-chapter 1.1.1.) is the following (Exhibit 33):

Exhibit 33: Balmer's New Identity Mix

Szeles also includes structure, culture and communication in his 'corporate identity formula' (in Hungarian: "Az arculat képlete") (Szeles, 1998, Szeles és Nyárády, 2004), he even establishes a mathematical relationship between the elements.

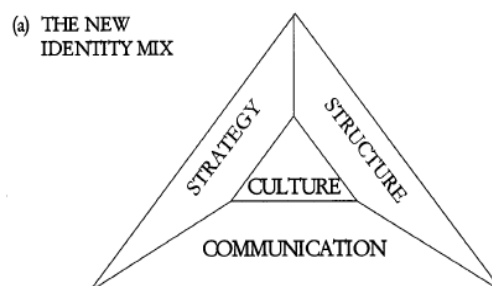Balmer and Soenen (1999) and Balmer (2001a, 2002a) suggest that by including additional elements their models they can be interpreted as "identity management mix"-es. These elements are "environment" (environmental forces), "stakeholders" (the changing needs and preferences of stakeholders – the author's explanation based upon the original one) and "reputations" (encompasses that of the holding company and subsidiaries/units, country-of-origin, partners/alliances): these factors need to take cognisance of in order to manage corporate identity efficiently (Exhibit 34).
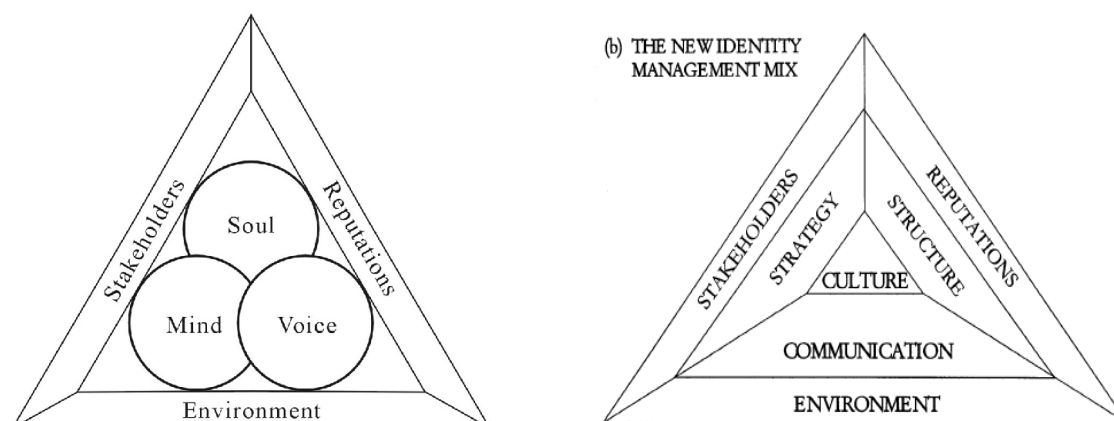
Exhibit 34: Balmer and Soenen's (1999) identity management mix and Balmer's "New Identity Management Mix" (the author has chosen to illustrate them together)

3.2.5. Melewar and Jenkins' (2002) and Melewar and Karaosmanoglu's (2006) mixes

Melewar and Jenkins (2002) model resembles that of Schmidt (1995) in content with the exception of "products/services" not being found in this model (Exhibit 35).

The author is not going to explain each dimension, he regards most of them as straightforward. Several points, however, need to be added. Apart from conscious (planned, controlled, formal, explicit) communication, this model also contains uncontrolled communication, leaving "corporate communication" in the "controlled" meaning. The dimension of "architecture and location" is similar to that of Olins' (1995) "environment", although the former is broader a concept than the latter. Olins mainly refers to the created environment of the company which includes architecture. Location is also important. Melewar and Jenkins (2002) contend that there is an increasing attention given to the influence of location on how corporate identity is perceived. They give the example of the role of feng-shui being taken seriously in the success of corporate image. Another important point is the division of behaviour into three separate dimensions, one of which is *employee behaviour*.
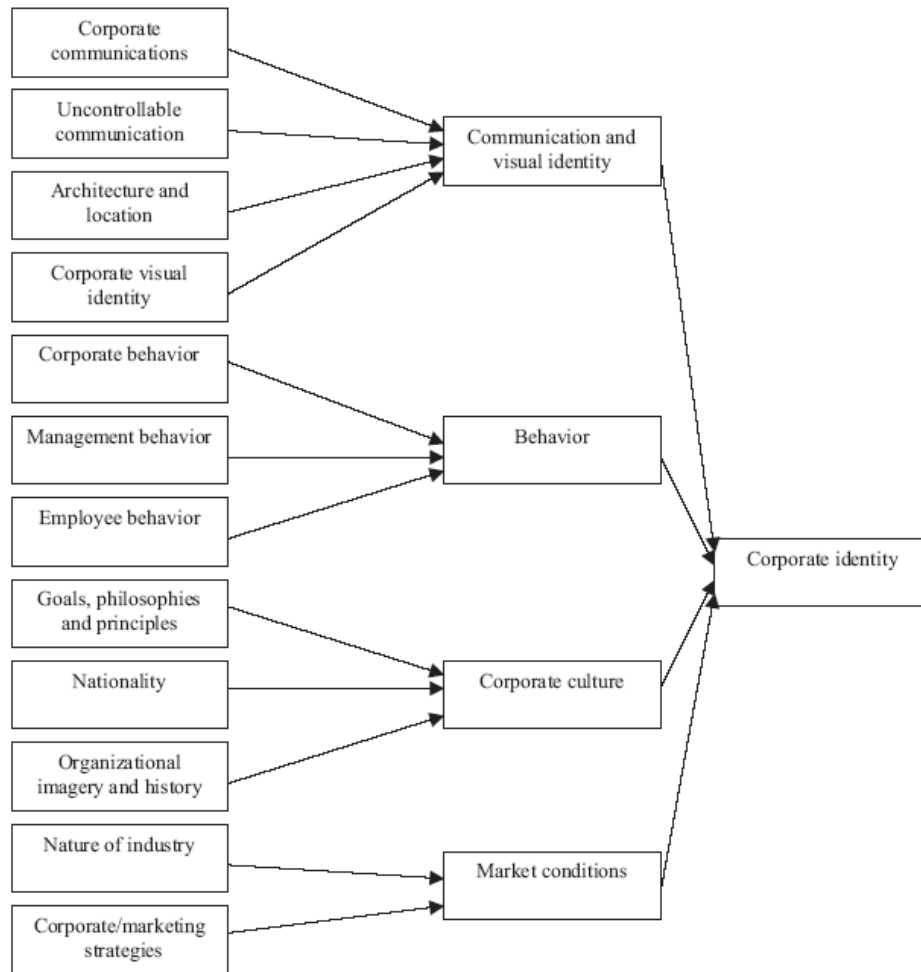
Exhibit 35: Melewar and Jenkins' (2002) mix

One of the components of corporate culture is "organisational imagery and history". In explaining this dimension Melewar and Jenkins (2002) draws upon the ideas of Moingeon and Ramanantsoa (1997 – French School of Thought). They argue that rites, myths and taboos (common organisational imagery) constitute the culture of the organisation, also the visual part of the identity and they are very difficult to measure. They also suggest that while history plays an important role in defining the identity, the latter also influences the former in that it contributes to the development of perceptions and actions of the members of the organisations Moingeon and Ramanantsoa (1997).

In analysing the "nature of industry" one has to relate to the generic identity of the industry (tobacco industry, for example, has to struggle with the negative connotations of being harmful for health; oil industry is often accused of over-polluting the air and water).

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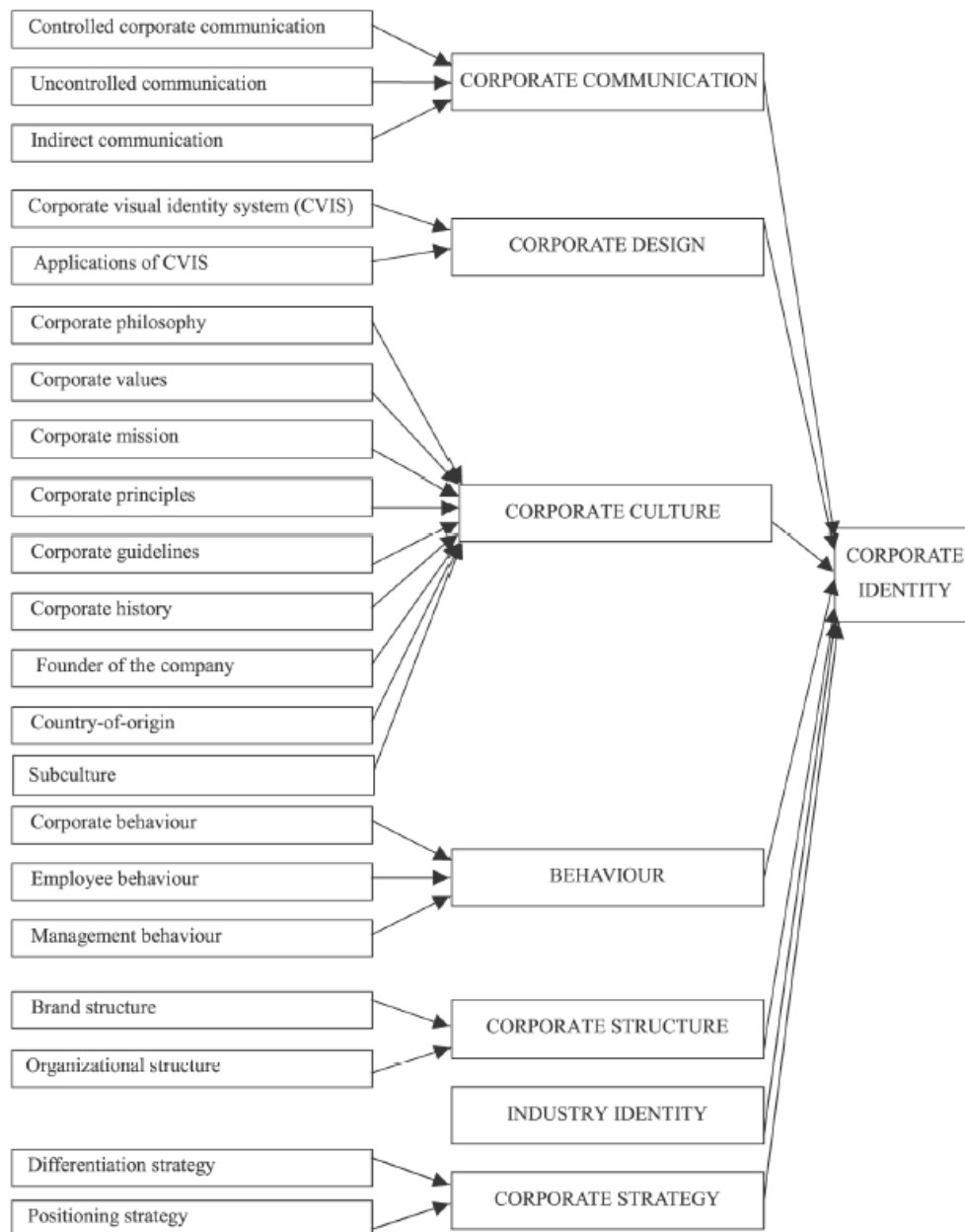
Exhibit 36: Melewar and Karaosmanoglu's (2006) mix

There are some obvious differences between Melewar and Jenkins' (2002) and Melewar and Karaosmanoglu's (2006) mixes. Melewar and Karaosmanoglu divides "communication and visual identity" into "corporate communication" and "corporate design", in which way the model becomes similar to Birkigt and Stadler's (1986) framework *plus* corporate structure, industry identity and corporate strategy (these dimensions have come in the place of "market conditions" – which the author interprets as a move from the marketing orientedness of the corporate identity concept, while the sub-components of the new dimension have strong marketing implications). Another salient difference is the rich explanation of the corporate culture element, including the country-of-origin, already mentioned by Balmer in his above "new identity mix", also in "The New Corporate Communications Wheel" (Balmer and Greyser, 2003:141)

3.2.6. Other corporate identity mixes

There are mixes not illustrated diagrammatically (or the author has not found the source including that form of presentation), and there are also mixes which the author found in shortened forms. The brief discussion of these mixes are below:

- Szeles' mix, based on Rebel (Nyárády and Szeles, 2004) (not illustrated but deserves due attention) comprises the following dimensions:
  Internal (content) elements: 'self image', 'words-actions-physical appearance', 'corporate culture' and 'corporate structure'
  External (formal) elements: 'visual roles (aspects) of words-actions-physical appearance', 'visual roles (aspects) of corporate culture' (Nyárády and Szeles, 2004)
- The Mitsubishi model of Japan (Balmer, 2001a), the dimensions of which are
  - 'the mind identity' (what the organisation is striving to achieve)
  - 'the strategic identity' (the type of strategy aimed at causing mind identity to become a reality) and
  - 'the behaviour identity' (the range and types of behaviour undertaken by the organisation)
- Steidl and Emory's (created in 1997) mix (called the "Australian model"), consisting of the following dimension:
  - 'the mind' (the philosophy and strategy)
  - 'the spirit' (the values and the responses these evoke among stakeholder groups)
  - 'the body' (surprisingly, according to Balmer, it does not encompass organisational structure: he is of the view that a broader interpretation that in fact encompasses that dimension would be appropriate – he does not provide more explanation) (Balmer, 2001a)

Like in the case of the process models, there may be more corporate identity mixes. Nevertheless, the author believes, he has been able to provide comprehensive and comprehensible overview of the most outstanding models in the literature.

3.3. Balmer's ACID Tests

This sub-chapter introduces Balmer's ACID Test series of corporate identity management. It summarizes the evolution of the ACID Tests, rather than introducing each model in details, starting from the ACID Test™, formulated in 1999, to the AC⁴ID Test™, set up in December 2005. Then, the author attempts to set up a conceptual "AC⁵ID Test" and "AC⁶ID Test" model and call attention to its possible implications for academics and practitioners.

"Acid test" is a commonly used term. "Acid test is a phrase that can also refer to a foolproof test that will accurately determine the validity of something", according to the Wikipedia Dictionary (Wikipedia). It states that "the origins come from the gold rush in the United States. Gold does not react to most acids (unlike most metals) but does to aqua regia". The acid test was then used to confirm if gold was indeed found. Nowadays, the following definitions of acid test exist, for example: (1) Acid test: a rigorous and conclusive test to establish worth and value" (Collins Shorter Dictionary, in: Balmer and Soenen, 1999); (2) "Acid test: a conclusive test of success and value" (Concise Oxford Dictionary, 1999, in: Balmer and Greyser, 2003).

ACID Test is an acronym. It encapsulates several "so called, »identity« types which need to be scrutinized as part of the strategic planning process or whenever the organisation comes to a strategic fork in the road: mergers, acquisitions, divestitures and changes in status being cases in point." (Balmer, 2005:6)

The ACID tests, interpreting Corporate Identity in a "single pragmatic" (Balmer and Greyser, 2002:2) and multifaceted framework, provide a comprehensive and comprehensible method to corporate identity management: the main idea of the model(s) is that there are several facets (called "identity types", "elements", "identity dimensions", or "areas") of a company's identity, the balance of which has to be scrutinised (gap-analysis, see in Exhibit 38) and restored from time to time, due to the change of the organisational reality (e.g. products/services, strategies, management, structure, etc.) and the external (e.g. competitive, economic, social, legal, market, etc.) environment: e.g. "what the organisation is" may be incongruent with "what it says"; or management's vision may be too idealistic to serve as a basis for a corporate identity programme; employees may not identify with the organisational reality, etc. The author posits that an additional two identity types can be included in the model and a more logical framework may be set up.

ACID Tests, which reflect the complexity and richness of corporate identity, can be viewed as "a benchmark against corporate identity management practices can be checked". (Balmer and Soenen, 1999)[28]

3.3.1. ACID Tests: Past and Present

Past: ACID Test™, AC²ID Test™ and AC³ID Test™. Present: AC⁴ID Test™. The numbers refer to the 'number of Cs' in the models.

3.3.1.1. Past: ACID Test

According to Fox, Balmer and Wilson (2001a:5) "there is a strong desire by both practitioners and academics of corporate identity management to secure a method that reveals a company's identity and prescribes an appropriate programme of improvement thereafter. Methods of revelation and measurement have been conceived and explored by several authors (…). Many of these models and techniques are conceptual or based on research undertaken within identity consultancies whose approach is often biased towards visual identity and communication management. Consequently existing techniques often take a functional, piecemeal approach to corporate identity management, and give inadequate attention to the other, equally salient, perspectives that the area embodies. However recent research has attempted to bridge this divide and culminated in the development of *Balmer and Soenen's ACID Test of Corporate Identity Management*™ (1999)."
The first ACID Test (Exhibit 37) was put forward by J. M. T. Balmer and G. B. Soenen, in their paper "The ACID Test of Corporate Identity Management", in 1999 (Balmer and Soenen, 1999), following a research within a major corporate identity consultancy.

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[28] This statement originally refers to the first ACID Test™ version (Balmer and Soenen, 1999). However, this statement seems to reflect the basic character of ACID Tests in general.
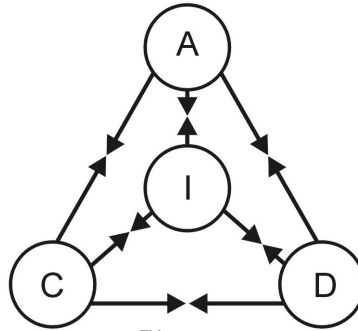
Exhibit 37: ACID Test*™*, Balmer and Soenen (1999)

The ACID Test, instead of viewing corporate identity as a monolithic phenomenon, differentiates between four identity types. The identity types can be incongruent with some or all others. Therefore, managing the identity of an organisation here means bringing the various identity types into alignment and/or avoiding potential misalignments. In describing a later version, AC^3ID Test™, Balmer (2005) explains that a dynamic (not a perfect) congruency has to be attained between the identity dimensions.

The four identity types are as follows[29]:
- **Actual identity:** What the organisation is (The reality of the organisation – internal values, behaviours, activities, markets performance, positioning)
- **Communicated Identity:** How the organisation is perceived by its various publics and how the organisation communicates (Corporate Images, and Corporate Reputations, and Total Corporate Communications).
- **Ideal Identity:** The optimum positioning of the organisation in its market or markets taking cognisance of its strengths and abilities in addition to environmental considerations (The Optimum positioning)
- **Desired Identity:** The identity which the chief executive and management board wishes to acquire (Corporate Owners and senior management vision).

The importance of the "Communicated Identity" has to be stressed in order to understand the evolution of the models. This is the type that already includes all other types appearing in AC^2ID™, AC^3ID™, AC^5ID and AC^6ID Tests; new "C"-s come, in these models, from "Communicated Identity". (In AC^4ID Test™, the 4th "C" – Cultural Identity – stems from the "Actual Identity".) In the ACID Test "Communicated Identity" encompasses both "how the organisation is perceived" and "how it communicates": it is a "dual concept" as the authors put it. (Balmer and Soenen, 1999:83) It seems logical then, that perceptions, termed as "image", or "reputation" (for example Balmer, 1995), will be separated from the model and shown as another identity type, named "Conceived Identity", in AC^2ID Test™.

Clearly, there are predecessors of ACID Tests. Van Rekom (1997) quotes from Birkigt and Stadler's paper, published in 1995, who made difference between "Ist-identität" (Actual Identity) and "Soll—identität" (Desired Identity). Van Rekom (1997) further argues that an organisation's factual identity (Actual Identity) may impose constraints on the communication of the company (Communicated Identity). In other words, the Communicated Identity has to

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[29] The author repeatedly describes the various identity types of the ACID Test models, drawing upon the original texts where that particular model was introduced. The reasons are, on the one hand, that if the description of the same identity type differs as the models evolve, it must be the intention of the author(s), and on the other, as new identity types are identified (e.g. Conceived Identity, Cultural Identity), the description of the original ones (e.g. Communicated Identity and Actual Identity) must also change accordingly.

be balanced with Actual Identity. The fit between by factual and communicated identities is regarded as a crucial factor determining the effectiveness of communication by Van Riel (1995). The author also called attention to potential gaps between areas of identity (Csordás, 1994) in his MBA Management Project, which will be mentioned before introducing his model version.

The author finds it important to emphasise that Balmer and Soenen (1999:90) mention four questions the ACID Test compels management to address. One of these questions is this: "What image is communicated by informal and formal communications (total corporate communication)?" The author will propose that the consistency of "total corporate communication" should be scrutinised by identifying informal and formal communications as two distinct identity types and the potential misalignment between them should be found and eliminated.

Balmer and Soenen (1999:85), provided a 3-stage process of application of the ACID Test[TM]: (1) "Reveal the 4 identities", (2) "Examine the 6 interfaces" (gap analyses) and (3) "Diagnose the situation". This model, named the "RED ACID Test process[TM]"("The 4+6 Principle" – 4 identity types and 6 interfaces: Balmer and Soenen, 1999:88, Exhibit 38), seems to be the predecessor of what is later called the "REDS" and even later the "REDS[2] ACID Test Process[TM]".

Interface	The RED ACID Test: EXAMINE the interfaces
1 A → ← I *Gap Analysis*	Is the organisation's positioning optimal? Do internal values, employees behaviour, product and services performance, market coverage, management policies reflect this ideal?
2 A → ← C *Gap Analysis*	Are all the organisation's communications portraying the organisation as it truly is? Does the Corporate reputation reflect the organisational reality? Do third parties (e.g... the press) give a realistic account of the organisation?
3 A → ← D *Gap Analysis*	Does the reality of the organisation accurately reflect top management's vision?
4 I → ← C *Gap Analysis*	To what extent is the ideal positioning possible in light of the organisation's, industry's and country's reputation? To what extent can the current reputation be improved?
5 I → ← D *Gap Analysis*	Are the corporate mission and management vision strategically sound, and do they fully exploit the firm's capabilities and market's opportunities?
6 D → ← C *Gap Analysis*	Is the corporate mission and management vision effectively communicated, both internally and externally? Are the corporate reputation and total corporate communication policies congruent with the management vision?

A – Actual Identity   C – Communicated Identity   I – Ideal Identity   D – Desired Identity

Exhibit 38: Gap analyses of the ACID Test, Balmer and Soenen (1999)

3.3.1.2. Past: AC^{2}ID Test^{TM}

In AC^{2}ID Test, therefore, "Conceived Identity" is added to the ACID Test model, leaving "Communicated Identity" for only what it means ("how the organisation communicates") and identifying 'public perceptions' as the new identity type. The structure of the new model, including Conceived Identity (C^2), takes the following shape (Exhibit 39):

Exhibit 39: AC^{2}ID Test^{TM}, Balmer and Greyser (2002)

- *Actual Identity*, that is the current attributes the organisation. It include elements like corporate ownership, leadership style, organisational structure, business activities, markets covered, product range, services. This term also encompasses the values held by management and employees. It is an important element from the point of the evolution of the models because in the AC^{4}ID Test^{TM} this element will be referred to as C^4, i.e. "Cultural Identity".
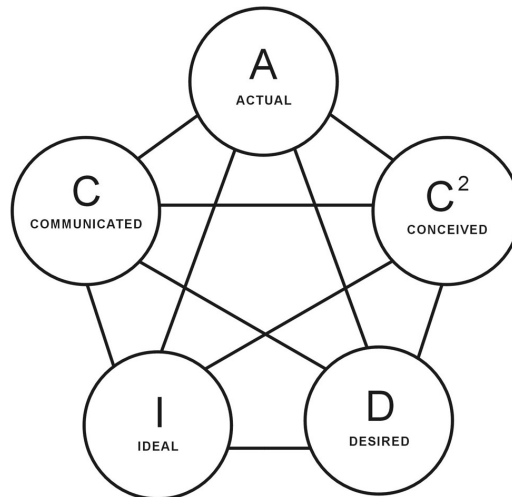
- *Communicated Identity,* which encompasses the range of controllable communication (e. g. advertising, sponsorship and public relations) and *non-controllable communication* (e.g. word-of-mouth, media commentary, and the like).

- *Conceived Identity,* i.e. perceptual concepts, corporate image, corporate reputation and corporate branding. The latter concept is introduced as a *subset of perceptions[30]* in this model version. This is worth mentioning because this is the element, that, in the AC^{3}ID Test™, will be referred to as "Covenanted Identity (C^3)" and will be described as a distinct identity type *established by the company* (in the form of a "corporate promise").

- *Ideal Identity,* which refers to the optimum positioning of the organisation in the market (or markets) in a given time frame. The author suggests that the word "market" should be replaced by "target audience" because "market" seems to rather refer to customers' market (also labour market, etc.). However, there are audiences (e.g. interest groups) to whom an organisation has to be positioned but they should not be called "markets". Ideal Identity should normally be based on the knowledge of strategic planners and others about the capabilities and prospects of the organisation in the context of the general business and competitive environment.

- *Desired Identity,* this identity type is something that "lives in the heart and minds of corporate leaders", it is their vision the organisation. The main difference between this and Ideal Identity is source of the two identity types. Whereas Ideal Identity normally emerges as a result of research and analysis, Desired Identity rather reflects the vision of the CEO than a rational analysis of internal and external factors.

It should be noted here that Szeles (1998:112) also describes the situation as "ideal" if three image-types, namely "Ideality", Identity" and "Image" match.

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[30] MORI's definition of reputation and brand seems to be relevant here: "Reputation is the totality of emotional and intellectual disposition towards an organisation. Reputation and brand are not the same thing. Broadly speaking, the brand relates to the experience an organisation provides (to both customers and employees), and the emotional and rational associations this evokes." (MORI, Reputation Centre)

In AC³ID Test (Exhibit 40), Balmer and Greyser (2003) (also: Balmer and Stuart, 2004; Balmer, 2005) identifiy "Covenanted Identity (C^3)" as a distinct identity type, having taken it out of "Conceived Identity, (C^2)" (Exhibit 39). Covenanted Identity refers, in this and the subsequent models, to the corporate brand ("corporate covenant" is referred to synonymously with "corporate promise": Table III in Balmer and Greyser, 2006:736), which is no longer defined as a "perceptual concept", like image and reputation, thus it cannot any longer be interpreted as part of the "Conceived Identity". Balmer (2002:6) defines brand (corporate brand) as follows: "The conscious decision by senior management to distil the attributes of the organisation's identity in the form of a clearly defined branding proposition. This proposition may be viewed as a covenant with key stakeholder groups and networks".
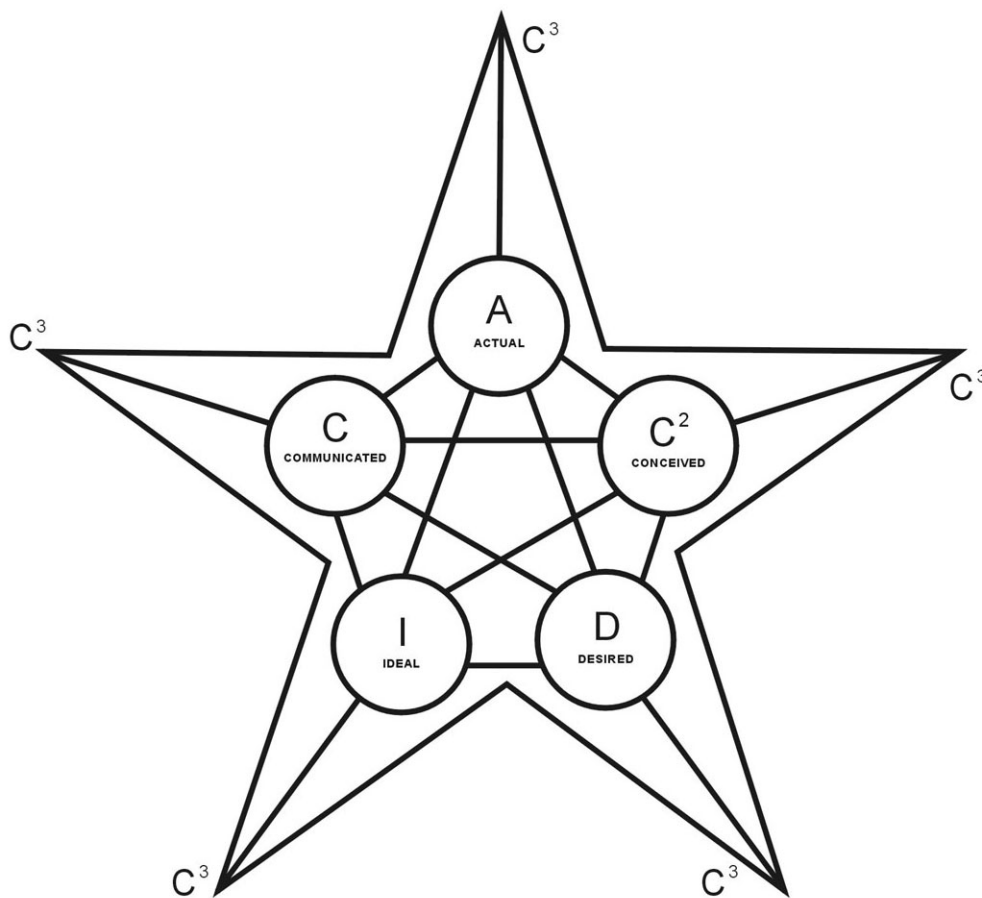
Exhibit 40: AC³ID Test™, Balmer and Greyser, (2003)[31]

The short definition (broad description) of the identity types in AC³ID Test™ are as follows:
- **Actual Identity:** "What we emphatically are" (corporate identity: multidisciplinary)
- **Communicated Identity:** "What we state we are" (corporate communications)
- **Conceived Identity:** "What we are thought to be" (corporate reputation)
- **Covenanted Identity:** "What we promise to be" (the corporate brand promise)
- **Ideal Identity:** "What we need to be" (strategy)

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[31] "Balmer (2002)" refers to the date of registration of the trademark.

- **Desired Identity:** "What we <u>long</u> to be" (CEO vision/leadership) (Balmer, 2005:6)

One main difference between the AC^2ID™ and AC^3ID™ Tests is that the various identity types in the latter (Actual, Communicated, Conceived, Covenanted, Ideal and Desired) are described in terms of:
a) dimensions (author's remark: this means the content/characteristics of the identity types, as in the case of the previous models),
b) stakeholders (author's remark: this means the stakeholder groups involved) and
c) key concepts (author's remark: this means the key areas relating to Corporate Identity, part of which can be found in Balmer and Greyser's (2003) "Key Questions – Key Constructs" explanatory model).

Another difference is that, whereas the explanation of "Communicated Identity" in the AC^2ID Test™ also included "non-controllable" communication, apart from "controllable" communication, in the case of the AC^3ID Test™ "Communicated Identity" refers only to "controllable" communication channels. This seems logical, in the author's view, because, as the name implies, the "non-controllable" channels are almost out of reach of the organisation (although their alignment with other dimensions may be attempted). Furthermore, the author will suggest that there should be a distinction, in the Communicated Identity, between "formal" (advertising, sponsorship, public relations – "corporate public relations" as it is added here) and "informal" communication (latter is about the style of negotiation, speeches of the CEO, communications of front-line people, etc., in the author's view).

Actual Identity, according to the AC^3ID Test™ description, "also encompasses the values held by management and employees". This is more explicitly expressed by stating, that: "Especially important is employee identification with the company. In terms of organizational culture, the organization is best viewed as a cluster of sub cultures some of which have their roots outside the organization" (Balmer and Stuart, 2004). The key concepts include "organizational identity" and "corporate identity". In AC^4ID Test™, as the author interprets the evolution of the ACID Test models, the "organizational identity" element of "Actual Identity" will be identified as "Cultural Identity, (C^4)"

3.3.1.4. REDS² ACID Test Process (REDS² AC³ID Test Process™)

Before moving onto AC^4ID Test™ the author would like to give a brief overview of Balmer's REDS^2 AC^3ID Test Process™ as a method to operationalise the AC^3ID Test™ framework.[32] It is a five-stage process (as opposed to the three-stage process introduced in the description of the first ACID Test™), explained as follows (Balmer and Greyser, 2003; Balmer and Stuart, 2004; Balmer, 2005):
1. R = Reveal   the identity types
2. E = Examine   the key identity interfaces
3. D = Diagnose   the problem areas, perhaps rank in order
4. S^1 = Select   the interfaces to be brought into alignment
5. S^2 = Strategy   develop a strategy to bring key identities into alignment.
In selecting (S^1) and prioritising the identity types, Balmer suggests taking into account what is urgent, desirable and feasible. He later offers a simplification of the model by introducing

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[32] The author first found the REDS^2 method, in Balmer and Greyser (2003), as "REDS^2 ACID Test Process" and then later, in Balmer and Stuart (2004), named REDS^2 AC^3ID Test Process™, addressing the new framework with C^3.

"current concerns" and "future concerns" ("current snapshot" and "future snapshot") (Balmer, 2005:9). The author, however, when introducing the AC^{6}ID Test will attempt to contribute some ideas concerning a more simple way to prioritise the interfaces within the same model, thereby providing some hints to practitioners and, to some extent, academics.

3.3.1.5. Present: AC^{4}ID Test$^{™}$

This model is introduced in the Appendix of Working Paper No 05/43. It is referred to as Balmer, 2005: "Corporate Brands: A Strategic Management Framework", in the following form (Exhibit 41):
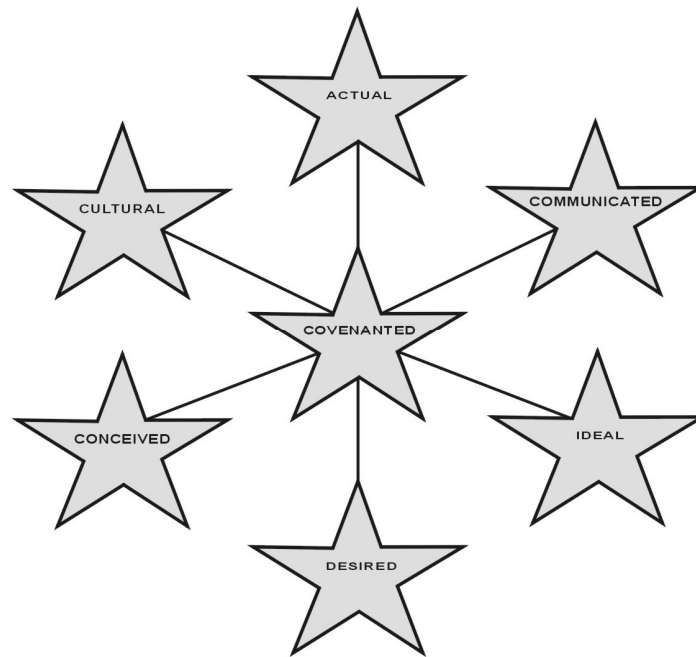

Exhibit 41: AC^{4}ID Test$^{™}$, Balmer (2005), AC^{3}ID Test$^{™}$ is also designed in this format (Covenanted Identity being regarded as a 'guiding light' for CI and brand managers)

This model introduces a new identity type, "Cultural Identity, C^4". The author has not found the relationships between the identity types thus far elaborated, i.e. what misalignments may occur between the new and the existing elements as they were explained in the previous versions, although Kiriakidou and Millward (2000), already using Balmer and Soenen's (1999) terminology, put forth their point on managing discrepancies between the Actual and Ideal identities of the organisation as perceived by employees.[33] They argue, based on their research, that these perceptions have an impact on employees' attitudes to and identification with the organisation: that is on Cultural Identity.

The author expects that the following potential misalignments might be highlighted in the future:

- **Cultural – Actual:** Employee identification may be incongruent with various aspects of the organisational reality, its business activities and strategy. People may feel adversely about some aspects that affects their attitudes and identification.
- **Cultural – Communicated:** There may be a disagreement among employees on what and how the company communicates externally and internally (to them). In the latter respect, the 'double role of employees' needs to be mentioned: (1) they are members of the

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[33] Empoyees' perception is part of Conceived Identity in the author's opinion.

organisation – in this regard they are the main contributors towards a favourable image; and (2) they are also one of the target audience of the organisation – in this regard they are external perceivers. They may not agree upon what the company 'states it is', especially having experienced the organisational reality as members. Van Rekom (1997) refers to Merkle who stated in 1992 that idealistic messages usually ignored the cultural values and employees' attitudes. Employees may dissociate themselves from corporate advertising (Van Rekom, 1997). He provides the example of The Commerzbank in Germany that had to withdraw its slogan "The bank that knows its customers". The bank aimed at attracting the general public but the employees were not really willing to deal with numerous small private customers, they rather wished to serve big business accounts.

- **Cultural – Conceived:** Identification problem may occur with a company having bad external image and reputation. This evokes the concept of "construed image", as employees, for instance, may form perceptions about how the company is perceived by external audiences – "external construed image". The author's ACID Test versions, the AC^5ID and AC^6ID Tests include "construed image", termed as "Construed-Conceived Identity". Conceived Identity covers, in the author's view, the direct perceptions of the employees about their company, also about the discrepancies mentioned by Kiriakidou and Millward (2000). The author does not totally agree with Hatch and Schultz (1997:357) who explain that: "Organizational identity refers broadly to what members perceive, feel and think about their organizations" – what they *"perceive, feel and think"* should refer to "perceptions", that is "Conceived Identity", which in turn, may influence "Cultural Identity" (attitudes and identifications – organisational identity).

- **Cultural – Desired:** If employees get to know senior management's vision, e.g. because it is overt enough for them (e.g. in the form of vision/mission statements), the basis of their identification, that is the values they hold, may be incongruent with what management wishes the company to be. This interface might describe Kiriakidou and Millward's (2000) research question the most accurately. The author's Hypothesis No. 3 is in close relationship with this interface. Two aspects are important in this regard: (1) according to Alessandri's (2001) process-model (sub-chapter 3.1.8.) corporate identity programmes begin with mission; (2) mission statements (which reflect the managements' desired identity) usually ignore cultural values and employees' attitudes. It seems logical then that corporate identity programmes tend to ignore employees' values and attitudes.

- **Cultural – Ideal:** Employees' identification may be incongruent with what the company needs to be, the latter needs changes in the values held, new values, however, may not serve as a basis of identification: employees may not accept them, etc.

- **Cultural – Covenanted:** the corporate brand promise and people's identification may have a gap that needs to be bridged: "…employees are expected to align with the corporate moral brand" (Morsing, 2006). Employees should even be recognised as 'brand ambassadors' (Hardaker and Fill, 2005; Dutton, Dukerich and Harquail, 1994). As Dave Cote, Chairman and Chief Executive Officer of Honeywell, puts it: "Every Honeywell employee is a brand ambassador" (Cote, 2004). This statement, recognised as part of "Communicated" and "Desired" identities, describes the situation of "Cultural" and "Covenanted" identities being harmonised. Ind (1997:83), who stated that "People are the corporate brand", and King (1991) also recognise the employees' importance in corporate branding. Taking a holistic view, the alignment of these identity types, perhaps, should not be mentioned separately; however, the establishment of the corporate brand (Covenanted Identity) ought to be based on the balance among all other identity types. This view, however, does not take into account that employees should also be regarded as one target audience of the corporate covenant, as the "employer branding" literature suggests.

The last source of information the author found for AC^{4}ID Test™ is the referenced as: "(Balmer, 2005) – Working Paper (05/43)".

The following table (Table 4) summarises the evolution of ACID tests from "ACID Test" to "AC^{4}ID Test":

ACID Test™	AC^{2}ID Test™	AC^{3}ID Test™	AC^{4}ID Test™
Actual	Actual	Actual	Actual
			Cultural (C^4)
Communicated	Communicated	Communicated	Communicated
	Conceived (C^2)	Conceived (C^2)	Conceived (C^2)
		Covenanted (C^3)	Covenanted (C^3)
Ideal	Ideal	Ideal	Ideal
Desired	Desired	Desired	Desired

Table 3: Evolution of the ACID Tests – The author's interpretative framework (Past and Present)

3.3.1.6. A Possible Future: AC^{5}ID Tests

In this part of the sub-chapter the author attempts to set up his conceptual frameworks of the ACID Test (AC^{5}ID and AC^{6}ID Tests). These tests are not based on research, unlike Balmer's research-based tests. Nevertheless, the author hopes that his logical frameworks may generate some useful insights and they may help academics in their research work and practitioners in their management and consulting activities.

AC^{5}ID Test is different from AC^{4}ID Test™ in that the author added the "construed image" as a new identity type that he calls "Construed-Conceived Identity, C^5" (Exhibit 42)
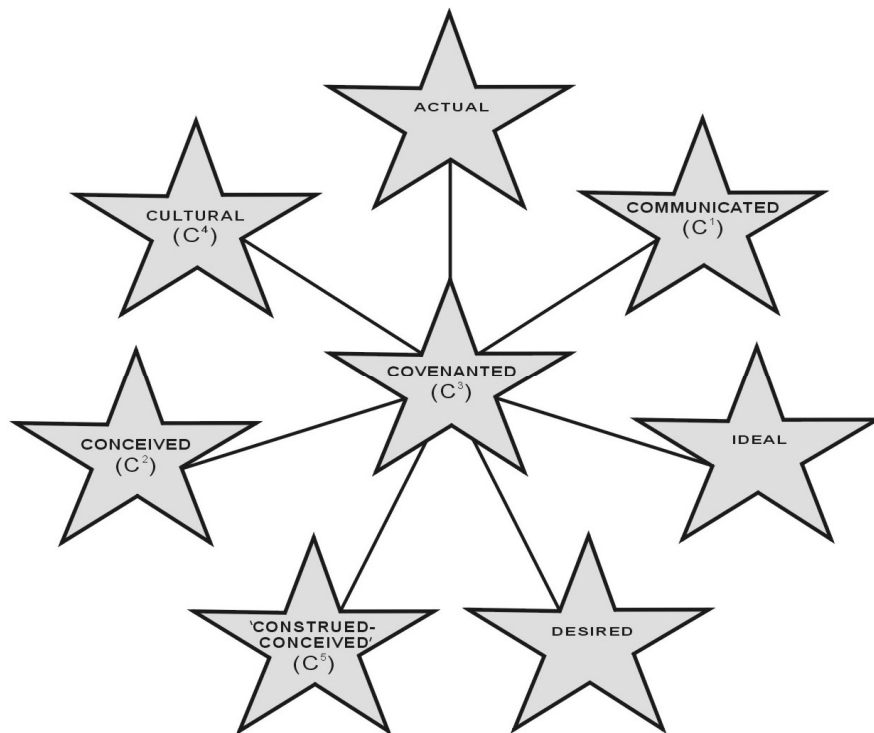
Exhibit 42: The author's AC^5ID Test, taking Balmer (2005) as a basis

In his MBA thesis the author wrote the followings: "Related to personality[34], Kotler (1991) introduces the theory of self-concepts. According to him a person has got an (1) actual self-concept (how he views himself), (2) ideal self-concept (how he would like to view himself), (3) *others' self-concept (how he thinks other see him)*" with two more concepts, added by the author of the MBA thesis: (4) "how others really see him (his real image) and (5) how he wants others to view him (his targeted image)" (Csordás, 1994:9) He also called attention to the potential gaps to be bridged between the above concepts (with special regards to the importance of the *potential gap between 3 and 4*) in which sense it may be perceived as a predecessor of the ACID Tests. These five points somewhat overlap with Dacin and Brown's (2006) "Four-Viewpoints Framework": (1) Who we are as an organisation; (2) What does the organisation want others to think about the organisation; (3) *What does the organisation believe others think of the organisation[35]*; (4) What do stakeholders actually think of the organisation.

The concept of "construed image" (referred to as "other's self concept" by the author in his MBA Management Project; and "Point 3" in Dacin and Brown's "Four-Point Framework") is not new in the literature, it just has not been put in the ACID Tests. Dutton, Dukerich and Harquail (1994:248.) define construed image (they speak of "construed *external* image"[36]) "members' beliefs about outsiders' perceptions of the organization". Balmer and Greyser (2003) speak of construed corporate image/construed strategic construed image (and also other construed image types, not mentioned here), that relate to how employees/senior

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[34] That is, human personality – although Balmer (1997, p. 13 and 2001) warns against „taking analogy between the human and corporate personalities too far", so does Cornelissen and Harris (2001).

[35] Dacin and Brown had already come up with this issue when they asked „How do construed corporate associations (…) influence the corporate associations held by constituents?" (Dacin and Brown, 2002, p. 260)

[36] The author takes the view, that one should also speak of "internal construed image" as companies consist of different sub-cultures that have images and construed images of each other; employees and senior management may also have images and construed images about each other.

management envision external perceptions. The author suggests that, within the ACID Test framework, these two facets of the "construed image" could be analysed:

1. **Construed corporate image** (how employees envision external perceptions): it may be perceived, in the author's view, as a bridge between "Conceived Identity" and "Cultural Identity". For example, Lievens, van Hoye and Anseel (2007) suggest that employees' identification with the organisation has to do with the construed image. The bridging function is interpreted, by the author, as shown below (Exhibit 43):
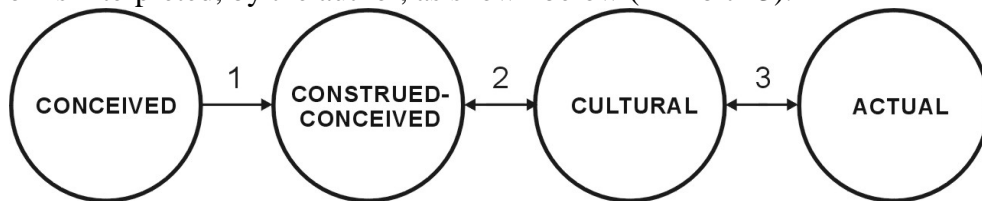
Exhibit 43: Relationship between image categories and Cultural and Actual Identities (The author's AC^{5}ID Test)

1) *Conceived – "Construed Conceived":* from the point of view of the new identity type the real perceptions (Conceived Identity) should be regarded as a starting point, that may be seen as the "reality". Bernstein (1984) calls image "reality". It is then perceived and interpreted by organisation members (Construed Image);

2) *"Construed-Conceived" – Cultural:* "Construed-Conceived Identity" influences members' identification with the organisation: Melewar, Karaosmanoglu and Paterson (2005:61) suggest, referring to Christensen and Askegaard (2001) as well as Dutton and Dukerich (1991), that "employees' own interpretations of how their organisations are perceived by outsiders affects the organisations actual identities" – in the context of AC^{4}ID Test™ this works through "Cultural Identity, C^4"; and "Construed-Conceived" identity is embedded in culture (culturally determined);

3) *"Cultural – Actual":* Employees' identification has an impact on Actual Identity in that the organisation is operated by people, the way they do it (e.g. run various parts and activities, provide services, etc.); and the organisation itself, everything it is about, has an impact on to what extent and how employees identify with the organisation.

2. **Strategic construed corporate image** (how senior management envision external perceptions): for example, in the lack of image analysis, management can *only* rest on what they perceive the image is (instead of what the real image is). Strategic construed image obviously has relevance also in the case when the real image is known. In this way it can be referred to as their opinion about the perceptions. But if real image is not known, then it may be the "construed image" ("Construed-Conceived Identity") that will be reconciled with all other identity types.

3.3.1.7. A Possible Future: AC^{6}ID Tests

The author proposes that "Communicated Identity" should be divided into "formal" (or controllable, planned) and "informal" (or non-controllable, unplanned) sub-types. The author has already referred to Balmer and Soenen's (1999) mentioning informal and formal communications. When describing AC^{2}ID Test™ Balmer speaks of "controllable" and "non-controllable" communications. Later however, he only mentions "controllable"

communication in explaining Communicated Identity.[37] Bhattacharya and Sen (2003:78) do not make a strict demarcation between these communication types. They speak of "less controllable" and "more controllable" communicators of corporate identity. The author suggests the 'formal-informal' distinction be applied to the AC^{6}ID Test. This version constitutes the author's second hypothesis (H2), that is AC^{6}ID Test is a new, logical and useful framework.

Hatch and Schultz (1997:362) also make a difference between – "unplanned appearances by top management" and "conscious corporate strategy for external communications". Authors, like Melewar and Jenkins (2002) and Melewar and Karaosmanoglu (2006) stress the importance of uncontrolled communications; these two forms of communication are displayed as separate dimensions in their models. Melewar and Karaosmanoglu (2006:851) argue that several models "overlook the fact that … corporate image is a total product of controlled and non-controlled messages". They suggest that this area is of importance, yet is still under-researched. The author basically argues that there may be considerable misalignments between controlled (formal) and non-controlled (informal) communications, and that this misalignment has to be managed somehow.

Informal communication may also comprise speeches given by senior managements, gossips, informal chats about corporate issues, etc. One can consider Gerald Ratner's case[38] when the company's (and the brand's) image (i.e. "Conceived Identity" and, probably, other identity types) and the CEO's remarks, may have been incongruent. Also, employees' uncontrolled communication, that takes place when they interact with external stakeholders (Moingeon and Ramanantsoa (1997), may have adverse effects on the image. These informal contents may not match what the formal communication says.

The author asserts that informal communications, also Desired Identity and "Construed-Conceived Identity", are "soft" in nature, they are culturally/emotionally based and may be covert. Whereas Actual Identity, Cultural Identity formal communications (original Communicated Identity), Conceived Identity ("image", as stated earlier, called "reality" by Bernstein, 1984) and Ideal Identity are rather knowledge/information/analysis (reality) based and are rather "hard" in nature.

Therefore, the author puts forth the following way the AC^{6}ID Test could be structured (Exhibit 44):

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[37] "Informal" and "non-controllable" may be different. Non-controllable communication, apart from member's communications, also includes outsiders' communications.

[38] http://en.wikipedia.org/wiki/Doing_a_Ratner: The origin of the phrase is an incident in 1991 in which Gerald Ratner, the son of the founder of Ratners Jewellery, made a speech at the Institute of Directors when he said: "…*People say, 'How can you sell this for such a low price?' I say, because it's total crap.'*"

C³

A
ACTUAL

C⁴
CULTURAL

C¹
COMMUNICATED
(FORMAL)

C⁶
COMMUNICATED
(INFORMAL)

C⁵
CONSTRUED-
CONCEIVED

C²
CONCEIVED

C³

C³

D
DESIRED

I
IDEAL

REALITY BASED · OVERT · CULTURE BASED · COVERT · IMPLICIT · VISION BASED · EXPLICIT · INFORMATION/KNOWLEDGE BASED

C³
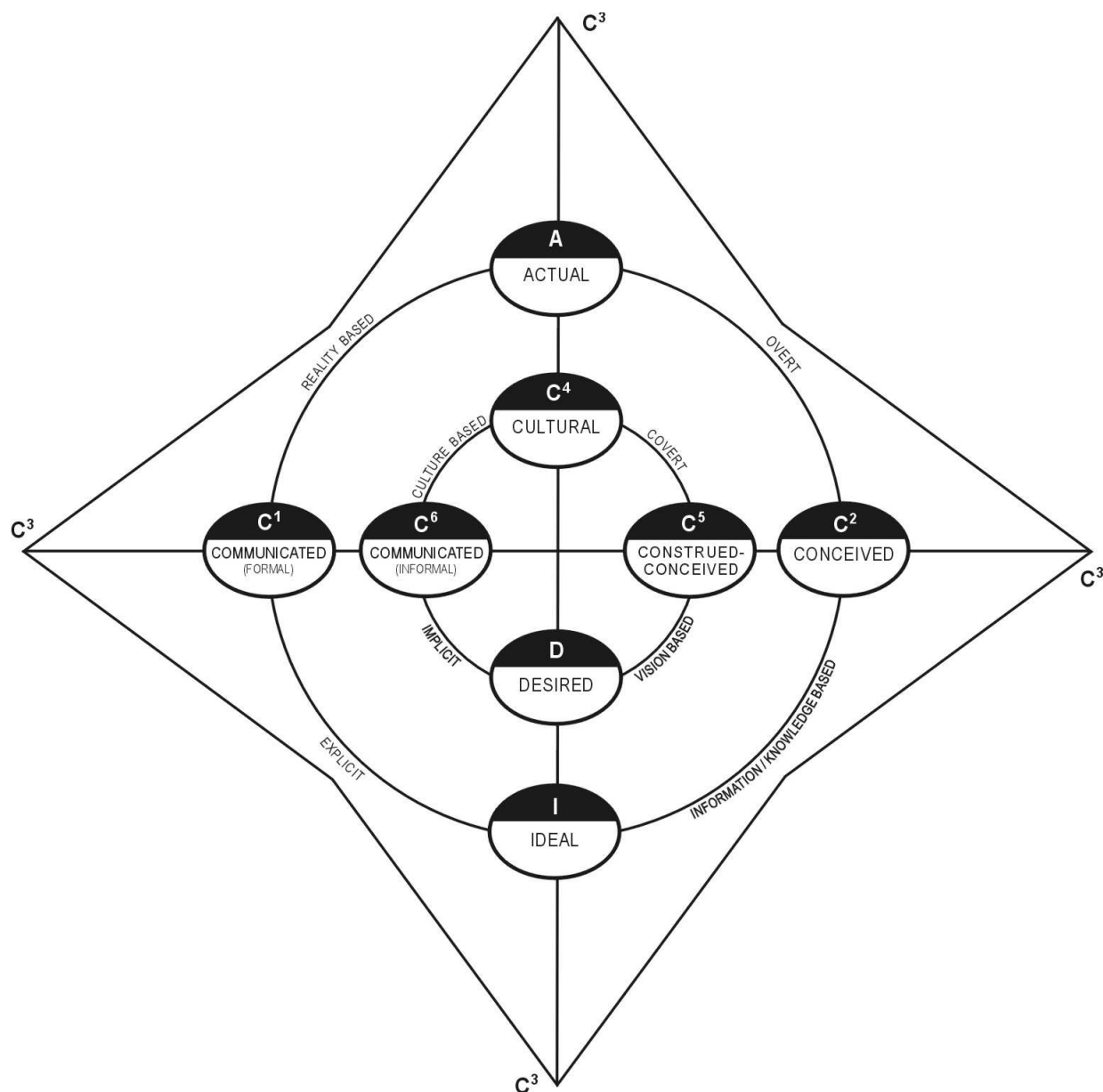
Exhibit 44: The author's AC⁶ID Test, taking AC⁴ID Test™ (Balmer and Stuart, 2004) as a basis

The identity types in the AC^{6}ID Test model, to be reconciled for the consistent corporate brand promise, (Covenanted Identity, C^3) are as follows (following Balmer, 2005):

Outer Circle (reality based, rather overt, information/knowledge based, explicit):

- **Actual Identity:** "What we <u>emphatically</u> are" (corporate identity: multidisciplinary)
- **Communicated Identity, (formal), C^1:** "What we <u>formally state</u> we are" (formal communications)
- **Conceived Identity, C^2:** "What we are <u>thought</u> to be" (corporate image and reputation). Again: "Image is reality…" (Bernstein, 1984)
- **Ideal Identity:** "What we <u>need</u> to be" (strategy) (Balmer, 2005)

Inner Circle (culture based, rather covert, vision based, implicit):

- **Cultural Identity, C^4:** "<u>Who</u> we are" (organisational identity)
- **Construed-Conceived Identity, C^5:** "What <u>we think others think</u> of us"
- **Desired Identity:** "What we <u>long</u> to be" (CEO vision/leadership) (Balmer, 2005:6)

- **Communicated Identity (informal) C[6]:** "What we <u>informally state</u> we are" (informal corporate communications) – embedded in culture and visionary thoughts/expectations.

3.3.1.8. Possible implications of AC[6]ID Test for practitioners

Balmer (2005), when discussing the REDS[2] Process[™], suggests the interfaces to be reconciled should be selected based on setting up a priority among them. Instead of "taking into account what is urgent, desirable and feasible" the author attempts to offer a new way of prioritisation by way of introducing the "two-step REDS[2] method": (1) "The inner and outer circles concept", (2) "The four interfaces concept" (Exhibits 45 and 46):

1. **The two circles concept:** it may be considered that identity types on the ***inner circle*** and those on the ***outer circle*** may be reconciled separately first (step 1) and the reconciliation of the two circles can be done after (step 2). The inner circle may be divided into two halves: upper (employees) and lower (senior management). Employees could, perhaps, be involved in the vision-making process (Desired Identity) by asking them about their opinion about the desired position of the company (by way of questionnaires whereby they can choose from statements asking possible ways for the future). Communicating the vision to them may also be part of this process (internal aspects of the Communicated Identity). Alternatively, senior management's vision-making might be easier if they are aware of the attitudes of employees to the organisation beforehand. By dividing the inner circle into upper and lower halves, the "Communicated Identity (formal)" is also divided into two halves: upper – what employees say informally about the organisation (based on their attitudes, identification), lower: what senior management says informally about it (based on their probably idealistic vision). That is, management should not communicate an unrealistic vision if they know it is at variance with employees' attitudes. This leads to the suggestion that managers had better know about employees' attitudes via e.g. internal surveys, performance appraisal interviews. Likewise, the dotted line also divides "Construed-Conceived Identity" into two halves: the upper half being the "construed corporate image" and the lower half being the "strategic construed corporate image" – do senior management perceive the external images in the same way employees do? If not, where may it lead? (Exhibit 45)
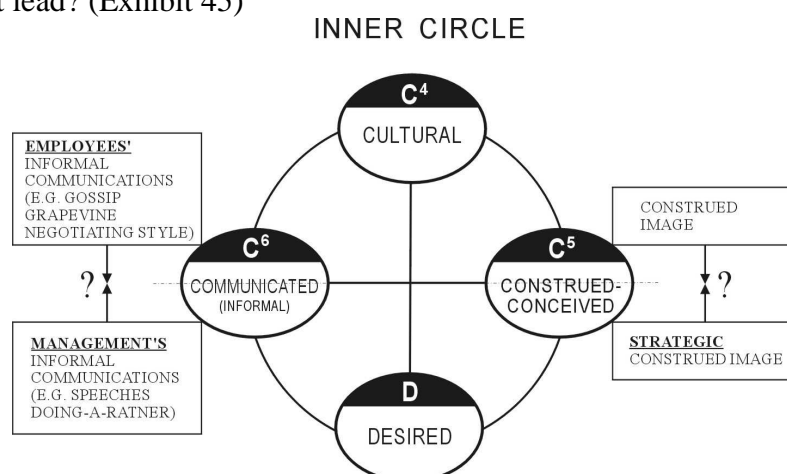

Exhibit 45: The inner circle of the AC[6]ID Test (the upper and lower halves)

2. **The four interfaces concept:** The AC[6]ID Test version below illustrates the author's view on this type of prioritisation. It divides the identity types into four areas, each of which have one element from the outer circle and one from the inner circle: ***(1) "Corporate***

Identity" in a multidisciplinary sense, i.e. "what the organisation is" and to what extent employees identify with this reality: "Actual" and "Cultural" Identities, *(2) "Total Corporate Communications"*: "Communicated Identity (formal)", and "Communicated Identity (informal)" *(3) "Management Positioning"*: "Ideal" and "Desired" Identities and *(4) "Perceptions"*: "Conceived" and "Construed-Conceived" Identities. The practical implication of the division is that the two identity types *within* one area at a time should be reconciled in the first instance (step 1) and then the incongruence between the four areas afterwards (step 2). As far as the discrepancy between the "conceived" and "construed-conceived" identities is concerned, it might be useful to relate to what Dutton, Dukerich and Harquail (1994:249.) suggest: "Sometimes an organization's reputation and insiders' construed external images are closely aligned. When an organization's reputation is widely disseminated through extensive press or media attention, for example, the organization's reputation is likely to be highly correlated with the external image of the organization construed by insiders." This implies that the opposite may be true. That is, there may be a considerable gap between the two identity types that has to be eliminated. The four interfaces concept is illustrated by Exhibit 45, below:
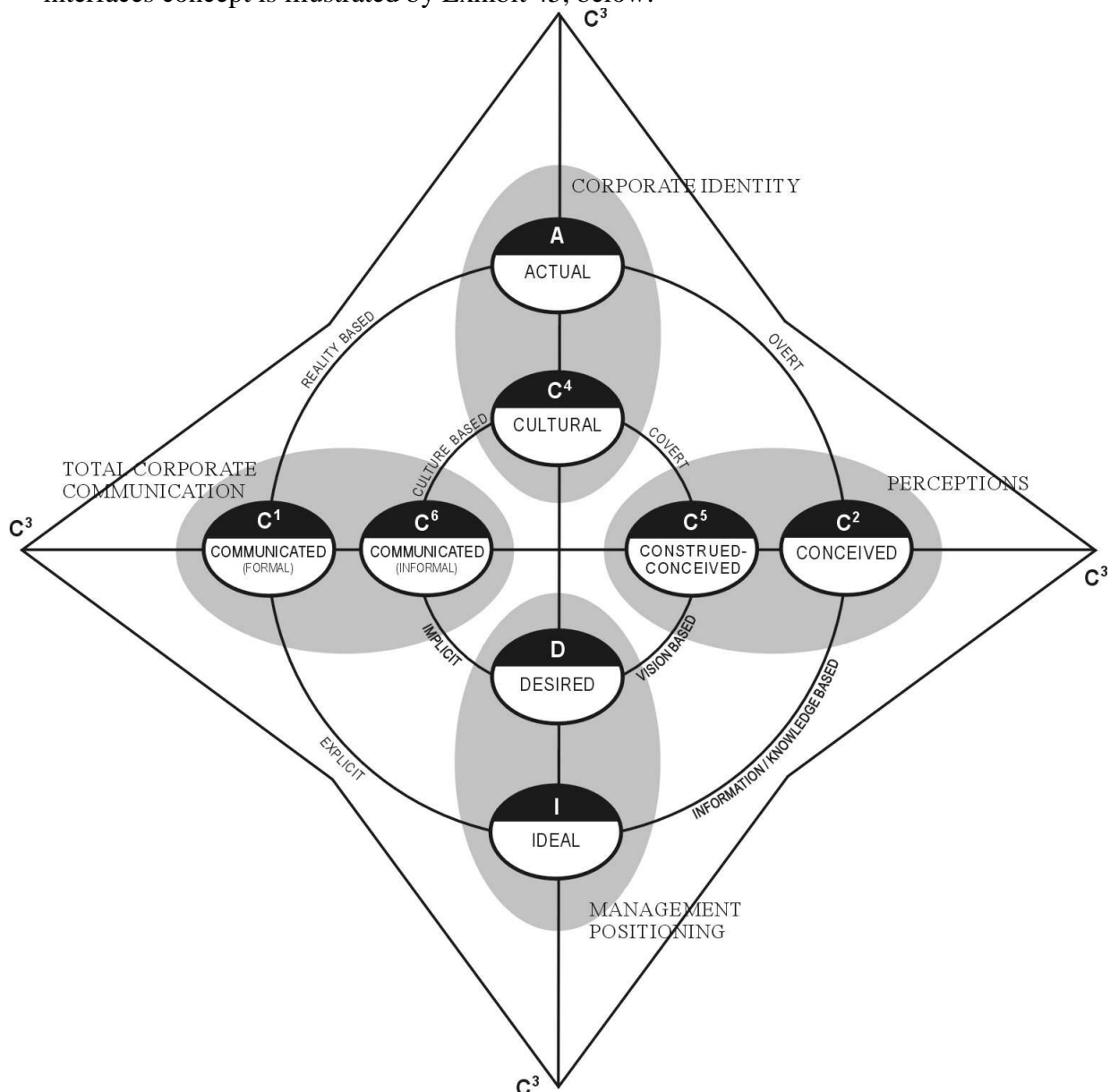

Exhibit 46: AC^{6}ID (the four interfaces concept)

3.3.1.9. Possible implications of AC⁶ID Test for academics

The new framework may evoke ideas for research, e.g. the new interfaces and their potential misalignments may be subject to scrutiny. The author would like to illustrate a definition of corporate identity, based upon that of Thomson (2005), in the light of the AC⁶ID Test, by way of the following versions of the new framework (Exhibits 47 a, b, c and d):
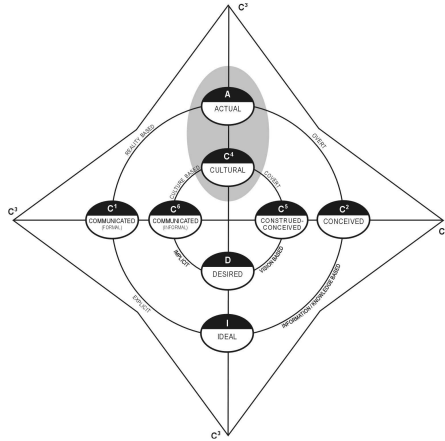
(a)   (b)

Exhibit 47 (a) and (b): AC⁶ID (interpretative versions)

   a) Corporate Identity is concerned with *reality* (Topalian, 2003), i.e. "what the organisation is", its "distinct attributes" (Van Riel, 1995; Balmer 2001a; Topalian, 2003), strategy, history, business scope, product range and services – "Actual Identity", and *culture* (Melewar and Storrie, 2001) – "Cultural Identity". Thus Corporate Identity could also be interpreted as "Actual + Cultural" identities, especially if one considers Balmer's (2001a:280) definition: it is "a summation of those tangible and intangible elements that make any corporate entity distinct. … At its core is the mix of employees' values… It is multidisciplinary in scope and is a melding of strategy, structure, communications and culture". Mentioning "communications" leads us to point b.

   b) Corporate Identity is concerned with *reality* (Topalian, 2003), *culture* (Melewar and Storrie, 2001), (…), <u>and</u> its *formal and informal communications* (Balmer and Greyser, 2003).

(c)   (d)

Exhibit 47 (c) and (d): AC⁶ID (interpretative versions)

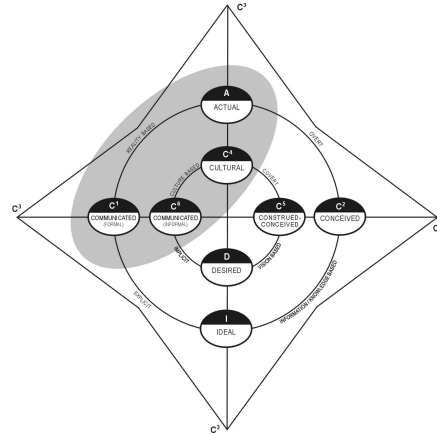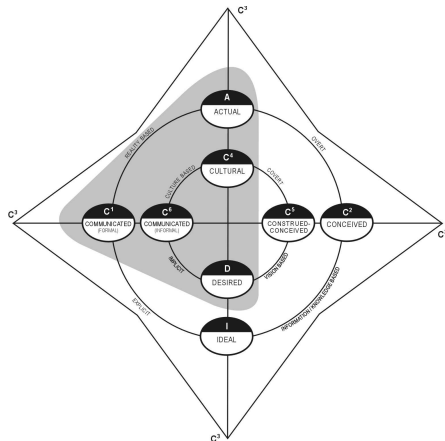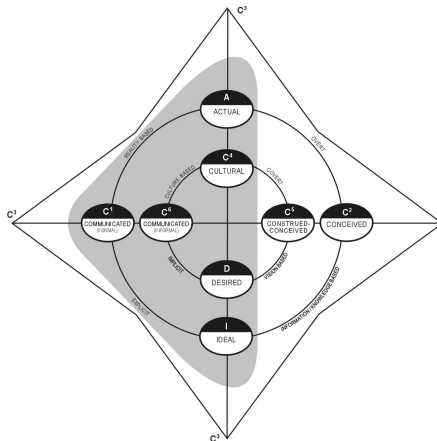c) Corporate Identity is concerned with reality (Topalian, 2003), culture, *strategic vision* (Melewar and Storrie, 2001), strategy, (…), and its formal and informal communications (Balmer and Greyser, 2003): "Strategic vision" might be best described by "Desired Identity".

d) If one considers that strategy (part of Actual Identity) should be based on a profound environmental analysis, carried out by strategic planners, then, probably, "Ideal Identity" should also be part of the picture. Corporate strategy and environmental analysis is among the "Concepts" of Ideal Identity in the description of AC^3ID Test™ (Balmer and Stuart, 2004:5).

Appendix 2 shows another version for AC^6ID Test that is closer to the AC^4ID Test in outlook, recognising Covenanted Identity as having a central role (guiding light for corporate brand managers – mariners on the ocean of brand and corporate identity management). In this model the inner and outer circles changed place, emphasizing that, in the author's view, the "reality-based" identity types need to be in direct proximity to the Covenanted Identity.

In conclusion, the possible future evolution of ACID Tests is summarised in Table 5:

AC^4ID Test™	AC^5ID Test	AC^6ID Test
Actual	Actual	Actual
Cultural (C^4)	Cultural (C^4)	Cultural (C^4)
Communicated	Communicated	Communicated (formal)
		Communicated (informal) (C^6)
Conceived (C^2)	Conceived (C^2)	Conceived (C^2)
	Construed-Conceived (C^5)	Construed-Conceived (C^5)
Covenanted (C^3)	Covenanted (C^3)	Covenanted (C^3)
Ideal	Ideal	Ideal
Desired	Desired	Desired

Table 4: Evolution of the ACID Tests – An Interpretative Framework
(Present and a Possible Future)

3.4. Conclusions

Chapter 3 has introduced and explained the key models of corporate identity: the various process model from Kennedy's (1977) model to Bick, Jacobson and Abratt's model (2003). This section has emphasised that certain models highlight the role of personnel in the image formation. The author has also put forth the model he designed in 1994 based on Abratt's (1989) model. That model included elements that key authors put in their models only later: "corporate philosophy" became part of Balmer's model in 1995, whereas "communication",

although being part of Kennedy's (1977) and Dowling's (1986) models, was included by Markwick and Fill (1997).

One mission of this chapter has been to explain that Birkigt and Stadler's (1986) mix, comprising "Personality, Communication, Behaviour, Symbolism", on which the nearly exclusively mentioned "Corporate Culture, Corporate Communication, Corporate Behaviour and Corporate Design" model is not the only corporate identity mix although it tends to be the case in the Hungarian literature: one can regard it as the best model but at least let him or her take cognisance of the existence of other mixes as well!

This sub-chapter has also introduced Balmer's ACID Tests of corporate identity management, from ACID Test[TM] to AC^{4}ID Test[TM], calling this series of models the "past and present" frameworks.

The author has put forth final re-considered versions of the ACID Test models. He has suggested, on a logical basis, that AC^{5}ID and AC^{6}ID Tests, which he calls "a possible future", could be set up. In establishing the AC^{5}ID Test he argues that it is AC^{4}ID Test[TM] *plus* "Construed-Conceived Identity, C^5" (construed image).

The author's versions have culminated in the AC^{6}ID Test. That is, AC^{5}ID *plus* "Communicated Identity" being divided into "formal, C^1" and "informal, C^6" identity types. The author has also argued that the new framework of AC^{6}ID Test may provide hints to practitioners (e.g. concerning REDS[2]) and academics alike: namely, by illustrating some definitions of corporate identity.

The author hopes that, by way of summarising the evolution of Balmer's ACID Tests and proposing new frameworks, he might contribute to the better understanding of corporate identity management and also provide some hints to both academics and practitioners.

4. RELATIONSHIP BETWEEN CI MANAGEMENT AND HR MANAGEMENT

Perhaps the most important research question of the author has long been the role of employees in corporate identity management. One main reason for this is his professional background: he studied human resource management at Bradford University School of Management in the academic year 1994/1995 and since then he has taught human resource management and related topics at University of Miskolc, Department of Human Resources. Another reason, in close relationship with the previous one, is his interest in the behavioural aspects of corporate identity. The title of his MBA Management Project (Csordás, 1994), "The Identity: A Behavioural Approach", also supports this point, although this thesis did not boil down to the conclusion that the human resource function should be involved in the corporate identity management process.

This time, however, he is primarily interested in this particular issue. His research interest has primarily been evoked by the following statements in the literature:
- Several corporate identity mixes, e.g. Birkigt and Stadler (1986), Schmidt (1995), Olins (1995) contain "behaviour".
- Olins (1995) points out that corporate identity, among others, is a "human resources tool".
- Smith (1993) emphasises the role of corporate image in harmonising employee relations and boosting recruitment.
- Pan-European surveys, carried out by MORI, in 1989, 1991 and 1993 (Schmidt, 1995) point out that issues like "behaviour of staff", "staff motivation", "attracting potential employees", "trust/loyalty… and confidence… among staff" are areas corporate identity may affect.
- Olins (1995) argues that a "small working party" should be set up that runs a corporate identity programme, instead of having the programme hijacked and run by a specific department (e.g. PR or Marketing), and this group should consist of representatives form areas like marketing, design, communications and *human resources*.
- Both Olins (1995:46) and Balmer (1998) suggest that this group should be headed by a, so called, "identity manager" who has background in those activities, that is, also in human resources.
- Olins (1995) recommends that, apart from design and communications audits (which means "situation analysis" in this case: 'this is the way we currently look and behave'), a behavioural audit needs to be administered. Within the behavioural audit Olins (1995) suggests considering several questions related to human resource management, questions that can be best answered by the human resource function.

Basically the above examples, that will be mentioned again in the literature reviews below, have led the author to scrutinise the involvement of the human resource function in corporate identity programmes by asking representatives, mainly heads of human resource departments of companies. This is a novelty: this is the first PhD research, to the current knowledge of the author, in which HR managers are asked about the relationships between corporate identity management and human resource management. This research calls attention to the fact the HR function should be given more role in corporate identity schemes, companies should recognise that corporate identity management exerts a positive influence on HR management and should make use of this knowledge. Finally, employee values should receive due attention in CI schemes.

Having mapped up the terrain concerning the role of the human factor in corporate identity, the author has found that most statements relating to the human factor in the CI literature can

be grouped around three questions. It has led him to the choice to analyse them in one academic piece of writing. The three **research questions** are as follow:

1. The importance of corporate identity in managing human resources: can human resource management benefit from an explicit management of corporate identity? If so, what are those areas?
2. The existence of people's behaviour in corporate identity, *and* the extent to which the human resource function is involved when establishing and managing identity.
3. The importance of the commonly shared values: to what extent are they taken as a basis when running an identity programme?

Each of the above points has its root in the corporate identity literature. The guiding principle of the author's research is considering the followings, in this order:

1. "This is what the literature suggests", and/or "this is what the author concludes from what the literature suggests";
2. "Does the empirical research support this proposition?"

In order to follow this logic, the author intends to present a short review of the literature concerning the above research questions.

4. 1. Literature concerning the "CI – human factor" relationship

Before discussing the results of the empirical research, the author provides short literature reviews concerning the "CI – human factor" relationship. The author recognises the fact that this relationship may be described by other areas of research, such as "personnel marketing" and "employer branding". Before discussing the empirical findings, the author wishes to prove that his points of interest are rooted in the literature of corporate identity.

4.1.1. Literature concerning empirical research question No. 1.

The aim of this sub-chapter is to support the proposition that *managing human resources can indeed benefit from an explicit corporate identity management (or from its expected result, a favourable corporate image).* The following statements/sources of the literature seem to support this point:

Olins (1995:xix) asserts that corporate identity "is a design, marketing, communication and human resources tool", that is he views the explicitly managed corporate identity as a resource from which these areas can benefit. It has to be noted here that Olins, from a marketing practitioner's perspective, equates corporate identity and its explicit management ("self-presentation"). The fact that corporate identity supports areas like corporate visual symbolism (design), marketing and communication, has been widely mentioned. However, it seems that corporate identity being a tool for human resources tool has not received much attention.

It has already been argued earlier that "in general, the purpose and objective of corporate identity management is to achieve a favourable image… (Abratt, 1989; Balmer, 1995; Van Rekom, 1997, Balmer and Gray, 2000)". According to Smith (1993:334, 335 and 336) corporate image can help to "harmonise employee relations", and "boost recruitment", that is, "Corporate identity helps recruitment by strengthening an organisation's ability to attract (and keep) the best people… A clear, strong and cohesive identity communicates positive messages to potential employees". The Strathclyde Statement (ICIG, 1995) also suggests that

managing corporate identity has an ability to attract potential employees (and also to retain them).

Gregory and Wiechman (1999) explain that recruiting and keeping quality employees may be easier with the help of corporate image. Retention of skilled employee as a benefit of corporate identity management is a point also made by Balmer and Gray (2000).

MORI, Market & Opinion Research International, now part of Ipsos Group, is a research institute offering "a full range of quantitative and qualitative research services, as well as extensive international research capacity" (www.mori.com). They carried out a series of pan-European studies in 1989, 1991 and 1993 (Schmidt, 1995), interviewing leading managers of functional areas, also the Chairman of the Board and the Managing Director. One of the functional areas was "Personnel". Schmidt (1995:15) reported that: "It was surprising that none of those responsible for personnel argued spontaneously that corporate identity would increase staff motivation, help with recruitment or express corporate culture and values." Nevertheless, the researchers' hypotheses were clear: they expected that corporate identity provided help with issues associated with recruiting employees and maintaining a good working culture. The author wishes to highlight that HR-related issues were only a partial focus of the survey. When respondents, in 1993, were asked about "benefits of a strong corporate identity", also "staff motivation" was mentioned as one of the benefits. It was emphasised by especially German and Austrian managers, the same who defined corporate identity mainly as the "expression of culture/values/philosophy" and "internal projection/behaviour of staff". When managers were also asked about satisfaction with current performance of the corporate identity, two questions referred to personnel: "attracting potential employees" and "staff motivation". The role of corporate identity in internalisation was another section in the research report and part of it referred to the question: "In what ways corporate identity can be important in this context?" Among others, corporate identity was reported to be important in that it "motivates/unifies employees". The last part, of interest for the author, was on the ways the managers thought corporate identity could help in times of recession. The following three answer options included employees: "trust/loyalty among customers/staff", "confidence among customers/staff/shareholders" and "staff motivation". Recently, Slovenian author Podnar (2005) has used this survey to map up corporate management practice in Slovenia.

In summary, many authors suggest that an explicitly managed corporate identity may help human resource management in some way or another. *Explicit research question:* do human resource managers view that an explicitly managed corporate identity really helps human resource management in their organisations *and* in general (in their opinion)? *Discussion in: sub-chapter 4.2.2.*

4.1.2. Literature concerning empirical research question No. 2.

The aim of this part of the thesis is to support the following hypothesis: *if the behaviour of employees has a definite significance in corporate identity, as several models suggest, by containing this element, then, in the author's view, the human resource function is involved to some extent when establishing and managing identity.*

The existence of the behavioural aspect in corporate identity basically refers to the recognition that corporate identity is more than a corporate approach to design. The internal reports of MALÉV on corporate identity suggest that "another side of corporate identity is the behaviour of employees" (Csordás and Fekete, 1997). The various corporate identity mixes mention "behaviour" in two ways: one is 'the behaviour of the company as a whole' and/or the 'behaviour of people' working for the organisation. The following *corporate identity mixes* include behaviour:

- Birkigt and Stadler's (1986) corporate identity mix – Elements: corporate personality, *behaviour*, communications and symbolism;
- Olins' (1995) corporate identity mix – Elements: central idea, products, communications, *behaviour*, environment. By behaviour he means that of staff. In 1989 he defined corporate identity as "the way in which an organisation distinguishes itself from other organisations, i.e. how it looks and how it behaves" (Olins, 1989);
- Schmidt's (1995) "structured model for holistic corporate identity development" – Elements: corporate culture, *corporate behaviour*, market conditions and strategies, products and services, communication and design. The "corporate behaviour" element in Schmidt's mix, however, includes also the behaviour of the company as a whole;
- Balmer and Soenen's (1999) model – Elements: "the soul", the mind" and "the voice"; "The voice" includes *personnel* and corporate *behaviour*;
- Schmidt and Ludlow's (2002) holistic brand model – Elements: culture, *behaviour*, market and customers, products and services, communication, design – at the core of the model are vision, mission, values, differentiation factors (substance and expression), customer benefits, proposition. This model is based upon Schmidt's (1995) corporate identity mix;
- Melewar and Jenkins' (2002) corporate identity mix – Elements: communication and visual identity, *behaviour*, corporate culture, market conditions. Melewar and Karaosmanoglu's (2006) corporate identity mix, as mentioned earlier, is a further developed version of the previous model. The "behaviour" element, in both mixes, consists of "corporate behaviour" (which is about the behaviour of the company as a whole), "management behaviour" and *"employee behaviour"*.

Various *"process-models"* also highlight the role of employees or the human resources function, as follows:

- Kennedy (1977:126) was the first to emphasise the importance of employees, their perceptions about their company, in the corporate image formation process. In the "Objective Company Criteria" box of her diagram, she put "pay structures" as a distinct element.
- Dowling (1986) also speaks of the employees' image of the company in his model.
- Stuart (1999), within the "corporate identity" box of her model, mentions the behaviour of management and employees, although it is clear that she applies Birkigt and Stadler's (1986) mix.
- Bick, Jacobson and Abratt (2003) set up a new corporate identity process-model, in search of conceptualising corporate identity. This is a revised form of Abratt's (1989) famous and seminal model, which did not mention employees or human resources explicitly. The new

model ("A 2003 Model of the Corporate Identity Management Process": Bick, Jacobson and Abratt, 2003:851), however, includes human resources in an explicit form!

Olins (1995:46) argues that a "small working party" should be set up that runs a corporate identity programme, instead of having the programme run by a specific department (e.g. PR or Marketing), and this group should consist of representatives form areas like marketing, design, communications and *human resources.* This working party should be headed by an identity manager who should have a design, communication, marketing or human resources background. The latter point is supported by Balmer (1998) as well.

Olins (1995:44), when suggesting a process for "starting up and managing the programme" of corporate identity, points out that it should begin with "investigation, analysis and strategic recommendations" (Olins, 1995:46). As part of this stage he proposes that three audits ought to be carried out: communication audit, design audit and behavioural audit. The word audit *here* means mapping up and analysing 'the way the company communicates, the way it looks and the way it behaves *now*'. He lists some issues to consider, part of which refers to the behaviour of the whole company, also part of which relates to individual behaviour. However, what is interesting here is that there are human resource issues he offers for consideration, questions that seem to form the background of individual behaviours. These points are as follows:

- "Does the company invest in the development of people – other than in their performance?"
- "Does it set personal performance objectives and does it appraise performance regularly?"
- "Does it reward people in relation to their performance?" (Olins, 1995:50)

The author concludes that there must be some form of liaison between those "starting up and managing" the programme and the human resource function, if these questions are to be accurately answered.

Hungarian author, Szeles (1997) suggests that the internal identification of employees is getting more and more important. It is their behaviour, their identification with the company that brings about the convincing power that presents the identity of the company towards the outside world. He further argues that the two aspects of identification are 'readiness to perform' and 'job satisfaction'.

Hatch and Schultz (1997) claim that bridges need to be built between various departments in the organisation, namely marketing, production, public relations and *human resource*. The reason for this seems to be that image depends on the quality of employees (Balmer and Wilson, 1998; Ind, 1997).

In summary, various statements in the literature suggest that employee behaviour is an essential part of corporate identity, while others suggest that the human resource function should be involved in corporate identity programmes. *Explicit research questions:* (1) do human resource managers believe that employee behaviour is or should be part of corporate identity; (2) is the human resource function involved in corporate identity programmes? *Discussion in: sub-chapter 4.2.3. (4.2.3.1 and 4.2.3.2).*

4.1.3. Literature concerning empirical research question No. 3.

The aim of this part of the thesis is to support the author's hypothesis which suggests that *the commonly shared values ought to be taken as a basis when running an identity programme, that is, employees' values should not be overlooked during an explicit self-presentation programme of the company.*

This hypothesis is in close relationship with four *earlier statements in this PhD thesis.* The four statements basically suggest that employees' values, their identification with the company is at the core of corporate identity:

1. "…ideally, corporate identity programmes are based upon organisational identity" (the author's statement). Kiriakidou and Milward (2000) suggest that efforts to manage corporate identity should reflect the organisational identity of the company;

2. He and Balmer (2005:5), argue that corporate identity "does not address the question of an organisation's actual identity but only focuses on the desired identity that management wishes to convey" – this is also suggested by Kiriakidou and Milward (2000:51): "This means the visible expression of an organisation's identity reflects the values actually held by organizational members and not only the desired and idealized efforts of the management board".

3. In terms of the ACID Tests (AC^{4}ID and onwards – the author's versions), total corporate communications – consisting of formal communications (C^1) and informal communications (C^6) – should be aligned with cultural identity (C^4 – being interpreted as 'organisational identity in ACID Test');

4. It is employees' behaviour and identification with the company that brings about the convincing power that presents the identity of the company towards the outside world (Szeles, 1997).

5. Balmer's (2001a:280) definition of identity (introduced in subchapter 1.1.1. in this thesis) includes the following statement: "At its core is the mix of employees' values…"

6. Two aspects have been considered to be important with regard to the fit between "Cultural Identity" and "Desired Identity" (in the author's explanation of Balmer's AC^{4}ID Test): (1) according to Alessandri's (2001) process-model (sub-chapter 3.1.8.) corporate identity programmes begin with mission; (2) mission statements (which reflect the managements' desired identity) usually ignore cultural values and employees' attitudes (Van Rekom, 1997). It seems logical then that corporate identity programmes tend to ignore employees' values and attitudes.

The literature of organisational identity provides an ample source of employee identification. Some authors of that area, like Hatch and Schultz (1997), compare corporate identity and organisational identity. The author could have chosen the way of approaching this topic from an in-depth review of the organisational identity literature. However, his intention was not this, he rather regards organisational identity as a context, and apart from taking examples from the organisational identity literature, he focuses on that of the corporate identity literature.

Balmer (2001a), in his definition mentioned above within point 5, suggests the same as Abratt (1989) who claims that personnel's values are at the heart of an identity formation process. Kiriakidou and Millward (2000) elucidate this concept. They argue that in managing corporate identity, the actual identity of an organisation has to be taken into consideration

(point 5 above). They also call attention to management's ignorance of cultural values when establishing vision and mission statements. They refer, as "identity gap", to the incongruence between 'cultural values of employees' and 'actual identity' or 'cultural values of employees' and 'corporate mission/vision' (Kiriakidou and Millward, 2000:51). Aforementioned official version of ACID Test (AC[4]ID Test, first proffered by Balmer, 2005) illustrates this "identity gap" as this is the first model in the series that picks "Cultural Identity" out of Actual Identity, that is, it accentuates the fact that employees may not identify with or develop negative attitudes towards organisational reality (sub-chapter 4.3).

In summary, if (1) employees' values, their identification with those values are at the core of corporate identity and if (2) corporate identity management is a managerial responsibility, then it seems logical that management should take those values into account when running an identity programme. *Explicit research question:* are values shared by the employees taken as a basis when running corporate identity programmes? *Discussion in: sub-chapter 4.2.4.*

4. 2. Empirical research concerning empirical research questions No. 1 to 3.

The objective of this sub-chapter of the thesis is to introduce and discuss the results of the empirical research related to the aforementioned three research questions.

4.2.1. Findings concerning empirical research question No. 1.

The summary of the literature review regarding of this research question was this: "many authors suggest that an explicitly managed corporate identity may help human resource management in some way or another". The aim of this subchapter is to discuss is in what way the empirical research underpins this proposition.

Table 5 and Diagram 1 present the averages of ranks given by respondents to each aforementioned criterion. Column *"Fact"* describes to what extent respondents consider that explicitly managed corporate identity supports various criteria associated with human resource management *in his or her specific organisation*; while column *"Opinion"* represents HR managers' opinions concerning to what extent managed corporate identity has an impact on the listed criteria *in general*. Opinions refer to the degree corporate identity programmes *should* influence those criteria.

Criteria	Fact (averages)	Opinion (averages)
Attracting people	3.81	4.42
Selecting people	3.19	3.83
Retaining staff	3.11	3.57
Motivating staff	3.14	3.59
Cohesion / sense of belonging	3.68	3.97
Trust, loyalty	3.38	3.73
Harmonised employee relations	3.03	3.32
Identification / commitment	3.68	4.00
Average	3.38	3.80

Table 5: Fact and Opinion averages

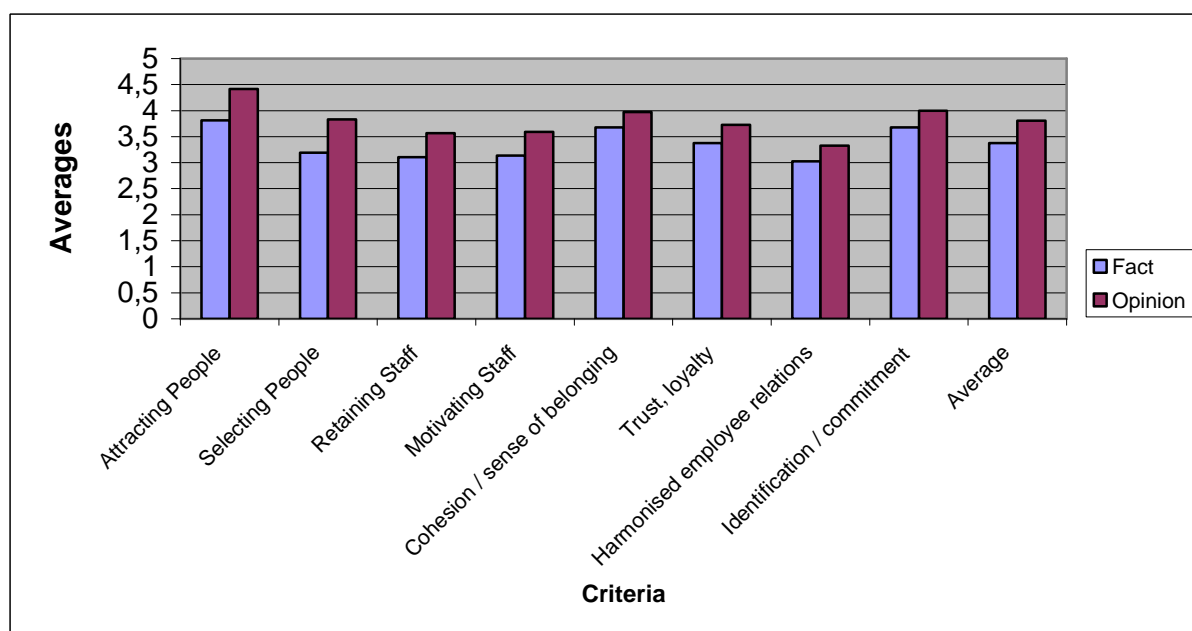Diagram 5 shows the Fact and Opinion averages of Table 5.

Diagram 5: Fact and Opinion averages

In the case of each criterion, averages in the "Opinion" column are higher than those in the "Facts" column, which indicates HR managers' view about corporate identity having greater potential to help human resource related issues than the actual case. As far as the averages, regarding the factual situation, are concerned, "Attracting people" (Fact column: 3.81), bringing about "Cohesion / sense of belonging" (Fact column: 3.68) and "Identification / commitment" (3.68) got the highest average ranks. "Trust, loyalty" was ranked as average (Fact column: 3.38), whereas the rest of the criteria gained lower grades. "Harmonised employee relations" was regarded as an area least supported by an explicitly managed corporate identity programme (Fact column: 3.03), which might come as a surprise because it sounds similar to categories like identification and sense of belonging.

The author's explanation to "Attracting people" being ranked the highest is that a favourable corporate image, the expected result of corporate identity management, has the greatest potential in causing people to join the company as employees: an explicitly managed corporate identity sharpens the organisation's high-quality, distinctive profile in the public eye, which has a strong power to attract employees. In the respondents' view internal aspects, such as cohesion, identification (and trust/loyalty), are also supported, although to a lesser extent than attracting potential employees, by an explicit corporate identity programme. Selecting, retaining and motivating staff received considerably lower ranks than the previous criteria, probably because they are not perceived as areas significantly influenced by corporate identity programmes in the specific organisations represented by respondents. In the case of Miskolc City Transport Plc the distinct corporate identity does not exert influence on retaining staff as it belongs to larger employers in the region. "Harmonised employee relations" received the lowest rank. The explanation can be that, while the rest of the criteria are about "employee-company" relationships (identification with the company, being loyal to the company, etc.), whereas "Harmonised employee relations" seems to have been perceived as "employee-employee" relationship which, in the opinion of the respondents, may not have been directly affected by corporate identity management.

As stated before, averages representing Opinions are always higher than those representing Facts. That is, respondents think that corporate identity management programmes in general have higher impacts on the listed areas than in specific their organisations. The next interesting question is the *actual differences* between Facts and Opinions, that is how much more corporate identity programmes may influence these criteria in general, than in the specific organisations, in the opinion of the respondents. Table 6 presents this information below:

Criteria	Differences between Fact and Opinion averages
Attracting People	0.61
Selecting People	0.64
Retaining Staff	0.46
Motivating Staff	0.46
Cohesion / sense of belonging	0.30
Trust, loyalty	0.35
Harmonised employee relations	0.30
Identification / commitment	0.32
Average	0.43

Table 6: Differences between Fact and Opinion averages

Diagram 6 illustrates the values (differences between Fact and Opinion averages) in Table 12.
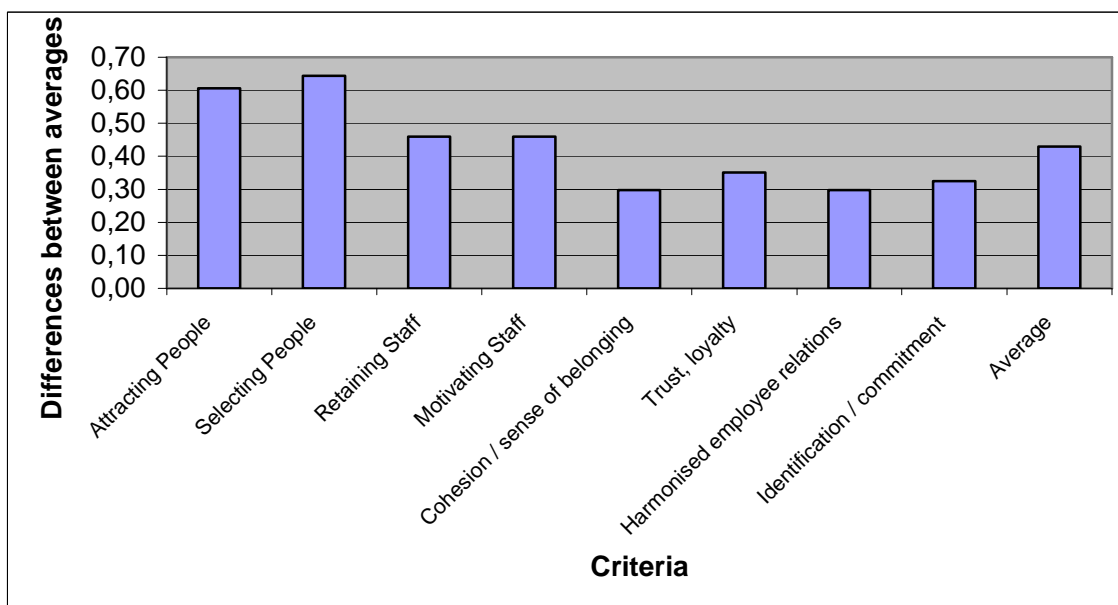
Diagram 6: Differences between Fact and Opinion averages

Differences associated with "Attracting" (Difference 0.61) and "Selecting people" (Difference 0.64) are the highest, albeit the latter received much lower "Fact" value than the former. This means that they are those two areas where corporate identity programmes may have the greatest potential in supporting HR activities. These two criteria, however, are different in nature. While in the case of "Attracting people" rather the company's "high-quality, distinctive profile in the public eye" plays an important role, "Selecting people" benefits from the opportunity that corporate identity can offer a further aspect of decision: "Does the person to be selected fit in the existing or intended corporate identity of the organisation?" "Retaining" (Difference 0.46) and "Motivating staff" (Difference 0.46) are the second in the hierarchy of differences. Considering that they were given low Fact values (Facts 3.11 and

3.14), an explicitly managed corporate identity program, taking the opinion of respondents into account, may be highly influential in their cases. "Trust, loyalty" (Fact 3.38) and "Identification / commitment" (Fact 3.68) could bee seen as belonging to the same group in terms of differences (Differences 0.35 and 0.32). "Cohesion / sense of belonging" (Difference 0.30) and "Harmonised employee relations" (Difference 0.30) seem to possess the same, lowest, difference between Fact and Opinion averages for different reasons. While corporate identity programmes can greatly help create "Cohesion and sense of belonging" *indeed* in the specific organisation, as shown by the high Fact value (Fact 3.68), "Harmonising employee relations" (Fact 3.03) is not a criterion actually influenced much by those programmes and is not seen as an area corporate identity programmes can do much about.

Facts and Opinions can be best compared if the values of the different variables are standardised (Table 7) and presented in a system of co-ordinates (Diagram 7):

Criteria	Fact (averages)	Opinion (averages)	Fact (st. averages)	Opinion (st. averages)
Attracting People	3,81	4,42	1,42	1,83
Selecting People	3,19	3,83	-0,61	0.09
Retaining Staff	3,11	3,57	-0,87	-0,71
Motivating Staff	3,14	3,59	-0,78	-0,63
Cohesion / sense of belonging	3,68	3,97	0,98	0,50
Trust, loyalty	3,38	3,73	0.01	-0,23
Harmonised employee relations	3,03	3,32	-1,14	-1,44
Identification / commitment	3,68	4,00	0,98	0,59
Average	3,38	3,80		
Deviation	0,31	0,33		

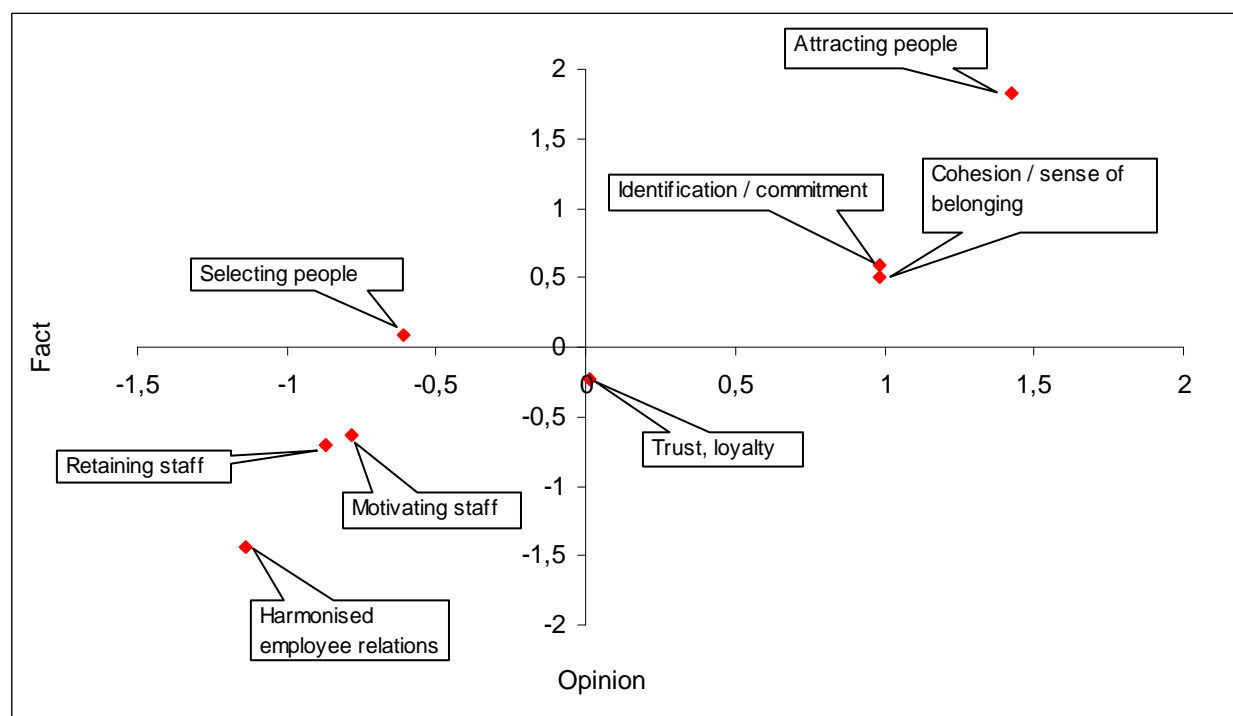*Table 7: Facts and Opinions (standard averages)*

Diagram 7: Facts and Opinions (standard averages)

Right upper section includes those criteria ("Attracting People", "Identification / commitment" and "Cohesion / sense of belonging") in the case of which respondents reported that corporate identity programmes *in fact* support HR areas in their organisations *and*, in general (in their opinion) explicitly managed corporate identity has a positive influence over those areas. Left lower section, however, refers to criteria that are basically not supported by corporate identity programmes in respondents' organisations and *they do not even think* those areas are affected by corporate identity programmes in general: "Retaining Staff", "Motivating Staff" and "Harmonised Employee Relations".

"Selecting people" is a special criterion in this sense: they do not believe that in their organisation managed corporate identity assists this criterion, however, corporate identity management should provide some help with this specific area in their opinion. The main practical implication of this finding is that corporate identity should be paid attention when establishing schemes for selection; perhaps corporate identity should be kept in mind when setting up person specifications[39].

They see "Trust, loyalty" as being supported by corporate identity, in their organisation; nevertheless, it is not an area corporate identity programmes have too much to do about in their opinion.

4.2.2. Findings concerning empirical research question No. 2.

Literature review regarding this part was summarised as follows: "various statements in the literature suggest that employee behaviour is an essential part of corporate identity while others suggest that the human resource function should be involved in corporate identity programmes." These are basically two statements which are subjects of scrutiny in this sub-chapter. Issues concerning employee-behaviour are analysed in sub-chapter 4.2.2.1; the involvement of the HR function will be addressed in sub-chapter 4.2.2.2.

4.2.2.1. Employee behaviour as part of CI programmes

Behaviour, in general, usually refers to corporate behaviour and/or employee behaviour, although in most of the models they are not differentiated categorically. Aforementioned models of Melewar and Jenkins (2002) and Melewar and Karaosmanoglu (2006) include "employee behaviour" as distinct categories. The author's doctoral research relates to this particular issue.

One question was asked about employee behaviour in the questionnaire. Its purpose was to explore if employee behaviour is essential from the point of view of corporate identity. More specifically, the purpose was to explore if HR managers accord importance to it: if it should be paid attention when running a programme. Keeping the corporate identity models in mind it sounds common sense, nevertheless the question has to be asked. Table 8 describes this particular question:

Question: Does employee behaviour determine the identity of an organisation, taking the example of yours as a basis (or corporate identity is rather a visual category)?

---

[39] Person specification is set of criteria used by HR managers to decide what qualities applicants to be chosen should meet. Aspects like "fitting the identity of the organisation" could be on criterion.

Possible responses as found in the questionnaire	Abbreviations in analysis
☐ Yes, it is true in general, thus it is true for us, that employee behaviour is a factor that bears upon corporate identity	"Yes"
☐ No, employee behaviour has no bearing upon corporate identity in our organisation.	"No"
☐ No, it is not true in our case, albeit it would be appropriate if employee behaviour had a bearing upon corporate identity	"No, albeit it would be appropriate"
☐ I don't know	"I don't know"

Table 8: Does employee behaviour determine the identity of an organisation (responses and abbreviations)

The frequency table and diagram below presents the relevant frequencies and percentages (Table 9 and Diagram 8).

Responses	Frequency	Percent
"Yes"	25	67.6
"No"	6	16.2
"No, albeit it would be appropriate"	6	16.2
Total	37	100.0

Table 9: Does employee behaviour determine the identity of an organisation…₁
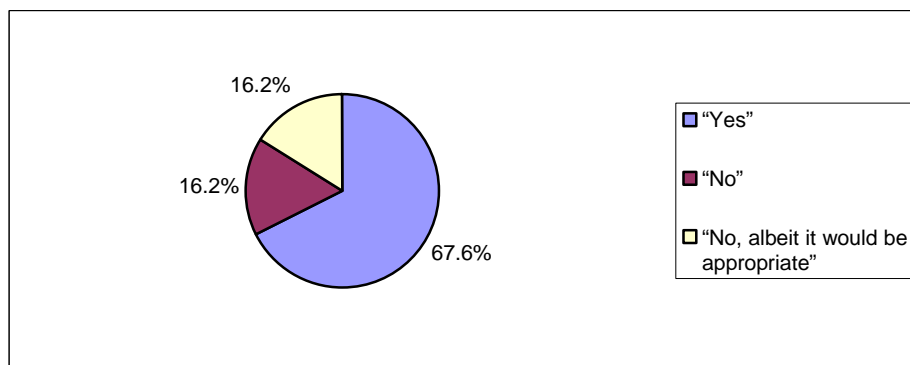
Diagram 8: Does employee behaviour determine the identity of an organisation…₁

The above frequency table and the diagram both prove that the majority of respondents (67.6%) argued that in their organisations employee behaviour is a determining factor in corporate identity. 32.4% of the respondents reported that employee behaviour had no bearing upon corporate identity in their organisation, although half of them indicated that it would be appropriate if it had. Nobody marked the "I don't know" option.

In the subsequent part of this sub-chapter the author intends to analyse this question, by means of cross-tabulations, in the light of four explanatory variables:

1. Phase of internationalisation (domestic, international, multinational, global)
2. Majority ownership (Hungarian, foreign, joint-venture)
3. Sector (primary, secondary, tertiary)
4. Ownership (state-owned, private)

According to the ***"phase of internationalisation"*** companies may be domestic, international, multinational and global. Cross-table in Appendix 5.1 demonstrates the distribution of responses in the light of the "phase of internationalisation". Thirty five respondents positioned their organisations against this explanatory variable, two of them failed to mark it. Counts/frequencies in the "Total" column show the number of respondents within this

explanatory variable group (as in the case of all cross-tables). Diagrams 9, 10, 11 and 12 illustrate the percentages.

One trend seems obvious from the analysis: the more organisations are internationalised, the larger percentage of them has declared that employee behaviour is, in fact, part of corporate identity in their specific case (domestic: 53.3%; international: 71.4%; multinational: 80%; global: 100%), probably because the attitude of more internationalised companies to corporate identity has changed, following the paradigm shift introduced in sub-chapter 2.2., that discussed the basic trends: "from peripheral elements to central elements", from "external focus to internal focus to holistic focus" and "tactical to more strategic approaches" (He and Balmer, 2005).

Phase of Internationalisation: Domestic

- "Yes"
- "No"
- "No, albeit it would be appropriate"

26.7%
53.3%
20%
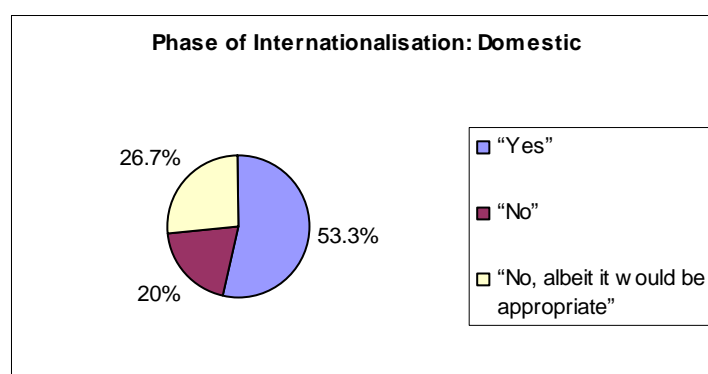
Diagram 9: Does employee behaviour determine the identity of an organisation…2

53.3% of the respondents representing "domestic" organisations reported that employee behaviour was an essential aspect of corporate identity, whereas 46.7% indicated that is was not, although in the opinion of more than half them it would be appropriate if employee behaviour were regarded as an important factor.

Phase of Internationalisation: International

- "Yes"
- "No"
- "No, albeit it would be appropriate"

0%
28.6%
71.4%
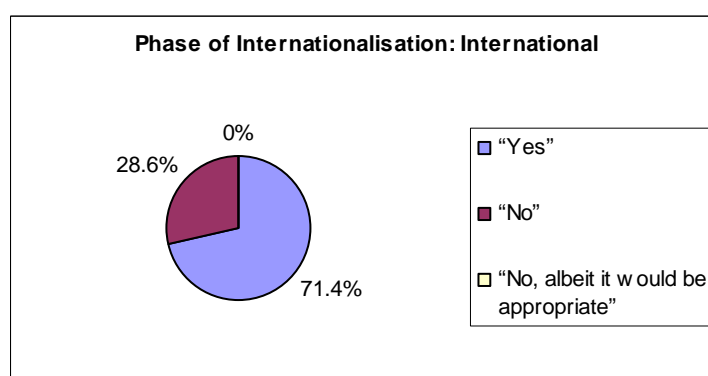
Diagram 10: Does employee behaviour determine the identity of an organisation…3

According to 71.4% of respondents from "international" organisation employee behaviour was a significant part of corporate identity.
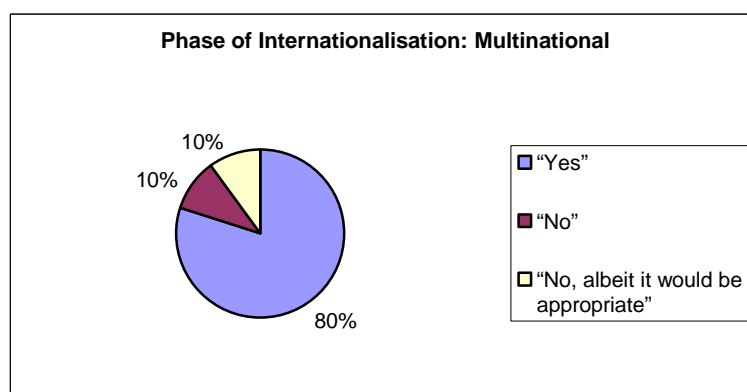
Diagram 11: Does employee behaviour determine the identity of an organisation…[4]

In the case of "multinational" companies this percentage is even higher, it reaches 80%.
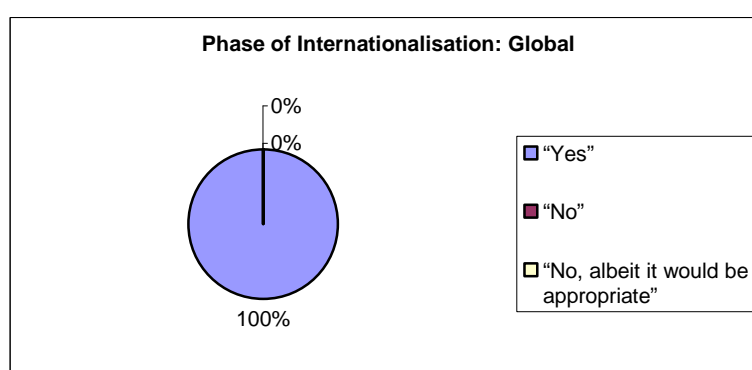
Diagram 12: Does employee behaviour determine the identity of an organisation…[5]

This diagram, describing "multinational" companies, shows the highest percentage, 100%. Clearly, if the sample size were bigger, this percentage were somewhat smaller than that, however, the author believes that the basic trend would still be the same.

The second explanatory variable was *"majority ownership"*, in terms of which there are Hungarian, foreign organisations and joint-ventures. Because none of the respondents, but one, belong to the "joint ventures" category, the current research question will not be analysed in this respect. Cross table in Appendix 5.2 summarises the main relationships between this explanatory variable and the current research question. Diagrams 13 and 14 illustrate the appropriate percentages below:
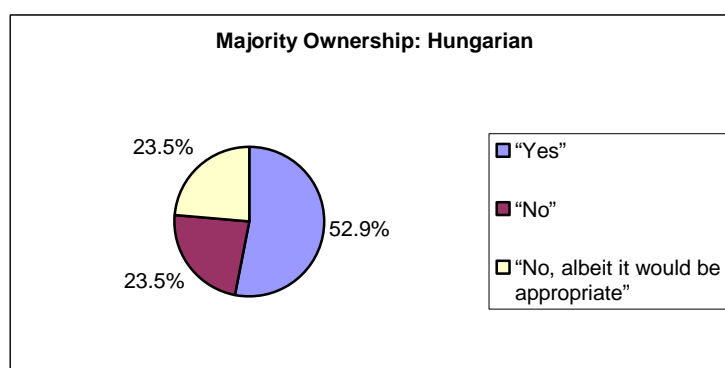
Diagram 13: Does employee behaviour determine the identity of an organisation…[6]

According to 53% of HR managers in Hungarian organisations argued that employee behaviour was an important component of corporate identity and 47% of them were of the view that it was not. Half of the 47% thinks that, although employee behaviour was not recognised as part of corporate identity in their organisation, it should be.

Majority Ownership: Foreign

- "Yes"
- "No"
- "No, albeit it would be appropriate"

11%
11%
78%
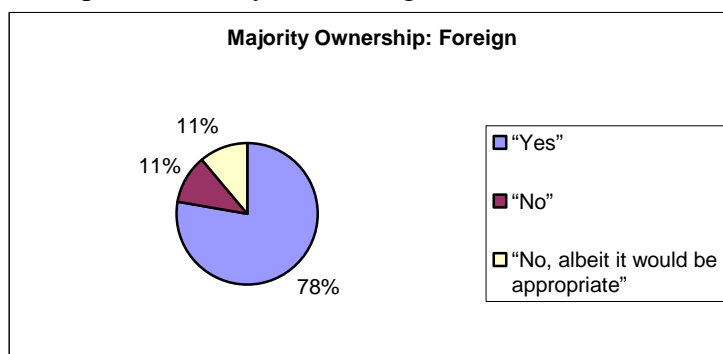
Diagram 14: Does employee behaviour determine the identity of an organisation…7

A considerably higher percentage, 78% of respondents in foreign companies reported that employee behaviour bears upon corporate identity indeed. Category "no"[40] is again divided into two equal parts: according to 11% of the respondents claimed that employee behaviour had no impact on corporate identity, and another 11% suggested that it should have an impact on corporate identity, however, currently it is not the case.

Explanatory variable *"sector"* comprises options "primary", "secondary" and "tertiary". Cross-table in Appendix 5.3 presents the data relating to these categories. Diagrams 15, 16 and 17 illustrate the relevant percentages below:

Sector: Primary

- "Yes"
- "No"
- "No, albeit it would be appropriate"

33.3%
44.4%
22.2%
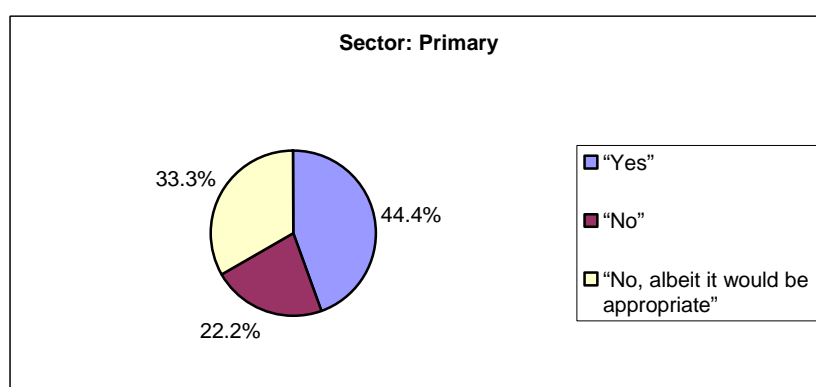
Diagram 15: Does employee behaviour determine the identity of an organisation…8

It may have been expected that organisations, more precisely HR managers in organisations, operating in the primary sector would not consider, to the same extent as their colleagues in organisations belonging to the other two sectors, employee behaviour to be an inherent component of corporate identity. Only 44.4% of them believed that employee behaviour has a definite significance in corporate identity in their organisation. 55.5% of them thought that corporate identity was an area in the success of which employee behaviour did not take part. It is remarkable; however, that 33.3% of the respondents were on the view that it would be appropriate if the importance of employee behaviour in corporate identity were recognised.

---

[40] Category "no" = "No" *plus* "No, albeit it would be appropriate"

Sector: Secondary

8.1%

8.1%

81.8%

□ "Yes"

■ "No"

□ "No, albeit it w ould be appropriate"
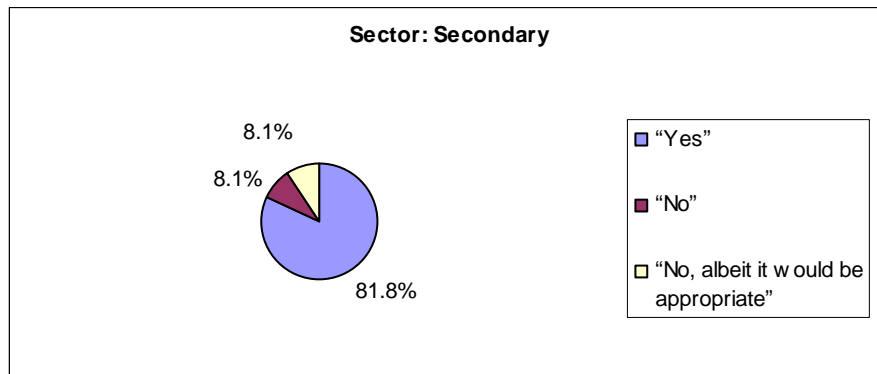
Diagram 16: Does employee behaviour determine the identity of an organisation…[9]

The overwhelming majority of respondents from organisations operating in the secondary sector (81.8%) argued that employee behaviour was a significant element in corporate behaviour. Only 16.2% of them were of the opposite view about their organisations. One should not draw a far-reaching conclusion from its division into twice 8.1% because these represent one respondent each.

Sector: Tertiary

11.8%

17.6%

70.6%

□ "Yes"

■ "No"

□ "No, albeit it w ould be appropriate"
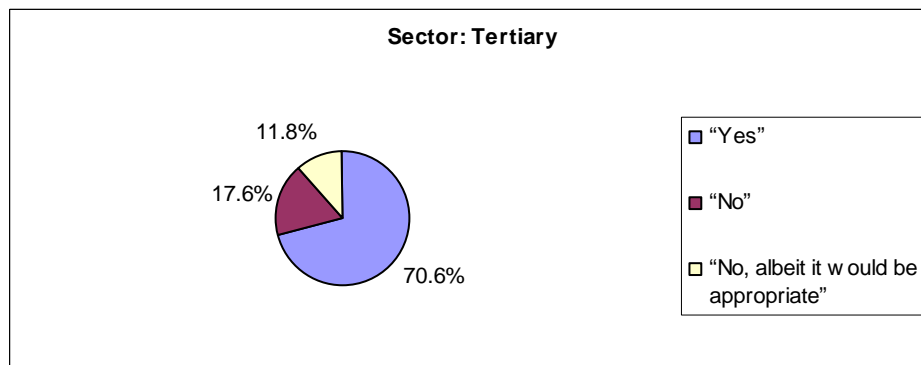
Diagram 17: Does employee behaviour determine the identity of an organisation…[10]

It may come as a surprise that HR managers representing organisations in the tertiary sector reported in a lower proportion, than in the secondary sector, that employee behaviour was an essential component of corporate identity, and the majority of respondents within category "no" (17.6%) thought that it would not be appropriate if employee behaviour gained significance in corporate identity. Only 11.8% of the managers believed that employee behaviour should be regarded as an influential factor in corporate identity. The author had expected that it would be this explanatory variable in the case of which the importance of employee behaviour would be the highest because the role of front-line people is considerable. Exploring the possible reasons for this phenomenon will be matter of a later research of the author.

The last explanatory variable is ***"ownership"***, according to which there are "state-owned" and "private" organisations. The aim of the subsequent section is to explore if there is any difference in the results taking this variable as a basis. Cross-table in Appendix 5.4 and Diagrams 18 and 19 present the relevant frequencies and percentages below:

Ownership: State-Owned

- ☐ "Yes"
- ☐ "No"
- ☐ "No, albeit it would be appropriate"

30%

0%

70%
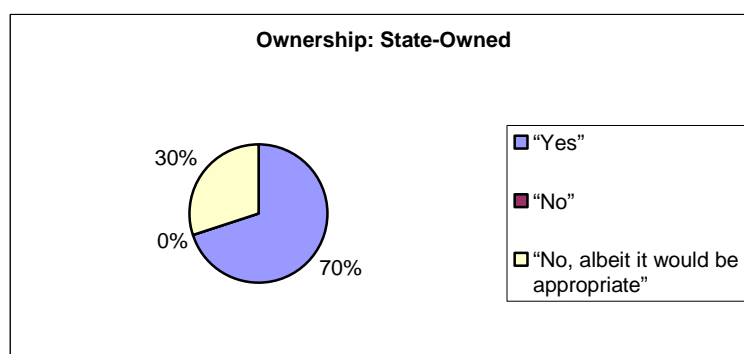
Diagram 18: Does employee behaviour determine the identity of an organisation…[11]

70% of human resource managers from state owned organisation claimed that employee behaviour was indeed an important element of corporate identity and 30% contended that the success of corporate identity did not depend on employee behaviour but it would be appropriate if it were included. Option "No" was not marked by any respondents.

Ownership: Private

- ☐ "Yes"
- ☐ "No"
- ☐ "No, albeit it would be appropriate"

11.5%

19.2%

69.2%
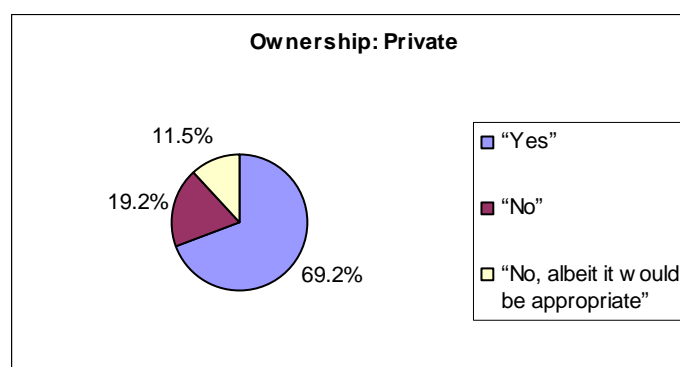
Diagram 19: Does employee behaviour determine the identity of an organisation…[12]

It seems that ownership is not an explanatory variable in terms of which the proportion of "Yes" answer significantly differs. Nevertheless, while in the case of state-owned organisations all those who did not regard employee behaviour as a determinant element of corporate identity in their firm thought that employee behaviour should be part of it, in the case of private companies a bit more than one third of those answering "No" believed that it should be appropriated if employee behaviour were recognised as a component of corporate identity. The reason for this might be that the number of private companies was more than 2.5 times higher than that of state-owned companies, *or*, probably respondents representing private organisations, where managing corporate identity has a deeper root than in the case of state-owned organisations, had a clearer view about the role of employees in corporate identity.

4.2.2.2. The involvement of the HR function in CI programmes

This sub-chapter aims at taking a closer look at the involvement of the human resource function in corporate identity programmes. Two questions relate to this issue: (1) the first question (first part of the analysis) refers to HR managers' view concerning the extent to which the HR function was involved in corporate identity programmes in general, while (2) the purpose of the second question is to investigate whether "behavioural audit" (Olins, 1995) exists or not in the organisations represented by the respondents, as part of the corporate

identity programmes.[41] The subsequent section introduces findings concerning the first question mentioned above (Table 10).

Question (1): Has HR played any role in the corporate identity programme?	
Possible responses as found in the questionnaire	**Abbreviations in analysis**
☐ Yes, a team was set up for the corporate identity programme, in which I or someone else from the HR department took part.	"HR involved in running programme"
☐ The HR function implemented specific tasks raised in the course of the corporate identity programme.	"HR implemented specific tasks"
☐ Various HR-related issues were raised in the course of the corporate identity programme but the HR function was not entrusted with dealing with them (e.g. they were solved at the level of a given unit).	"HR-related issues were raised; HR was not entrusted"
☐ The HR function did not take part at all in the corporate identity programme.	"HR did not take part at all"
☐ The HR function was not involved in the programme, albeit it should be (i.e. in the next corporate identity programme – present tense is used)	"HR not involved, albeit it should be"
☐ I don't know	"I don't know"

Table 10: Has HR played any role in the corporate identity programme… (responses and abbreviations)

The frequency table and diagram below presents the relevant frequencies and percentages regarding the first question, namely "HR managers' view concerning the extent to which the HR function was involved in corporate identity programmes in general", whether the HR function got any role in the corporate identity programme (Table 21 and Diagram 20).

Responses	Frequency	Percent
"HR involved in running programme"	7	18.9
"HR implemented specific tasks"	8	21.6
"HR-related issues were raised; HR was not entrusted"	5	13.5
"HR did not take part at all"	10	27.0
"HR not involved, albeit it should be"	5	13.5
"I don't know"	2	5.4
Total	37	100.0

Table 11: Has HR played any role in the corporate identity programme?₁

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[41] The author asked the three specific questions related to behavioural audit, proposed by Olins (1995), and suggested four new questions. However, very few respondents reported that in their organisations behavioural audit was conducted as part of the programme. Therefore, this doctoral thesis will exclude the analysis of those questions; it will only focus on the existence or non-existence of behavioural audit.
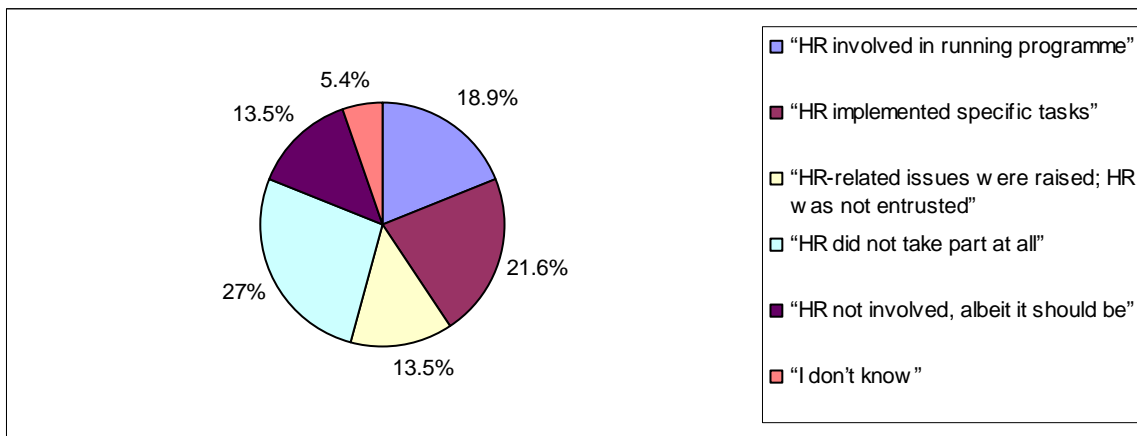
Diagram 20: Has HR played any role in the corporate identity programme?[1]

27% of human resource managers reported that HR had not been involved in the corporate identity programme at all. This might not be surprising if one considers that managing corporate identity is in general the terrain of marketing and public relations in practice. 18.9% of HR managers stated that the HR function had been involved in running the programme, which is not high but it is remarkable all the same. 21.6% of the respondents claimed that HR's role had been performing specific tasks set in the course of the corporate identity programme. Some respondent suggested (13.5%) that various HR related issues had emerged as part of the programme which were not to be dealt with the human resource function, they were rather solved at other functional levels. The same proportion of human resource managers (13.5%) argued that although human resources function had not played a role in the corporate programme but it should.

The deeper analysis of the involvement of HR function begins again with *"phase of internationalisation"* (Appendix 5.5, Diagrams, 21, 22, 23 and 24). Unfortunately these are the cross-tables where the disadvantages of the small sample size can be observed the best. The "Total" number of respondents within the various categories is distributed among six answer options, which may result in low frequencies in the case of a given answer.
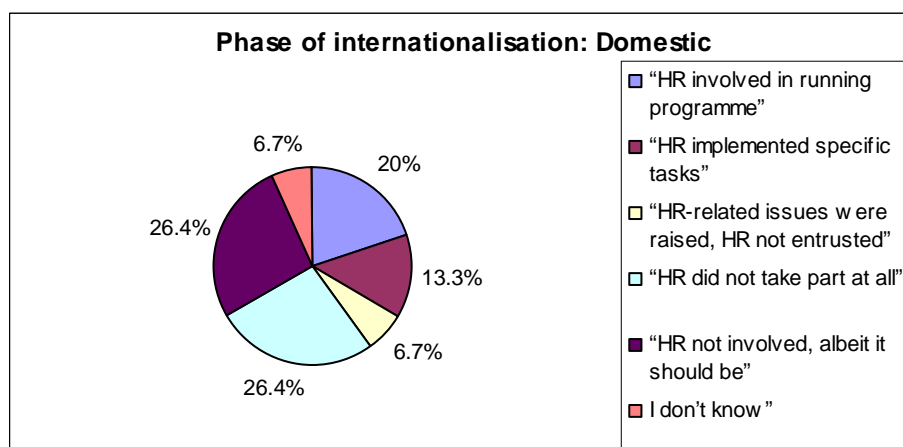
Diagram 21: Has HR played any role in the corporate identity programme?[2]

In domestic organisations, a bit smaller percentage (26.4%) of respondents claimed that the HR function had not been involved in the corporate identity programmes as in the case of the total sample. The same proportion of them reported that although HR had not been involved, it should be involved when running a programme. 13.3% or the human resource managers

reported that the HR function had had to carry out tasks emerged in the programme. 6.7% of them mentioned that the various HR-related tasks had not affected the HR function itself (they were solved at unit-levels). Another 6.7% of the respondents did not know if HR function was involved or in what way it took part in the corporate identity programme.

Phase of internationalisation: International

- □ "HR involved in running programme"
- ■ "HR implemented specific tasks"
- □ "HR-related issues were raised, HR not entrusted"
- □ "HR did not take part at all"
- ■ "HR not involved, albeit it should be"
- □ I don't know"

14.3%   0%   14.3%
0%
14.3%
57.1%
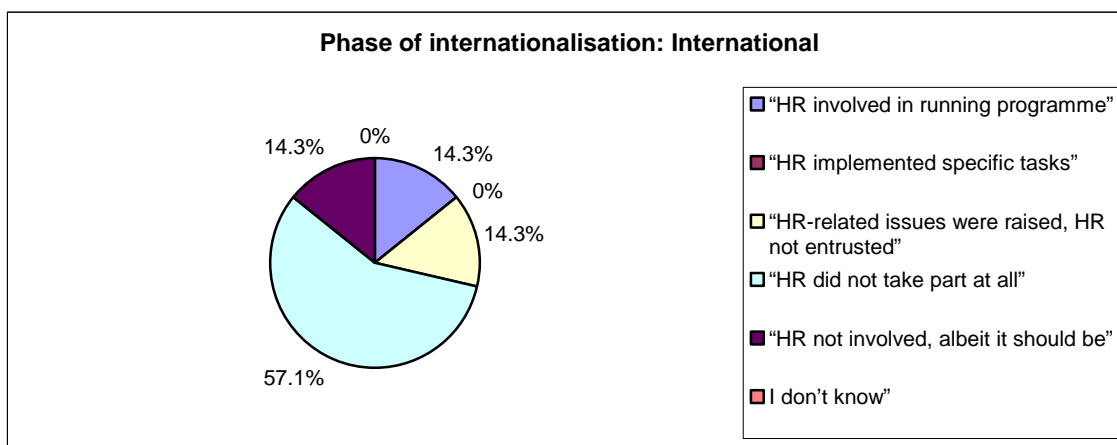
Diagram 22: Has HR played any role in the corporate identity programme?₃

HR did not take part at all according to 57.1% of the respondents from international companies. The remaining part of the "pie" is shared in equal proportions (14.3%) between respondents: the one who argued that the HR function had been involved in the programme, the one who had asserted that HR should be involved in some way or another and who had claimed that HR-related issues were actually raised but it was not the HR function that had to deal with them. (One drawback of the sample size, in the case of a question with six answer options, is salient here as the 14.3% represents one respondent only.)

Phase of internationalisation: Multinational

- □ "HR involved in running programme"
- ■ "HR implemented specific tasks"
- □ "HR-related issues were raised, HR not entrusted"
- □ "HR did not take part at all"
- ■ "HR not involved, albeit it should be"
- □ I don't know"

0%
0%
20%   20%
20%
40%
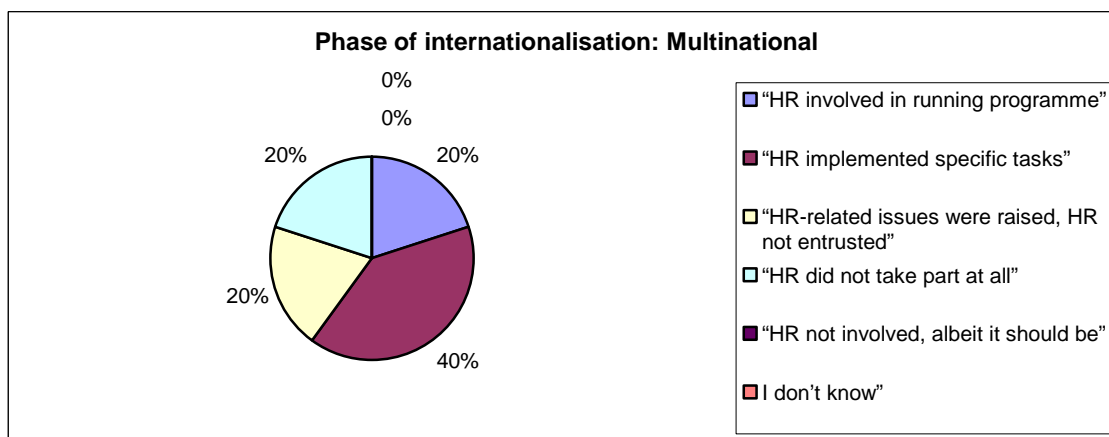
Diagram 23: Has HR played any role in the corporate identity programme?₄

Like in the case of domestic organisations, 20% of the respondents in multinational ones claimed that the HR function had played a role in the corporate identity programme, although the same proportion asserted the opposite of it, namely that the HR function had not been involved in the programme at all. According to another 20% of human resource managers HR related had actually emerged but they had not affected the human resource function.

Explanatory variable: Global

33.3%   33.3%
33.3%
0%
0%
0%

- "HR involved in running programme"
- "HR implemented specific tasks"
- "HR-related issues were raised, HR not entrusted"
- "HR did not take part at all"
- "HR not involved, albeit it should be"
- I don't know"
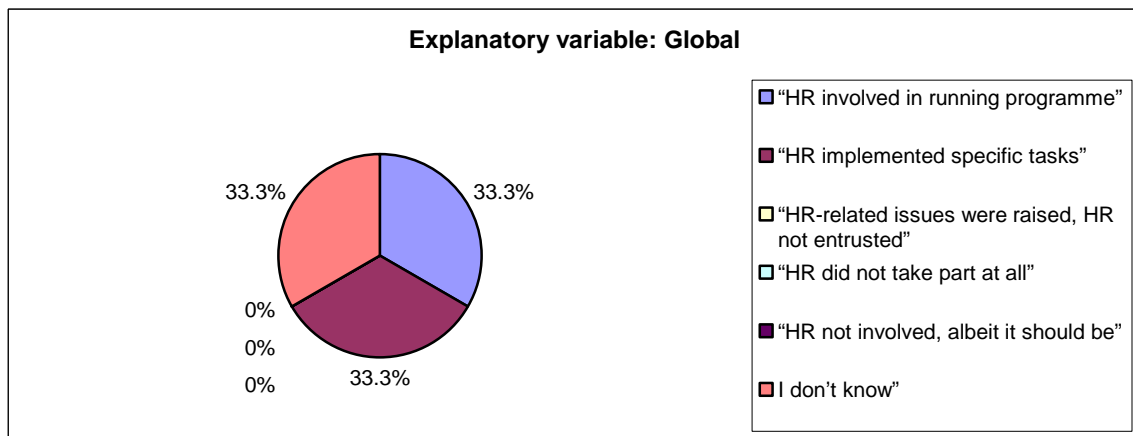
Diagram 24: Has HR played any role in the corporate identity programme?₅

The author does not wish to draw conclusion from this finding as the three slices of the pie chart represent one respondent each.

The findings are presented in the light of *"majority ownership"* below (Appendix 5.6, Diagrams 25 and 26)

Majority ownership: Hungarian

5.9%   17.6%
23.5%
11.8%
5.9%
35.3%

- "HR involved in running programme"
- "HR implemented specific tasks"
- "HR-related issues were raised, HR not entrusted"
- "HR did not take part at all"
- "HR not involved, albeit it should be"
- I don't know"
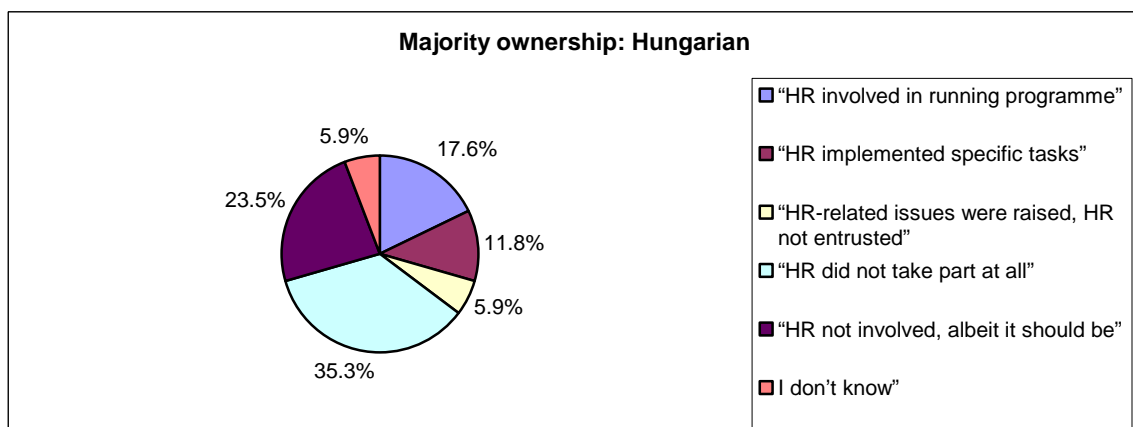
Diagram 25: Has HR played any role in the corporate identity programme?₆

HR function did not take part at all in the corporate identity programme according to the majority (35.3%) of human resource managers representing Hungarian organisations. A relatively high proportion (23.5%) of them asserted that although the case is this, HR should be involved in it. 17.6% of the respondents stated that the HR function had been involved in running the programme; while 11.8% of them reported that it had carried out specific tasks coming up as a result of the programme. 5.9% of the human resource managers argued that albeit there were HR related issues in connection with the corporate identity programmes, the HR function did not have to deal with them. Another 5.9% did not know the answer.

Majority ownership: Foreign

- □ "HR involved in running programme"
- ■ "HR implemented specific tasks"
- □ "HR-related issues were raised, HR not entrusted"
- □ "HR did not take part at all"
- ■ "HR not involved, albeit it should be"
- ■ I don't know"

5.6% 5.6% 16.7%
16.7%
22.2% 33.3%
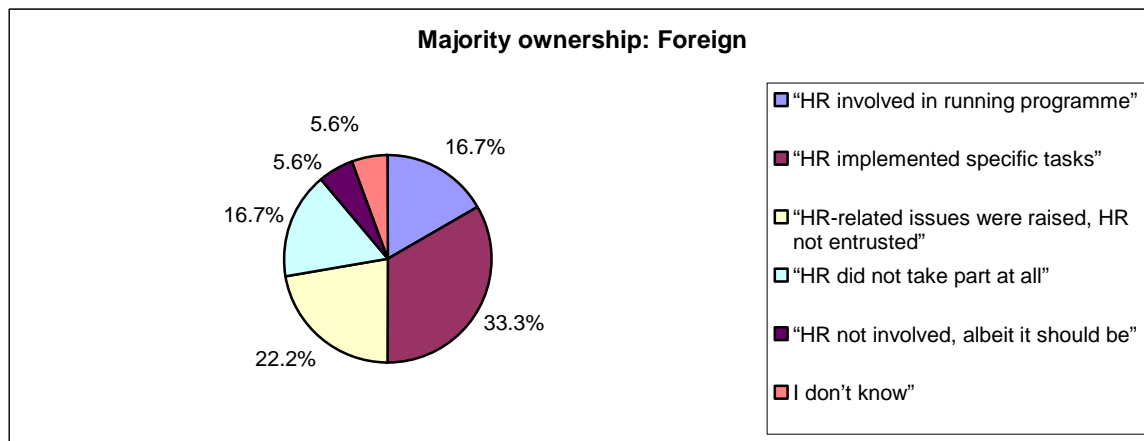
Diagram 26: Has HR played any role in the corporate identity programme?[7]

Respondents from foreign companies, in about the same proportion as in the case of Hungarian ones, (16.7%) reported that the HR function had been involved in the corporate identity programme. A relatively high proportion, one third, (33.3%) of them stated that the job of the HR function had been to perform specific tasks they received as a result of the programme. 22.2% of the respondents stated that issues with human resource relevance had been handled without having to involve the HR function. 16.7% of the human resource managers argued that HR had not been involved at all, which is about half of the similar slice of the Hungarian organisations' pie chart. Both 'HR should take part in the programme, albeit it did not' and "I don't know" options were chosen by one respondent that is 5.6% of the total respondents in this category.

"Sector" is the next explanatory variable. The results are demonstrated by Appendix 5.7 and illustrated by Diagrams 27, 28 and 29.

Sector: Primary

- □ "HR involved in running programme"
- ■ "HR implemented specific tasks"
- □ "HR-related issues were raised, HR not entrusted"
- □ "HR did not take part at all"
- ■ "HR not involved, albeit it should be"
- ■ I don't know"

0% 22.2%
22.2%
22.2%
33.3% 0%
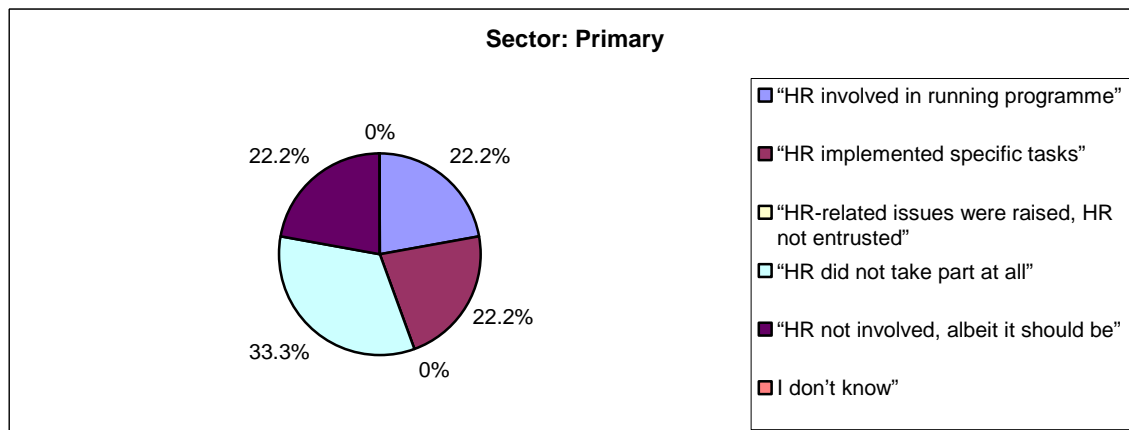
Diagram 27: Has HR played any role in the corporate identity programme?[8]

According to one third of the respondents claimed that the HR function had not played any role in the corporate identity programme. The rest of the managers, in equal proportion (22.2%), stated that the HR function had been involved in running the programme, also that the job of the HR function had been to carry out specific tasks in relation to the programme, and finally that the HR function should take part in a corporate identity programme.

115

Sector: Secondary

9.1%   0%   18.2%

18.2%

27.3%

27.3%

- ☐ "HR involved in running programme"
- ☐ "HR implemented specific tasks"
- ☐ "HR-related issues were raised, HR not entrusted"
- ☐ "HR did not take part at all"
- ☐ "HR not involved, albeit it should be"
- ☐ I don't know"
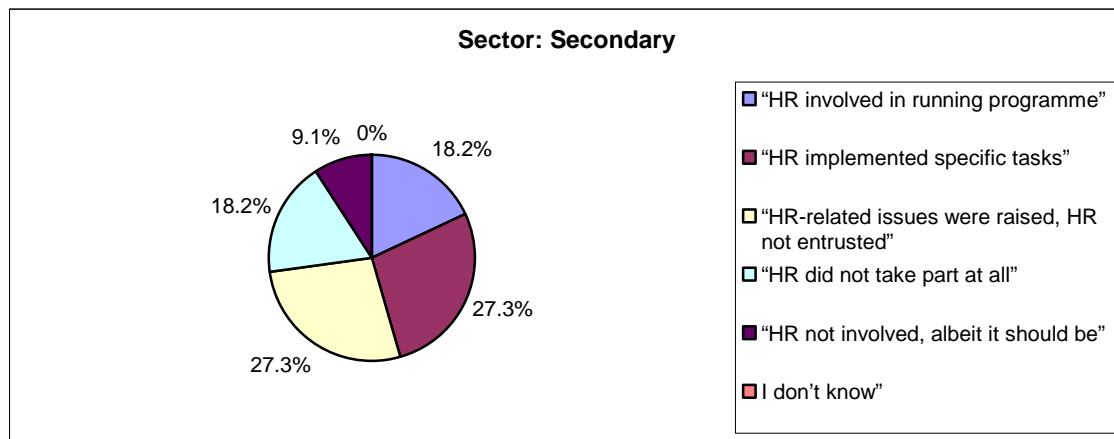
Diagram 28: Has HR played any role in the corporate identity programme?[9]

In the case of this sector, the HR function took part in the corporate identity programme according to 18.2% of the managers and the same proportion of them mentioned that it had been completely excluded from the programme. 27.3% of the respondents reported that the various HR-related issues had been solved without having to involve the HR function. Again the same percentage of the respondents stated that HR had had to implement tasks coming up as a result of the running the programme. One respondent within this category stated that HR should be involved.

Sector: Tertiary

11.8%   17.6%

11.8%

17.6%

29.4%   11.8%

- ☐ "HR involved in running programme"
- ☐ "HR implemented specific tasks"
- ☐ "HR-related issues were raised, HR not entrusted"
- ☐ "HR did not take part at all"
- ☐ "HR not involved, albeit it should be"
- ☐ I don't know"
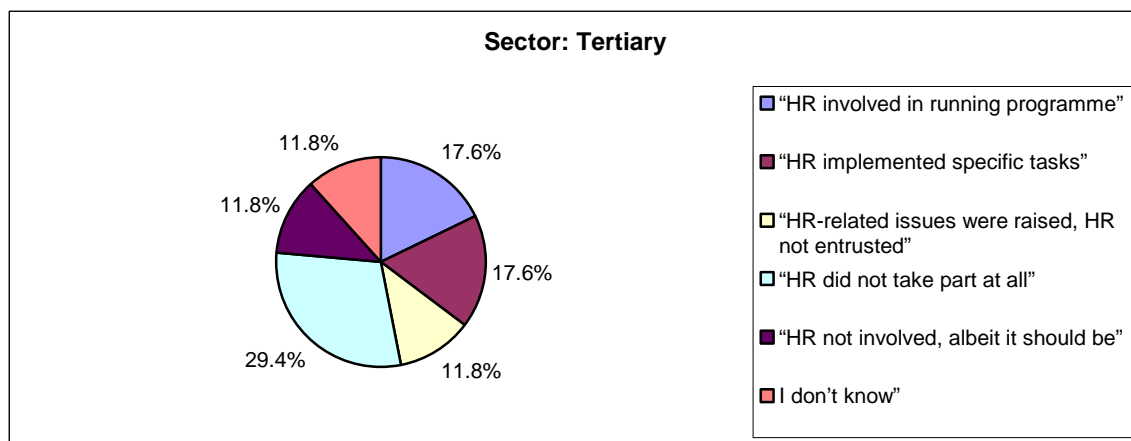
Diagram 29: Has HR played any role in the corporate identity programme?[10]

The highest proportion (29.4%) belongs in this case to the HR function's not taking part at all in the corporate identity programme. 17.6% of the human resource managers reported that the HR function had been in fact involved in running the programme. Another 17.6% of them argued that HR had carried out specific tasks. 11.8% of the respondents stated that, although the HR function had not taken part in the programme in any way, it should play some role in it. 11.8% of them did not know the answer to this particular question.

The last explanatory variable belonging to this question is "ownership". The analysis done using this variable is presented in Appendix 5.8 and illustrated by Diagrams 30 and 31.

Ownership: State Owned

- ☐ "HR involved in running programme"
- ☐ "HR implemented specific tasks"
- ☐ "HR-related issues were raised, HR not entrusted"
- ☐ "HR did not take part at all"
- ☐ "HR not involved, albeit it should be"
- ☐ I don't know"

10% 20% 20% 30% 0% 20%
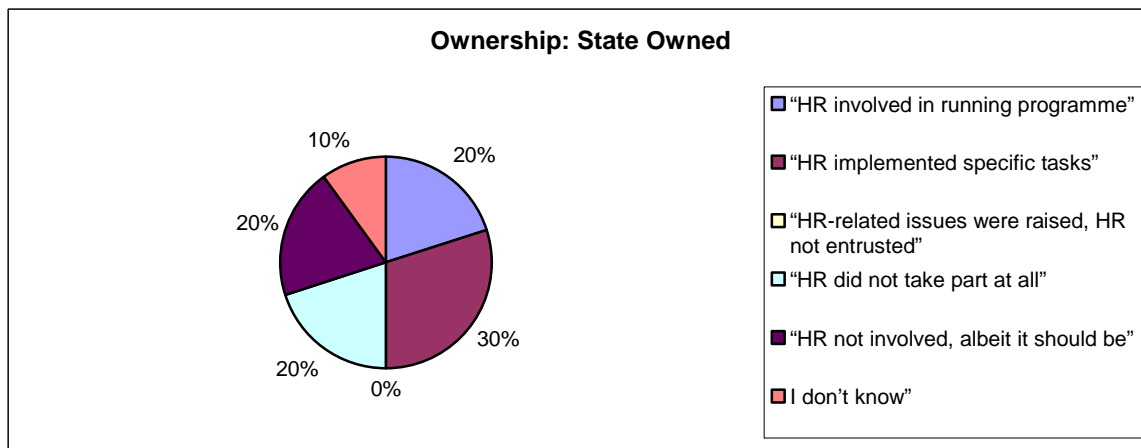
Diagram 30: Has HR played any role in the corporate identity programme?[11]

According to 30% of the respondents from state-owned organisations the HR function's job was to perform various tasks given as a result of the corporate identity programme. The involvement of the HR function in running the corporate identity programme was marked by 20% of them and the same proportion mentioned that it had not played any role in the programme. Another 20% was of the view that the HR function should be involved in some way or another. Only one respondent did not know the answer to this question.

Ownership: Private

- ☐ "HR involved in running programme"
- ☐ "HR implemented specific tasks"
- ☐ "HR-related issues were raised, HR not entrusted"
- ☐ "HR did not take part at all"
- ☐ "HR not involved, albeit it should be"
- ☐ I don't know"

3.8% 11.5% 19.2% 26.9% 19.2% 19.2%
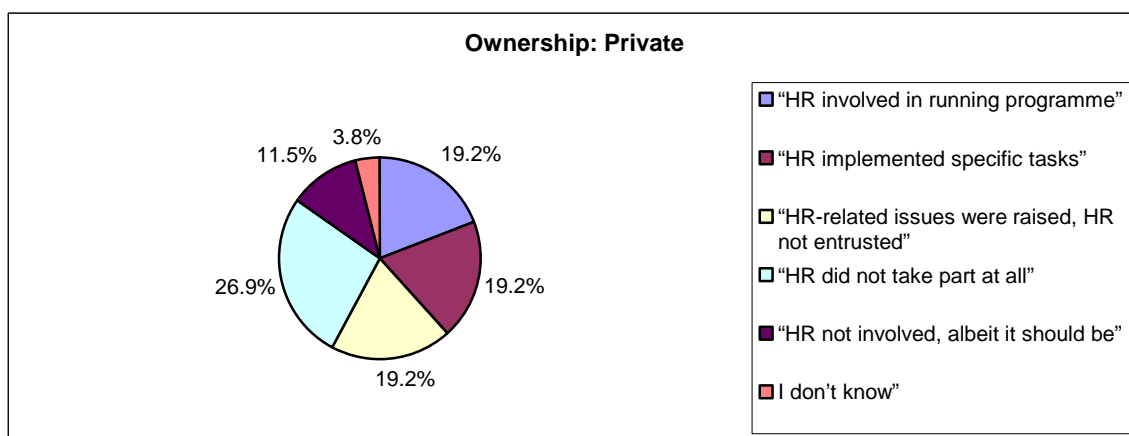
Diagram 31: Has HR played any role in the corporate identity programme?[12]

The majority (26.9%) of the respondents in this category of companies claimed that HR had not taken part in the corporate identity programme at all. Those who stated that it had actually been involved in running the programme, represent 19.2%. Another 19.2% of them reported that although HR-related issues were raised but they were not solved with the help of the HR function of the organisation. Again the same proportion of human resource managers mentioned that the HR function had implemented specific tasks coming up in the course of the programme. 11.5% of them argued that the HR function had not been involved in the corporate programme at all, albeit it should be. One respondent did not know the answer in this case as well.

The **next section of this sub-chapter** on the HR involvement aims at investigating whether organisations conducted **behavioural audits** in the course of their corporate identity programmes.

Question (2): Was a behavioural audit carried out as part of the corporate identity programme?
Possible responses as found in the questionnaire (no need for abbreviation)
☐ "Yes"
☐ "No"
☐ "I don't know"

Table 12: Was a behavioural audit carried out… (responses)

Table 13 contains the general findings concerning this research question and Diagram 32 shows the relevant percentages.

Responses	Frequency	Percent
"Yes"	6	16,2
"No"	22	59,5
"I don't know"	9	24,3
Total	37	100.0

Table 13: Was a behavioural audit carried out…?$_1$
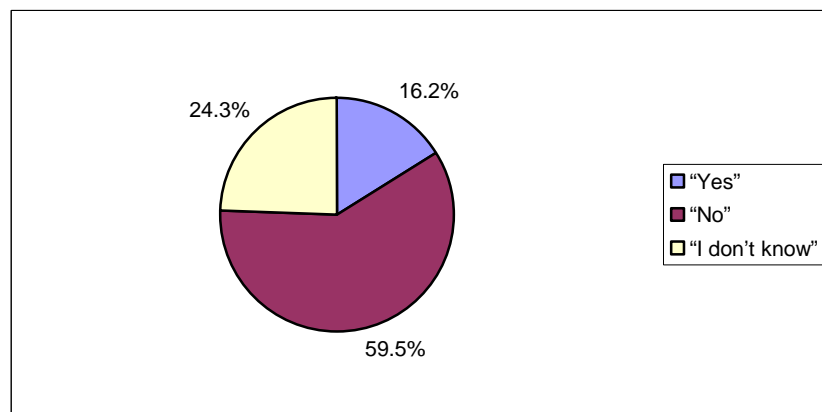
Diagram 32: Was a behavioural audit carried out…?$_1$

An overwhelming majority (59.5%) of the respondents firmly claimed that no "behavioural audit" was carried out within the corporate identity programme, while 24.3% of them stated that they did not know if this activity was part of the programme. 16.2% of the human resource managers did not know if a behavioural audit was conducted or not.

This question will be analysed in the following section, by means of cross-tabulations, in the light of the aforementioned four explanatory variables. The analysis begins with explanatory variable *"phase of internationalisation"* (Appendix 5.9), illustrated by Diagrams 33, 34, 35 and 36.

Phase of internationalisation: Domestic

13.3% — "Yes"
60% — "No"
26.7% — "I don't know"
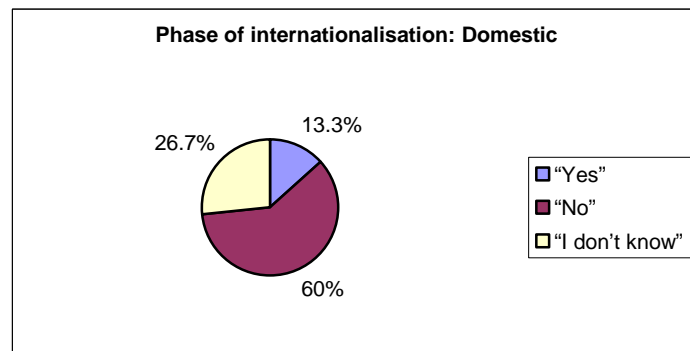
Diagram 33: Was a behavioural audit carried out…?₂

Behavioural audit is carried out by 13.3% of domestic companies and not carried out by 60% of them, in the opinion of human resource managers in the sample. 26.7% of the respondents did not know if this kind of analysis is done in the organisation represented by them or not.

Phase of internationalisation: International

14.3% — "Yes"
71.4% — "No"
14.3% — "I don't know"
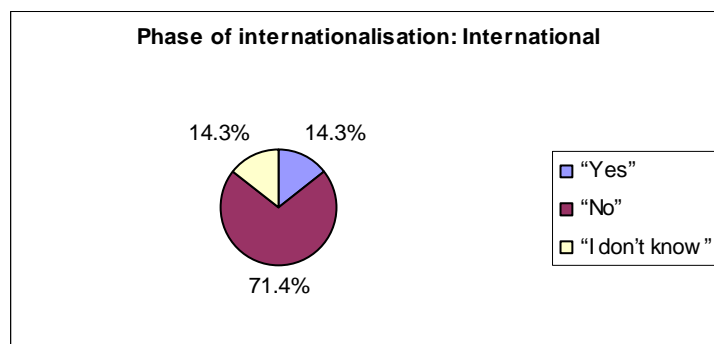
Diagram 34: Was a behavioural audit carried out…?₃

An outstanding 71.4% of the managers argued that behavioural audit was not conducted in their organisations. The remaining 28.6% is equally shared by those who stated that this analysis was not carried out in the companies represented by them and those who did not know the answer.

Phase of internationalisation: Multinational

10% — "Yes"
70% — "No"
20% — "I don't know"
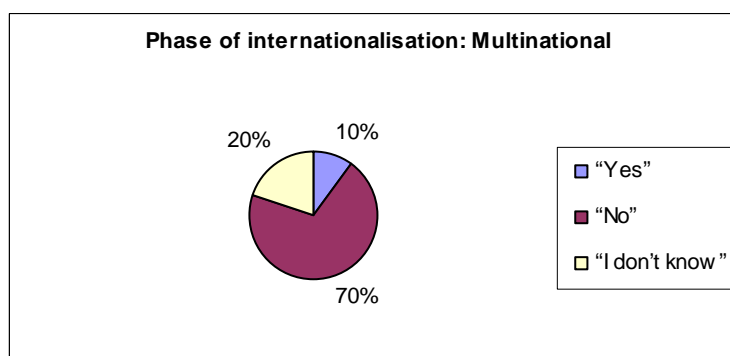
Diagram 35: Was a behavioural audit carried out…?₄

About the same proportion of the human resource managers (70%) claimed that behavioural audit was not conducted in their organisations as in the case of international companies. The main difference is in the composition of the remaining segment (30%). One third (10%) of the respondents stated that behavioural audit was and two third (20%) claimed that it was not conducted in the organisation they worked for.

Phase of internationalisation: Global

33%

0%   67%

"Yes"
"No"
"I don't know"
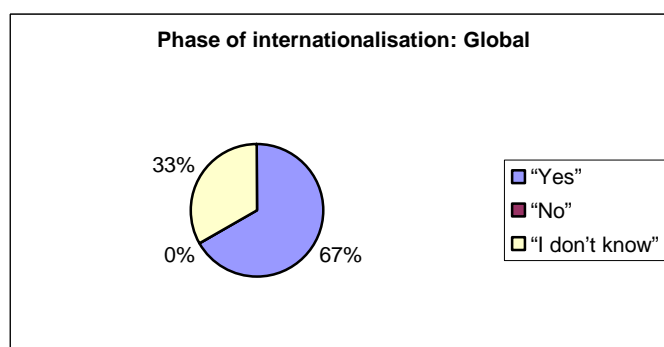
Diagram 36: Was a behavioural audit carried out…?[5]

The 'majority' of human resource managers from global companies in the sample reported that behavioural audit was and a lower percentage claimed that it was not carried out in their organisations. Because of the low number of global companies in the sample, one may not draw far-reaching conclusion in the light of this explanatory variable.

The author had expected that, as in the case of employee behaviour being recognised as part of corporate identity, the question of behavioural audit would follow the same trend. That is, from domestic to global the proportion of "Yes" would be larger and larger. The empirical results do not show this trend. Exploring the reason for this will be an issue of a later research.

The data analysis against explanatory variable ***"majority ownership"*** is demonstrated by Appendix 5.10 as well as Diagrams 37 and 38. The answer of the respondent representing a joint venture is shown in the table below, however, his or her answer will not been interpreted separately.

Majority ownership: Hungarian

5.9%

29.4%

64.7%

"Yes"
"No"
"I don't know"
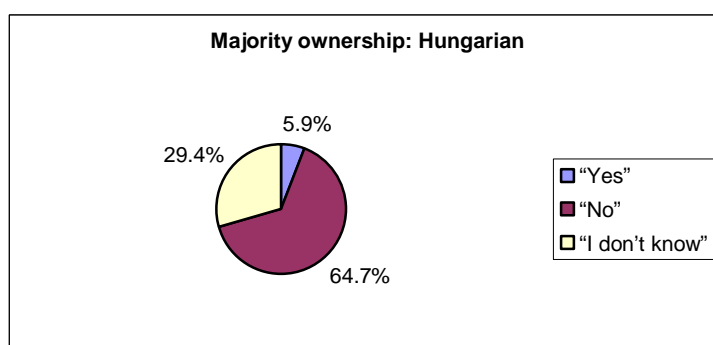
Diagram 37: Was a behavioural audit carried out…?[6]

64.7% of Hungarian companies do not carry out behavioural audit as part of their corporate identity programme, only 5.9% of them does. 29.4% of the respondents did not know the answer to this question.

Majority ownership: Foreign

22.2%   27.8%

50%

"Yes"
"No"
"I don't know"
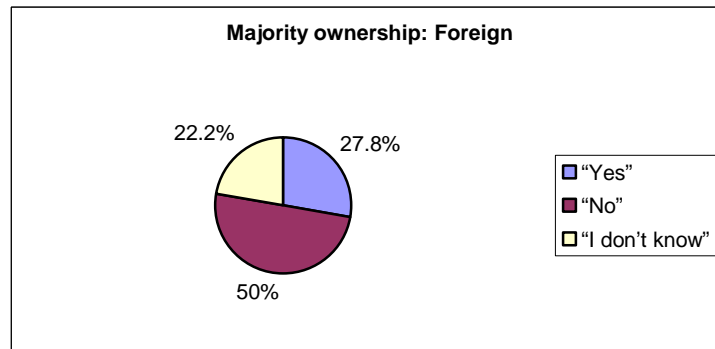
Diagram 38: Was a behavioural audit carried out…?[7]

In the case of foreign companies, as the author had expected, a larger proportion of respondents (27.8%) argued that behavioural audit is part of their corporate identity programme and only half of the managers asserted that this sort of analysis was not conducted in their organisations. 22.2% of them did not know if behavioural analysis was done in the organisation they were from.

"Sector" is the next explanatory variable. Appendix 5.11 and Diagrams 39, 40 and 41 demonstrate the findings in relation to this variable.

Sector: Primary

0%

33.3%

66.7%

"Yes"
"No"
"I don't know"
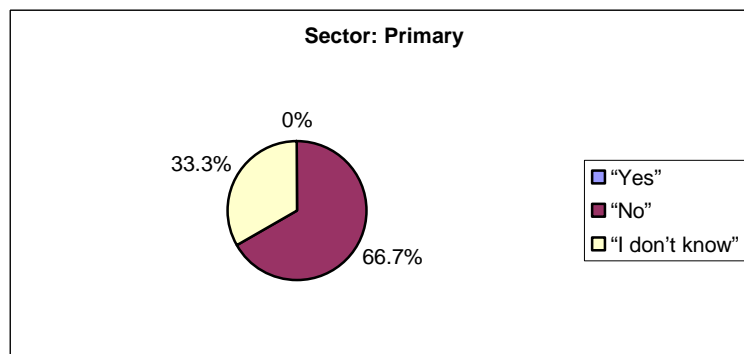
Diagram 39: Was a behavioural audit carried out…?[8]

None of the respondents representing an organisation in the primary sector argued that behavioural audit was carried out in the course of the corporate identity programme. 66.7% of them chose answer "No", while the rest of the human resource managers did not know if behavioural audit was done or not in their organisations.

Sector: Secondary

18.2%

36.4%

45.5%

"Yes"
"No"
"I don't know"
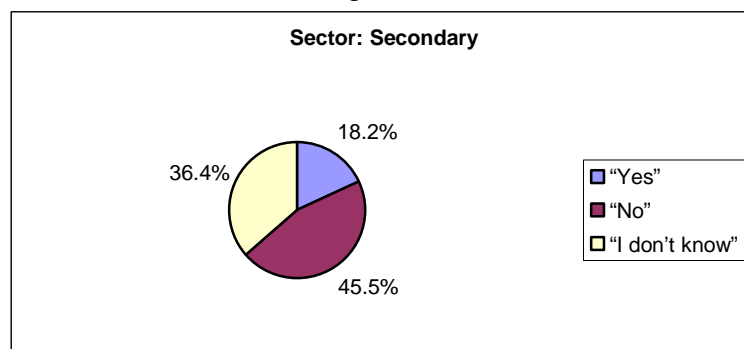
Diagram 40: Was a behavioural audit carried out…?[9]

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18.2% of the organisations are claimed to do behavioural audit as part of their corporate identity programme. The proportion of those organisations in the case of which behavioural audit is not conducted is 45.5%. Unexpectedly, 36.4% of the respondents did not know whether or not behavioural audit was carried out in the organisations they worked for.
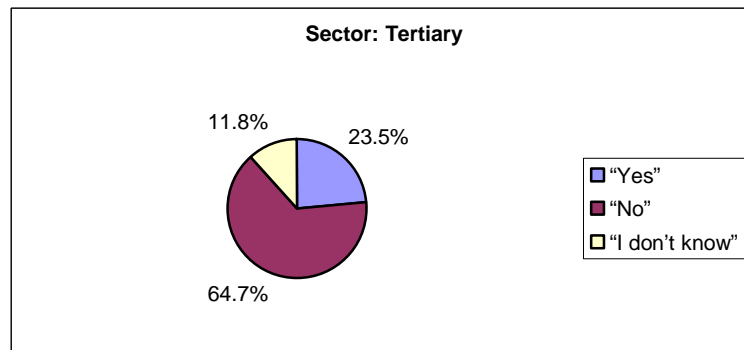
Diagram 41: Was a behavioural audit carried out…? [10]

The proportion of the "Yes" answer is the largest (23.5%) in the case of companies operating in the tertiary sector, although that of the "No" option is nearly as high as in the case of organisations in the primary sector (64.7%). One remarkable difference here is that human resource managers representing organisations in the tertiary sector are surer about whether a behavioural audit is carried out than their colleagues in the other two sectors.

These results are in accordance with the author's expectations. It is the tertiary sector where the existence of behavioural audit is the most typical. (It is worth re-stating that the aforementioned 'significance of employee behaviour in corporate identity' in the tertiary sector was less than in the secondary sector, which conflicts with the author's original expectations.) The existence of behavioural audit is somewhat less typical in organisations operating in the secondary sector and, finally, it is totally non-existent in the case of the primary sector.

Finally, the issue of behavioural audit is examined with regards to *"ownership"* (Appendix 5.12; Diagrams 42 and 43):
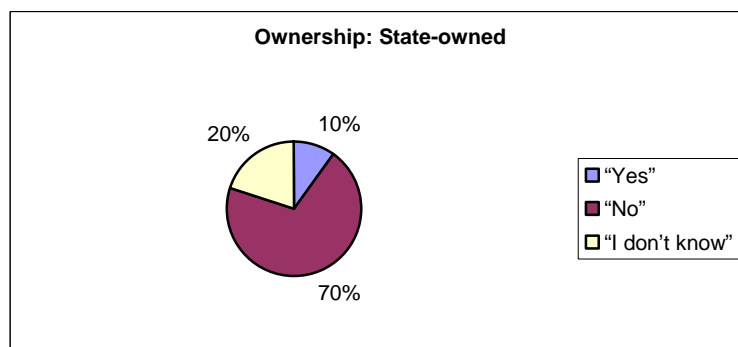
Diagram 42: Was a behavioural audit carried out…? [11]

The findings suggest that behavioural audit is conducted in 10% of state-owned organisations. In the case of 70% of them, there was no analysis known as behavioural audit within the corporate identity programme. 20% of the HR managers could not answer this question.

Ownership: Private

26.9%   19.2%

53.8%

Legend:
- "Yes"
- "No"
- "I don't know"
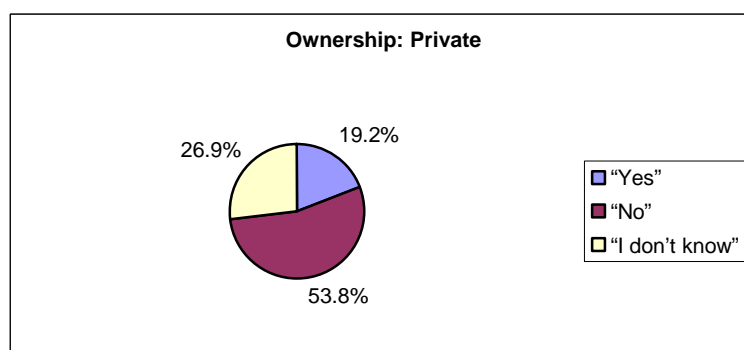
Diagram 43: Was a behavioural audit carried out…?[12]

As expected, private organisations seem to be more aware of the importance of this kind analysis than state-owned ones, although the aforementioned 'significance of employee behaviour in corporate identity' in their case did not differ from that in the case of state-owned organisations. Almost one fifth (19.2%) of the respondents here claimed that behavioural audit was done in their organisations and 53.8% of them argued the opposite. More than one quarter (26.9%) of the managers did not know whether behavioural audit was carried out in the organisations represented by them or not.

4.2.3. Findings concerning empirical research question No. 3.

The summary of the literature review concerning this research question was this: "if (1) employees' values, their identification with those values are at the core of corporate identity and if (2) corporate identity management is a managerial responsibility, then it seems logical that management should take those values into account when running an identity programme". The objective of this sub-chapter is to check if, taking human resource managers' viewpoint as a basis, corporate identity programmes are based on values identified only by managers or the values shared by employees are also taken into consideration.

Table 14 introduces the question relating to this hypothesis.

Question: Has the corporate identity programme been based on values shared also by employees or the programme expresses values identified by managers only?	
Possible responses as found in the questionnaire	**Abbreviations in analysis**
☐ Yes, corporate identity has been based on values held also by employees	"Yes"
☐ No, corporate identity has been based on values identified by managers.	"No"
☐ No corporate identity has not been based on values held also by employees, although it should be	"No, although it should be"
☐ I don't know	"I don't know"

Table 14: Has the corporate identity programme been based on values shared also by employees… (responses and abbreviations)

The frequency table below describes the relevant frequencies and percentages (Table 15); Diagram 44 illustrates these values.

	Frequency	Percent
"Yes"	10	27.0
"No"	18	48.6
"No, although it should be"	3	8.1
"I don't know"	6	16.2
Total	37	100.0

Table 15: Has the corporate identity programme been based on values shared also by employees…?$_1$
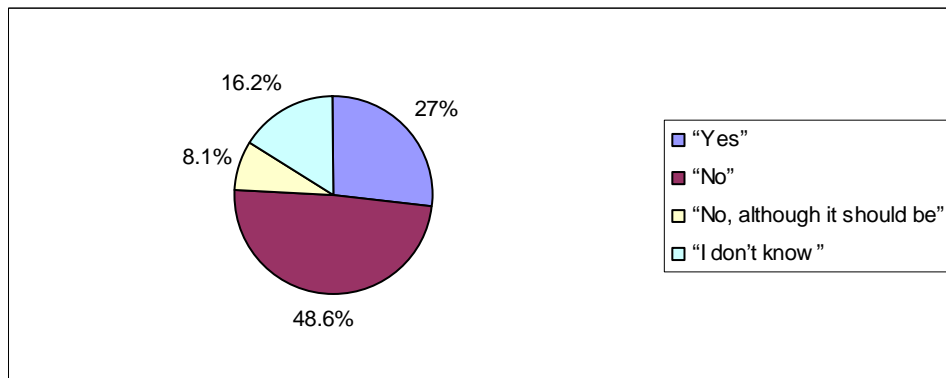
Diagram 44: Has the corporate identity programme been based on values shared also by employees…?$_1$

The diagram above speaks for itself. In the light of this simple analysis, the following statement seems true: "although (1) employees' values, their identification with those values are at the core of corporate identity and (2) corporate identity management is a managerial responsibility, management in general does not take those values into account when running an identity programme". Nearly half (48.6%) of the respondents claimed that corporate identity programmes were based upon values identified by managers. At the same time, however, it has to be noted that a bit more than one quarter (27%) of the respondents argued that employees' values were considered to be "at the core" also when running the programme. 8.1% belong to the 'no but not hopeless' category and 16.2% could not answer the question.

The following cross-table and diagrams provide an analysis using "phase of internalisation" (Appendix 5.13; Diagrams 45, 46, 47 and 48)
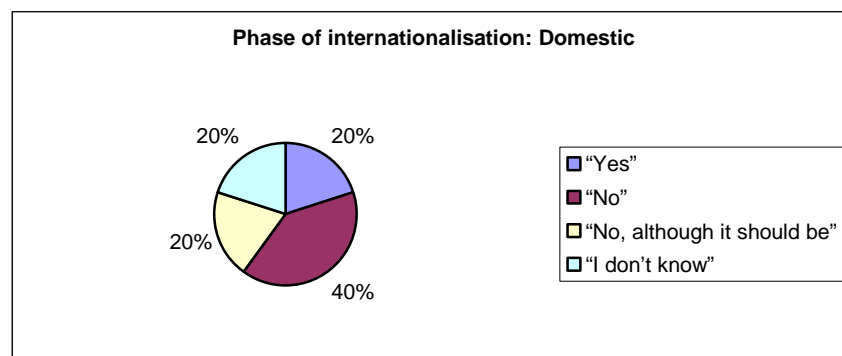
Diagram 45: Has the corporate identity programme been based on values shared also by employees…?$_2$

Only 40% of respondents representing domestic companies claimed that the corporate identity programme had not been based on employee values. The rest of the options were chosen in equal proportions (20%). Putting it differently, 60% of the managers reported that their organisation's corporate identity programme had been based only on values identified by management; however, one third of them stated that this practice should be changed.

Phase of ownership: International

- ■ "Yes"
- ■ "No"
- □ "No, although it should be"
- □ "I don't know"

0%
0%
42.9%
57.1%
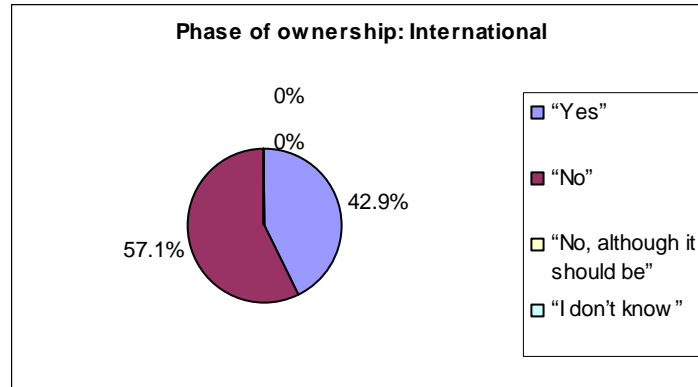
Diagram 46: Has the corporate identity programme been based on values shared also by employees…?3

Only "Yes" and "No" answers were given by HR managers working for international companies. A remarkable 42.9% of them reported that values held by employees were taken into account when running the programme. Respondents from the rest of the organisations within this category (57.1%) stated that employee values had not been at the core of corporate identity management.

Phase of internationalisation: Multinational

- ■ "Yes"
- ■ "No"
- □ "No, although it should be"
- □ "I don't know"

20%
30%
0%
50%
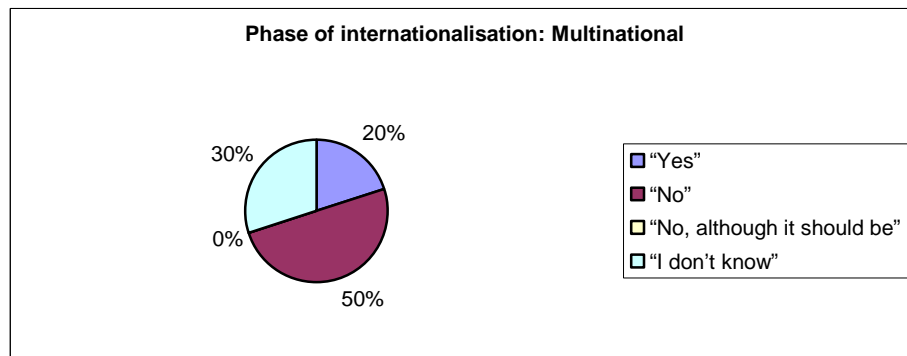
Diagram 47: Has the corporate identity programme been based on values shared also by employees…?4

The proportion of those respondents, in the case of multinational companies, who argued that employees' values had been taken into account is the same as that in the case of domestic companies (20%). 30% of the respondents did not know the answer to this question.

Phase of internationalisation: Global

Legend:
- "Yes"
- "No"
- "No, although it should be"
- "I don't know"

Values shown: 0%, 0%, 33.3%, 66.7%
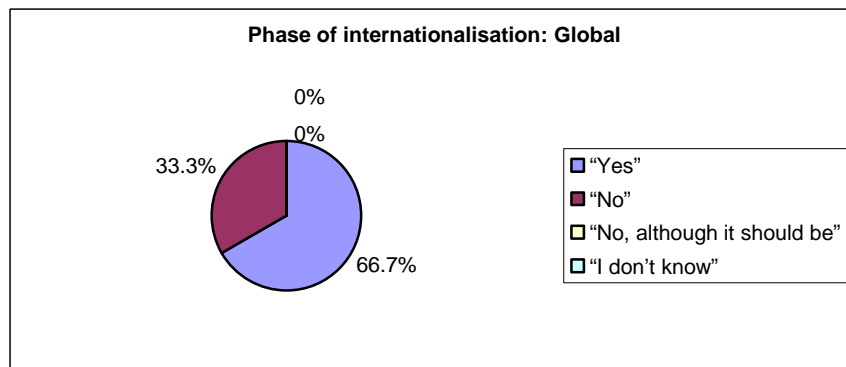
Diagram 48: Has the corporate identity programme been based on values shared also by employees…?$_5$

Having known that global companies are under-represented in the sample, a tentative conclusion can still be drawn: according two third of the respondents (66.7%) employees' values are at the core of the explicitly managed corporate identity. "No, although it should be" and "I don't know" options were not chosen. Appendix 5.14 and Diagrams 49 and 50 introduce findings, taking explanatory variable *"majority ownership"* as a basis:

Majority ownership: Hungarian

Legend:
- „Yes"
- „No"
- „No although it should be"
- „I don't know"

Values shown: 17.6%, 29.4%, 17.6%, 35.3%

Diagram 49: Has the corporate identity programme been based on values shared also by employees…?$_6$

29.4% of human resource managers representing Hungarian organisations argued that taking employees' values as a basis of corporate identity programmes was typical and 35.3% of them stated the opposite. 17.6% of the respondents asserted that, although this has not been the case in their organisations, corporate identity programmes should take employees' values into consideration. Another 17.6% of them did not know the answer to this particular question.

Majority ownership: Foreign

Legend:
- „Yes"
- „No"
- „No although it should be"
- „I don't know"

Values shown: 11%, 0%, 27.8%, 61.1%
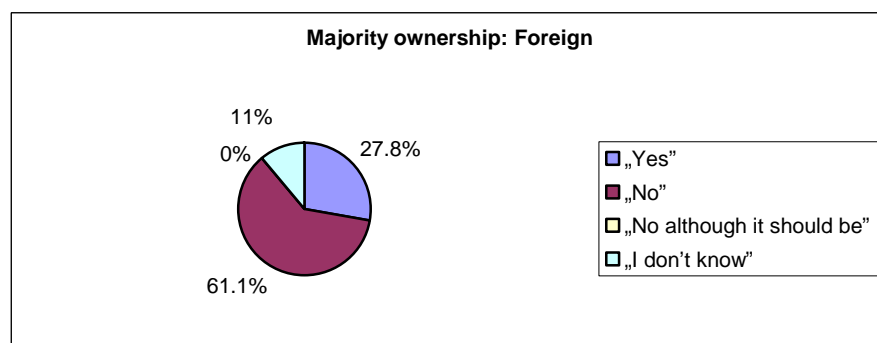
Diagram 50: Has the corporate identity programme been based on values shared also by employees…?$_7$

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The "Yes" option was chosen in a bit lower proportion by respondents from foreign organisation than by those from Hungarian ones. What is noticeable is the proportion of those answering "No": 61.1% of the respondents reported that the corporate identity program had been based upon values identified by managers rather than values held by employees being taken into consideration. Nobody in this category thought that employees' values should be taken as a basis when running a corporate identity programme; 11% of them chose the "I don't know" answer.

The "*sector*"-based analysis is presented below (Appendix 5.15 and Diagrams 51, 52 and 53)

Sector: Primary

22.2%   22.2%

0%

55.6%

- „Yes"
- „No"
- „No although it should be"
- „I don't know"
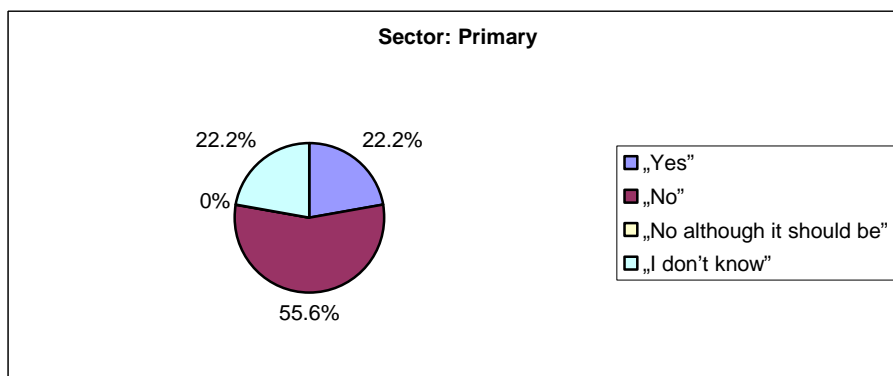
Diagram 51: Has the corporate identity programme been based on values shared also by employees…?[8]

More than half (55.6%) of the HR managers reported that corporate identity programme in their organisation had ignored values held by employees. 22.2% of them, which is an expected proportion in the primary sector, claimed that the program had been based on employees' values. The same proportion of respondents did not know the answer to this particular question.

Sector: Secondary

9.1%

0%

45.5%

45.5%

- „Yes"
- „No"
- „No although it should be"
- „I don't know"
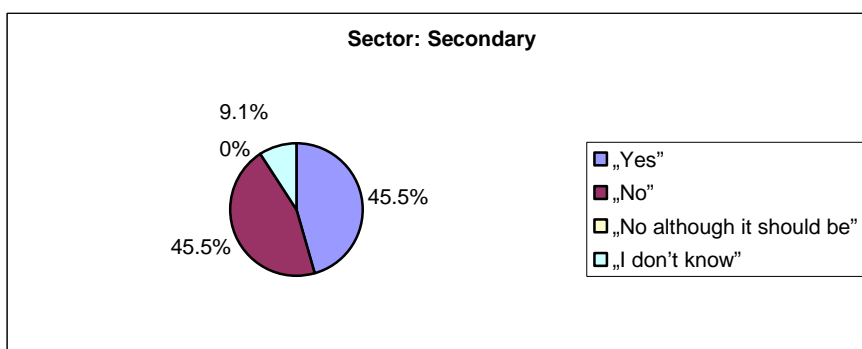
Diagram 52: Has the corporate identity programme been based on values shared also by employees…?[9]

In the case of organisations operating in the secondary sector, equal proportions of respondents suggested that employees' values had been and had not been taken into account when running the programme. What is outstanding here is that, compared to the primary sector, the proportion of those according to whom the values shared by employees had been recognised as important in the corporate identity programme is more than double. 9.1% of the managers could not answer this question.

Sector: Tertiary

17.6% 17.6%
17.6%
47.1%

Legend:
- „Yes"
- „No"
- „No although it should be"
- „I don't know"
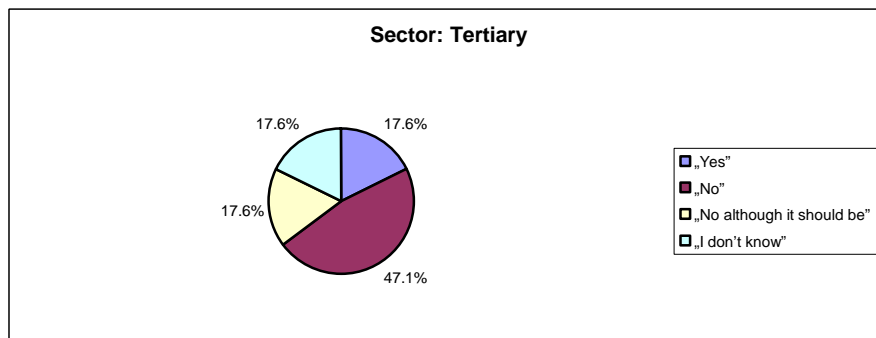
Diagram 53: Has the corporate identity programme been based on values shared also by employees…?[10]

Interestingly, the proportion of "Yes" (17.6%) is the lowest in this sector. The same percentages were given to the "I don't know" and "No, although it should be" options. In the case of the other two sectors no respondents had the opinion that employees' values should be taken into account. Somewhat less then half (47.1%) of the respondents contended that in their organisations these values are not regarded as important when running an identity programme.

Finally, the last research question is analysed in the light of the last explanatory variable, which is shown by Appendix 5.16 and illustrated by Diagrams 54 and 55.

Ownership: State-Owned

10% 30%
30%
30%

Legend:
- „Yes"
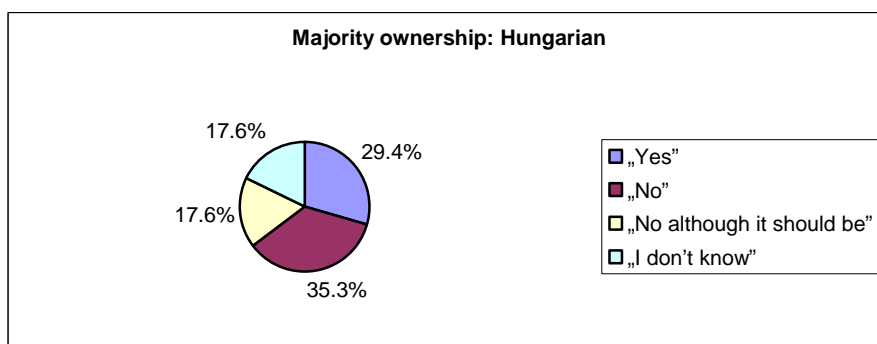- „No"
- „No although it should be"
- „I don't know"
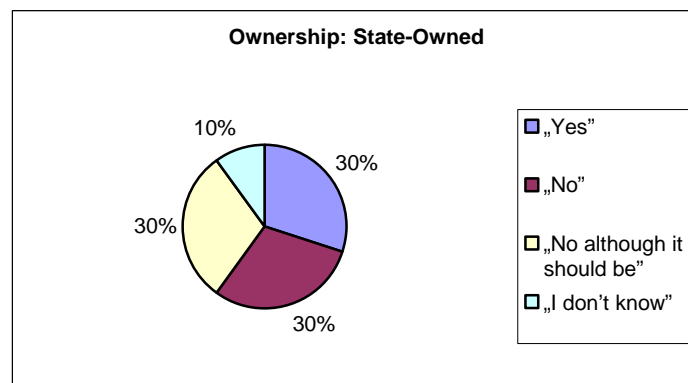
Diagram 54: Has the corporate identity programme been based on values shared also by employees…?[11]

60% of human resource managers representing state-owned organisations suggested that the corporate identity programmes in their case had not been based on values shared also by employees but in the half of them believe that these should not be ignored. 30% of the respondents claimed that values shared by employees had been taken into consideration when running the corporate identity programme.

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Ownership: Private

- 15.4%
- 0%
- 26.9%
- 57.7%

Legend:
- ☐ „Yes"
- ☐ „No"
- ☐ „No although it should be"
- ☐ „I don't know"
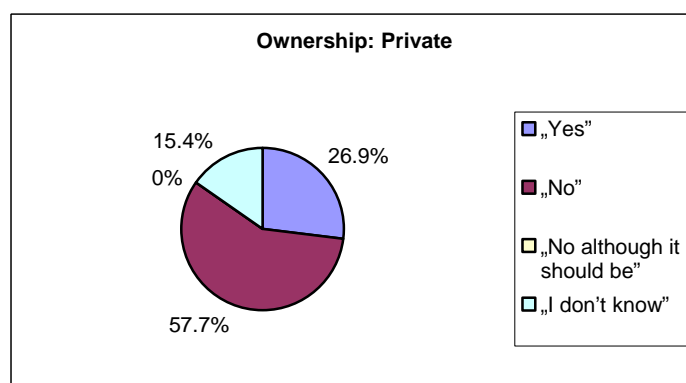
Diagram 55: Has the corporate identity programme been based on values shared also by employees…?[12]

The corporate identity programme has been based on values also shared by employees in somewhat smaller proportion (26.9%) in the case of private companies than in the case of the state-owned ones. The most outstanding difference, however, is that respondents in category "no" ("No" plus "No although it should be") firmly asserted that the corporate identity programme in their case had been based only on the values held by management and nobody argued that employees' values should also be taken into account.

4.3. Corporate identity program at Miskolc City Transport Plc (case study)

This case study has been additionally prepared, following the author's PhD Open Discussion.[42] The reasons why this case-study is added are that (1) the sample size of the empirical research was relatively small and (2) it was not representative.

The aim of this case study is to introduce the corporate identity (program) of Miskolc City Transport Plc[43]. (Miskolc Városi Közlekedési ZRt, MVK Zrt.): it will seek links between the relevant case-related facts and the various points raised in the literature review chapters. Moreover, the author tried to get answers to his questions concerning the relationship between corporate identity and human resources.

This company has been chosen rather subjectively, the reviewer originally suggested that the author should prepare the case study about MALÉV Hungarian Airlines Plc; however, Miskolc City Transport Plc seemed a better choice for various reasons, for example, this company has undergone two corporate identity programs so far, as opposed to MALÉV, which underwent only one. Both companies have high visibility and both are services companies where staff behaviour is of paramount importance.

The methodology can be divided into primary and secondary data collection:
- Secondary: an in-depth examination of online and paper-based company materials;
- Primary: interviews with the managers responsible for the first and second corporate identity programs, one of whom was a questionnaire respondent in the main empirical survey.

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[42] by reviewer's request
[43] Miskolc City Transport Closely-Held Public Limited Company – all company names are the author's translations.

This case study will overview the first attempt to develop a remarkable and understandable corporate identity for the company and then it will explain the development of the currently existing corporate identity. To understand the call for the first corporate identity programme, a short introduction of the company history is necessary.

4.3.1. History of Miskolc City Transport Plc

The establishment of the first scheduled bus transport network was attempted in 8 June 1903 in Miskolc but at that time tram, operated by Miskolc Tramway Community Company (Miskolci Villamosvasút Közösségi Vállalat), was so popular among people that no other transport vehicle had the chance to compete with it for almost fifty years. Miskolc Motor Vehicle Transport Company (Miskolci Gépkocsiközlekedési Vállalat) was founded in April 1949 in order to organise the bus transport. In the autumn of 1951 five bus services were operated by the company, which were followed by the launch of newer services in the subsequent years.

Miskolc Motor Vehicle Company and Miskolc Tramway Community Company merged in 1954 leading to the foundation of Miskolc Transport Company (Miskolci Közlekedési Vállalat, MKV), the legal predecessor of Miskolc City Transport Plc.

The local government of Miskolc established Miskolc City Transport Plc in 1994. The task of this new organisation was to satisfy the demand for a modern and economically operating public transport in Miskolc and its surroundings. Miskolc City Transport Plc is a traditional organisation and, following from the nature of its business, it is in a monopolistic position in the region: it has no competitors from which it has to differentiate itself. Achieving a favourable image and reputation has always been an expectation against the firm. However, the idea of launching a corporate identity program emerged when a marketing group was set up in 1997.

4.3.2. What made the innovation necessary?

Converting the company to a plc form made it legally possible to involve external financial resources in its economic operation, which, in turn, required some sort of rationalisation in the company, mainly in the structure of the working organisation: decisions were made to redistribute activity areas among organisational units and to eliminate parallel activities. Rationalisation also aimed at preparing the firm for a potential privatisation. A further crucial problem to be solved was the low utilisation: the utilisation percentage was the highest in the case of the Debrecen transport company (33%) and the lowest in the case of the Miskolc one (29%)[44].

The radical, mainly structural, changes in the company's Actual Identity needed fundamental changes in its Communicated Identity[45], (even before the ACID Test the author had asserted

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[44] Utilisation percentages: Debrecen: 33%; Szeged: 32%; Pécs: 32%; Győr: 30%; Miskolc: 29%.

[45] The fact that the company launched its first CI program in 1997 does not mean that it had not had a Communicated Identity before. It did have a Communicated Identity before that year as well which informally (unintentionally, or rather in an unplanned way) communicated the company's deeper identity. ("…all organisations have a corporate identity even though not all seek to explicitly manage it", the author stated earlier.)

in his lecture notes that 'corporate identity was about reality and its communication') that is, an the intentionally developed corporate identity was to be launched. Previous corporate identity could be characterised by the following problems to be solved:

- The quality of the services was rather poor, it had to be improved. The change had to be communicated by means of a corporate identity program as "identity is about… emphasising that change has taken place" (Olins, 1995:xix).
- The visual identity, before the change, was rather eclectic and the different colours did not match. For example, the staff wore grey-blue uniforms, whereas the dominant corporate colours were dark blue, yellow. In general the staff uniforms were heterogeneous (bus drivers: grey trousers and jersey; tram drivers: dark-blue trousers and grey jersey). At the same time, because the required amount of staff uniform was not ensured, they were allowed to wear informal clothes in 20% of their working time. Another visual identity problem was that the colour of the newly purchased trams was red that did not fit in the traditional yellow tram image.
- Front-line people were not trained in behaviour, only job descriptions and other regulations contained instructions about the expected behaviours (e.g. polite communication).

Some renewals took place in the company even before the launch of the corporate identity program, with special regard to tram transport. Internal and external cleaning of the vehicles became a priority activity. The vehicles were decorated for national holidays; and several trainings for drivers dealt with the analysis of passenger complaints.

These initiatives were undoubtedly remarkable; however, they did not achieve the expected results in the lack of an orchestrated corporate identity program

4.3.3. Corporate identity program at Miskolc City Transport Plc

This part of the case study is divided into two parts: first the corporate identity program launched in 1997 will be presented subsequently (4.3.3.1.) and the second corporate identity scheme launched in 2006 (4.3.3.2.).

4.3.3.1. The first corporate identity program

Olins (1995:10) suggests that "… in everything the organisation does, … it owns, and … it produces it should project a clear idea of what it is and what its aims are. The most significant way in which this can be done is by making everything in and around the organisation … consistent in purpose and performance and, where this is appropriate, in appearance too. Outward consistency of this kind will only be achieved … if it is the manifestation of an inward consistency… This consistency of purpose derives from the vision or the central idea and is always the base from which a successful identity programme can be developed."

The main values the corporate identity program had to emphasise were as follows:
- Passenger orientation
- Distinct appearance
- Traditional and
- Environmentally friendly organisation.

The above values can be seen as the tangible (written) "vision" or "central idea" of the company (best described as "Ideal" or "Desired" identities in ACID Test terms). They were

identified by the management, the interviewee reported, because they were in charge of formulating the corporate strategy. It seems to be a challenging future research topic to contrast this, perhaps idealistic, vision with the current values shared by the staff (Cultural Identity).

Communicating any of the above values cannot be seen as a successful image-making process if the basic activity (broadly the products and services) of the company (i.e. "what it does" and how it does it, as Olins puts it; or in other words, the "Actual Identity", as it is suggested by the ACID Test) is not perceived positively by the opinion formers inside and outside the company. Therefore, the management's first task was to improve the services, in terms of quality and quantity, provided by Miskolc City Transport Plc. The main changes in the services were can be briefly summarised in the following points:

- "Pay driver" system was introduced[46]
- Drivers were authorised to check tickets (which required communication skills)
- Day-cards and tourist cards were introduced
- Combined pass purchasers began to receive free time-tables
- New, environmentally friendly buses were purchased
- Two low-floor buses were also purchased in order to ensure safe and comfortable journey for disabled people.

A new company symbol was designed, as it is generally the cornerstone of corporate identity programs, the basic colours of which were blue, yellow and green. The reason for the choice was simple: buses are blue, trams are yellow (in general) and nature is green. It was the modern stylised abbreviation of the company name that served as a basis for the new logotype. Practically, it only expressed the company was modern, it ran buses and trams (no trolleys) and it paid attention to be environmentally friendly. The slogan, which usually appears under it, expresses the reliability of the company to passengers as a corporate brand promise or "corporate covenant" (C^3 in the ACID Test): "The reliable travel-mate" ("A megbízható útitárs").

Exhibit 48: The 1997 Logo and Some of Its Applications

Bernstein (1984) suggests that companies can express their inner character by way of behavioural cues apart from the visual ones. From HR point of view the latter are more important than the former. Moreover, Olins (1995:9) emphasises that in some companies identity is especially determined by "the way in which they behave… A common characteristic of such organisations is that it is the most junior staff who have the most contact with the outside world and are therefore largely responsible for establishing how the

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[46] This terminology is actually in use on London Transport buses and double-deckers.

organisation as a whole is perceived." In short, services companies have to pay much attention to their "behavioural identity" (Csordás, 1994; Csordás and Fekete, 1997).

Apart from the vehicles and their visual outlook, it is the front-line people who are the face of Miskolc City Transport Plc for passengers[47]. Their behaviour and communication exerts a major influence on how this "organisation as a whole is perceived", that is why paying attention to people's behaviour was very important in their program. A behavioural change, therefore, was a cornerstone of the corporate identity scheme; however, it is usually very difficult to change the way people behave because they often regard it as an offence against their personality.

People in MALÉV Hungarian Airlines Plc., whose motivation levels were rather low, had to work according to new behavioural regulations from one day to another. Both companies inherited their basic characteristics (the essence of their distinct identities) from their tradition as a 'socialist large company'. The situation of Miskolc City Transport Plc, however, seemed to be somewhat even more difficult than that of MALÉV because, while the latter operates in the capital of Hungary, the former is located in the relatively underdeveloped North-Hungarian region. The company has a strong retaining power: it is one of the biggest employers in the region. That is why the questionnaire respondent (who was the same person as one of the interviewees) reported that corporate identity (in terms of the result of an explicit program) had almost nothing to do with "retaining people" in the specific case of Miskolc City Transport Plc, although in general a strong and distinct corporate identity should support this particular HR function.

The company management decided, under those circumstances, to organise personality development trainings for front-line people. Obviously, training was not provided for the whole staff due to financial constraints. Bus drivers began receiving it from 1999: every one of them had to take part in half-day training after employment where they were taught what expectations and behavioural norms they had to identify with.

The author wishes to digress at this point. It was mentioned earlier in this PhD thesis (Chapter 1.2.3.) that there are two people-related subsets of identity. One is "people's identity in organisations" – which is a kind of social identity (behavioural economics also refers to this category: point 4. in the Introduction), that is, people proudly acknowledge that they are Miskolc City Transport Plc employees; and the other is "people's identification with organisations", defined as the degree to which Miskolc City Transport Plc people define themselves as having the same attributes they believe define the organisation (Gioia *et. al.* 2000, Dutton *et. al.* 1994). The author is of the view that if this kind of identification is the basis of any other sorts of identifications (e.g. identification with behavioural norms). Nevertheless, the interviewee reported that it was not surveyed at the company.

4.3.3.2. The present: the second program

The company changed its (Communicated) corporate identity in 2006 because the old one was found rather obsolete, it did not reflect the modern culture and way of thinking, in other words, it did not reflect the modern Actual Identity of the organisation. In ACID Test terms, there was a misalignment between these two identity dimensions (as it is the starting point of

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[47] In this respect this statement is rather marketing-oriented (the question of "who" in Chapter 3) because is implies that passengers are almost the only target group of the company.

identity programs in many cases – however, it might be interesting to discover to what extent modernity belongs to Actual and to Desired or Ideal identities). Another reason was that the company became a closely-held public limited company, which had to be shown in the new logo.

Exhibit 49: The New Logo

First of all, it is worth explaining what this new corporate symbol is trying to reflect. Environment protection was expressed previously by the green colour in the logo. This time however, apart from the purchase of new Neoplan buses (35 of them, equipped with EURO 4 engine), environmentally friendliness, as a corporate objective, was also put into practice by giving priority to tram transport: the yellow inner circle represents the intended core activity (trams) surrounded by blue 'wings' (buses). The company has launched the "Tram Grand Project" ("Villamos nagyprojekt" – one of the grand projects), the objective of which was explicitly contributing to the environment protection.

Miskolc City Transport Plc conducted a survey aiming at mapping up the loyalty of its clients. They called the method they used the "Dominant Loyalty Index". Its result showed that a general objective should be improving clients' satisfaction level which requirement was then made part of the mission statement[48]. This statement also remarks that committed and polite employees are indispensable if passenger satisfaction, as well as reliable and safe transport are to be achieved. Changing employee behaviour, in turn, requires the development of front-line people, which is also an objective set forth in the mission statement. Developing front-line people is in general a subset of HR development which should be the terrain of the HR department. The personal interview revealed that, although the company, in fact, has a personnel department, it rather deals with administrative matters; training staff in corporate identity matters was organised by the marketing department (which is responsible for launching and managing the corporate identity program). Employees receive information about the company, its mission, vision and strategy, including the basic corporate goals in the course of those trainings. The interviewee reported that the company values are not at variance with the basic values of the employees (although it can be regarded as a subjective statement, the objective way to answer this question would be a survey among employees).

The development of human resource management is a purpose specified in the Corporate Strategy (2007-2010). Its main areas include the launch of personal career management programs and the reconsideration of the motivation system.

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[48] Mission and vision statements are part of the corporate strategy (2007-2010). This strategy includes several points that exert a major influence on corporate identity.

4.3.3.3. The way ahead

Miskolc City Transport Plc became a member company of Miskolc Holding in summer 2006. This practically means that its corporate identity cannot develop independently of that of Miskolc Holding, although apparently it is not clear in what way it will influence the company's corporate identity issues.

The current strategic period lasts until 2010: the (degree of the) realisation of the goals set up in the strategy will obviously instigate changes in various areas which will influence several aspects of corporate identity management.

4.4. Conclusions

This chapter has dealt with three fundamental issues of the interrelationship between corporate identity management and human resource management:
1. Do human resource managers view that human resource management can benefit from an explicit management of corporate identity?
2. Do they think that employee behaviour is a fundamental aspect of corporate identity; *and* to what extent do they regard the human resource function being involved in establishing and managing identity.
3. To what extent are the commonly shared values (i.e. those shared by employees) taken as a basis when running an identity programme? Or, alternatively, is the identity programme exclusively based upon values identified by the management?

Human resource managers view that "Attracting People", "Identification / commitment" and "Cohesion / sense of belonging" are those areas that are mostly assisted by an explicit corporate identity programme, as far as both the facts and their opinions are concerned. "Retaining Staff", "Motivating Staff" and "Harmonised Employee Relations" are those areas that are not helped either factually or in general by a corporate identity programme. "Selecting people" is a special criterion in this sense: they do not believe that in their organisation managed corporate identity assists this criterion, however, corporate identity management should provide some help with this specific area in their opinion. They see "Trust, loyalty" as being supported by corporate identity, in their organisation; nevertheless, it is not an area corporate identity programmes have too much to do about in their opinion.

As far as employee behaviour being an essential aspect of corporate identity, the majority of human resource managers (67.6%) contended that in their organisations employee behaviour was a determining factor in corporate identity. 32.4% of the respondents reported that employee behaviour had no bearing upon corporate identity in their organisation, although half of them indicated that it would be appropriate if it had.

Regarding the involvement of the human resource function in corporate identity programmes, 27% of human resource managers reported that HR had not been involved in it at all. The author argued that it might not come as a surprise if one considers that managing corporate identity is in general the terrain of marketing and public relations in practice. 18.9% of HR managers stated that the HR function had been involved in running the programme, which is not high but it is remarkable all the same. 21.6% of the respondents claimed that HR's role had been performing specific tasks set in the course of the corporate identity programme. Some respondent suggested (13.5%) that various HR related issues had emerged as part of the

programme which were not to be dealt with the human resource function, they were rather solved at other functional levels. The same proportion of human resource managers (13.5%) argued that although human resources function had not played a role in the corporate programme but it should.

Another point the author examined in this regard was the existence of a behavioural audit as part of the programme. According to an overwhelming majority (59.5%) of the no "behavioural audit" was carried out within the corporate identity programme, while 24.3% of them stated that they did not know if this activity was part of the programme. 16.2% of the human resource managers did not know if a behavioural audit was conducted or not.

Concerning values held by employees being taken as a basis of a corporate identity programme, the author contended that "although (1) employees' values, their identification with those values are at the core of corporate identity and (2) corporate identity management is a managerial responsibility, management *in general* does not take those values into account when running an identity programme".

The last sub-chapter was a case-study prepared after the completion of the questionnaire survey which discussed the main issues of the two corporate identity programs of Miskolc City Transport Plc. The first scheme was based on four basic visionary value statements identified by the management. Employee behaviour was regarded as a key factor; trainings were organised, especially to front line people. The company is a large employer in the region, therefore a strong and distinct corporate identity had no particular role in retaining people according to the interviewee. The second scheme came into existence together with several grand projects, one of which was the "Tram Grand Project" which served as means to reach the objective of being an environmentally friendly corporation. Several HR-related activities came into question as part of the corporate identity program but, because the personnel department rather performs administrative tasks, they were not involved in the program; rather the marketing department was in charge of those tasks.

SUMMARY

This dissertation is the first PhD thesis on corporate identity in Hungary and the first one in the world that sought links between corporate identity and economic theories (more specifically, evolutionary and behavioural economics). First, it has introduced the most common approaches found in the extant literature, pointing out that academic approaches have become more and more complex and they have diverged from earlier definitions that used to describe corporate identity as an explicit self-presentation. The author concluded that by focusing on rather internal aspects of the organisation, the concept of corporate identity is getting closer to the original meaning of "identity". Therefore, the author suggests that Hungarian authors take cognisance of this trend even if they do not wish to follow it. There are corporate-level concerns that are often mentioned along with the identity concept which are also described, mentioning some terminology, which may be new in the Hungarian literature, such as "corporate associations", "construed image", "identity of/in/with the organisation", "corporate covenant", etc. A framework, (the "Who-When-Where Model"), has been added to the literature review in order to interpret the often conflicting statements and definitions in the literature. The author classified the main perspectives of the corporate identity thought (visual perspectives, communication perspectives, organisational identity and the multidisciplinary approach to corporate identity) and designed a complex framework to describe the evolution of the perspectives. The evolution of the concept has also been explained by means of corporate identity models that seek relationships between its key elements. The chapter on the main models also includes the author's new version of Balmer's ACID Test series, the essence of which is the inclusion two new dimensions, "construed image" ("construed-conceived identity") and "informal communication" within a new and apparently more logical framework. The last chapter of the thesis explicates the author's main hypotheses concerning the possible relationships between corporate identity and human resources, keeping in mind that there are other points of contacts as well (e.g. personnel marketing, employer branding organisational identity, etc.). The author will deal with these issues in his later works.

Summary of the research results

The results of the research can be summarised in five thesis statements:
T1: Terminology
T2: Further model development
T3 to T5: Relationships between CI management and HR management

Terminology

Although the Anglo-Saxon (mainstream) academic literature interprets Corporate Identity as a multidisciplinary and complex phenomenon, in Hungary the "self-presentation" approach is dominant, mainly based on Birkigt and Stadler's (1986) CI mix. The research results are summarised in the following basic thesis statement:

T1: In order to support the terminological convergence, a comprehensive model of the development of conceptual categorisations has been set up, which is new not only in the Hungarian literature but also in the Anglo-Saxon one.

This statement has been supported by the following arguments:

1. The Anglo-Saxon literature/approach (or rather, the literature written in English) can be regarded as "mainstream".
2. There has been a great difference between the academic and practitioner approaches in the Anglo-Saxon literature since the 1990s. While the academic perspectives are multidisciplinary and complex, practitioners mainly view CI as "self-presentation"
3. The author's empirical study has also revealed the difference between the academic and practitioner approaches to corporate identity.
4. A "multidisciplinary approach" to corporate identity means that it is no longer described exclusively in marketing and/or design terms. It is defined as a concept based on various disciplines. The most powerful contributor to the corporate identity concept is undoubtedly organisational behaviour.
5. Organisational identity, promoted by organisational behaviourists, has also been mentioned as an area related to corporate identity by some Hungarian authors as well. Nevertheless, in Hungary there is a strict demarcation between scholarships in these two identities.
6. In the author's view, the definition of corporate identity is getting closer, although in a corporate context, to the original meaning (basic definition) of "identity", Therefore, the author suggests making a distinction between "corporate identity" (which every company has) and "corporate identity management" or "corporate identity program" (explicit self-presentation)
7. As a synthesis of the previous two points, it can be stated that explicit self-presentation has to reflect organisational identity (Kiriakidou and Milward, 2000). This request is expressed also via the need to eliminate the incongruence between "communicated identity" and "cultural identity" in the case of Balmer's AC^4ID and the author's own permutations.
8. Having synthesised the various categorisations of the corporate identity thought, the author has set up a model which introduces those categorisations in a logical and comprehensive framework.

2. Further model development

The second thesis statement is related to refining Balmer's ACID Tests.

> **T2: The most recent version (AC^4ID™) of Balmer's ACID Test series has been completed by the author by adding "construed Image" (C^5) and "informal communication" (C^6), which have lead to setting up his new version, the AC^6ID Test. Balmer's "REDS^2™ ACID Test Process" is then adapted to this final version, called the "two-step REDS^2" method. In this way the more complex AC^6ID Test may be applied more efficiently in practice than the former versions.**

The novelty of **AC^6ID Test** can be introduced in terms of its (1) **added elements** and (2) its **new structure**. There are **two added identity types:** C^5 = **"Construed-Conceived Identity"** (construed image) and C^6 = **"Communicated Identity – Informal"** (informal communications). Ample evidence were introduced to support the necessity of both dimensions, here only some important aspects will be highlighted. **Construed image** (Construed-Conceived Identity) was part of the author's ideas for possible gap analyses in his MBA Management Project (1994). It is also part of Dacin and Brown's (2006) "Four-Viewpoints Framework". Dutton, Dukerich and Harquail suggest that employee identification is influenced by what they think about the image of the organisation (their construed image).

Employee identification, in turn, affects organisational reality – that is, Actual Identity (Melewar, Karaosmanoglu and Paterson, 2005). Kiriakidou and Millward (2000) also speak of the importance of corporate identity as perceived by employees and the effect of this perception on actual identity (at that time actual identity included the cultural aspects). The other element is **informal communication**. Balmer and Soenen (1999), in their discussion of the original ACID Test, referred to the **compound of formal and informal communications** as **"total communications" (Communicated Identity).** The author, however, called attention to a possible misalignment between formal and informal communications. The **structure** of the final version of the author is based on the AC^{3}ID Test (Balmer and Greyser, 2003): it is a four-pointed framework outside the two-circle structure. Its essence is that it differentiates between **"hard identity dimensions"** (outer circle) and **"soft identity dimensions"** (inner circle). The hard factors are reality and information/knowledge based, explicit, overt, etc., whereas the soft ones are culturally/emotionally based, implicit, covert, etc. **Practitioners may focus mainly on hard factors** (those are what they can control relatively easily), **while academics may rather focus on soft dimensions** (the corporate identity literature suggest that the academic perspectives have shifted towards the inner aspects of the organisations – e.g. He and Balmer, 2007).**With the help of the new framework the "two-step REDS^2" method, offered by the author, may be interpreted according to two concepts:**

1. **The "Two Circles Concept":** in selecting/prioritising (S^1 in REDS^2) the identity types to be reconciled with one another, one may consider to bring hard dimensions, on the outer circle, into alignment (Step 1) and then soft dimensions, on the inner circle, (Step 1) and then to eliminate misalignments between the two circlers (Step 2.)

2. **The "Four Interfaces Concept":** first the different hard-soft pairs within one area should be reconciled concentrating on only one interface at a time (Step 1): Actual-Cultural (Do employees identify with the actual identity of the organisation? If not: take steps to get the two identities closer.), Communicated Formal-Informal (Do the formal and informal communication project the same thing about the organisation? If not: take steps to get the two dimensions closer.), Ideal-Desired (Is management's vision of the organisation's identity based on rational considerations? If not: take steps to get the two identity types closer) and Conceived-Construed Conceived (Do people organisation view their organisation's image consistently with the real external image? If not: take steps to make the two identity types converge) – and then the four interfaces (areas): Corporate Identity, Total Corporate Communications, Management Positioning and Perceptions (Step 2). In this way, in the first step only one interface should be dealt with and then the misalignment of only four areas should be eliminated.

Relationships between CI management and HR management

The author's aim was to answer three research questions with respect to the relationships between CI management and HR management. The research results (thesis statements) are also presented in this structure.

Research question 1: The importance of corporate identity in managing human resources: can human resource management benefit from an explicit management of corporate identity *as the literature suggests*? If so, what are those areas? Having reviewed the corporate identity literature the author identified eight areas of human resources that are claimed to benefit from (the outcome of) an explicitly managed corporate identity program.

The following thesis statement can be formulated on the basis of the empirical research findings.

T3: Although the relevant literature suggests that an explicit CI program may exert positive influence on (1) attracting people, (2) selecting people, (3) retaining staff, (4) motivating staff, (5) cohesion / sense of belonging, (6) trust and loyalty, (7) harmonised employee relations and finally (8) identification / commitment, in fact the areas that can really benefit from a CI program, according to HR managers, are (1) attracting people, (2) selecting people, (5) cohesion / sense of belonging and (8) identification / commitment.

"Retaining Staff", "Motivating Staff" and "Harmonised Employee Relations", although also listed in the literature as HR functions positively affected by the result of an explicit corporate identity program, are basically not supported by corporate identity programmes in the respondents' organisations and *they do not even think* those areas are affected by corporate identity programmes in general. "Selecting people" is a special criterion in this sense: they do not believe that in their organisation managed corporate identity assists this criterion; however, corporate identity management should provide some help with this specific area in their opinion. These results, gained through a subjective research, will be verified by objective methods (this is part of the author' future research objectives).

Research question 2: The existence of people's behaviour in corporate identity, *and* the extent to which the human resource function is involved when establishing and managing identity.

Thesis statement four, in the light of the research findings, may be worded as follows:

T4: Although, in accordance with some statements in the literature, HR managers regard employee behaviour as a factor which determines a firm's identity, the HR function is not involved to a great extent in CI programs; basically no behavioural audit is conducted.

Numerous corporate identity mixes are mentioned in the literature that include "behaviour" which is interpreted as 'company and employee behaviour' or only 'employee behaviour'. This research relates to employee behaviour only.

The majority of the HR managers (67.6%) argued that in their organisations employee behaviour is a determining factor in corporate identity. 32.4% of the respondents reported that employee behaviour had no bearing upon corporate identity in their organisation. Nevertheless half of them (16.2%) indicated that, although it is not the case, it would be appropriate if employee behaviour were an important factor in corporate identity programs.

The literature also suggests the involvement of HR in corporate programs. Once it emphasises the importance of the participation of the human resource function in corporate identity programs, the author found it challenging to test those statements. 27% of human resource managers reported that HR had not taken part in the corporate identity program at all. This might not be surprising if one considers that managing corporate identity is generally the terrain of marketing and public relations in practice. 18.9% of HR managers stated, however, that the HR function had been involved in running the programme, which is not high but it is remarkable all the same. 21.6% of the respondents claimed that HR's role had been performing specific tasks set in the course of the corporate identity programme. Some

respondent (13.5%) suggested that various HR related issues had emerged as part of the program, however, they were rather solved at other functional levels instead of including HR. The same proportion of human resource managers (13.5%) argued that although HR had not played any role in the corporate program it should not be neglected when running a programme.

Olins (1995:44), when suggesting a process for "starting up and managing the programme" of corporate identity, points out that it should begin with "investigation, analysis and strategic recommendations" (Olins, 1995:46). As part of this stage he proposes that, among other audits, a behavioural audit should be carried out. The question is whether this kind of behavioural audit, relating to behaviour, is carried out in the various organisations within their corporate identity programs.

The empirical study has proven that in fact not many companies conduct behavioural audits: An overwhelming majority (59.5%) of the respondents firmly claimed that no "behavioural audit" was performed within the corporate identity programme, while 24.3% of them stated that they did not know if this activity was part of the programme. 16.2% of the human resource managers did not know if a behavioural audit was conducted or not.

Research question 3: Once several CI definitions (and other statements in the literature) refer to employees' values as a core factor of corporate identity (e.g. Balmer, 2001a:280 – "At its core is the mix of employees' values…"), then those values should be taken into consideration when running corporate identity programs. The question is if they are really taken into account, or the explicit "self-presentation"-s are rather based on values formulated by management.

The author has come to the following conclusion:

> **T5: Although employees' value mix is at the core of corporate identity according to some complex definitions, these values do not receive due attention when running explicit corporate identity programs.**

The author asserts in his PhD thesis that ideally corporate identity programs should be based on the identity (in a broader sense) of an organisation, e.g.: Kiriakidou and Millward (2000:51) argue that "efforts to manage corporate identity should reflect the organizational identity of the company". They also suggest that the actual identity of the organisation (which included employee values at that time) should be taken into consideration when managing corporate identity. Abratt (1989) argues that those values are at the heart of the identity formation process. Szeles (1997) also suggests that it is employees' behaviour and their identification with the company that brings about the convincing power that presents the identity of the company towards the outside world. Van Rekom (1997) contends that corporate missions/visions, which are claimed to be the basis of the CI formation process (e.g. Alessandri, 2001; Szeles, 1998), tend to ignore cultural values and the attitudes of employees.

One question was examined in this regard: Does management pay attention to what these values are, or is the corporate identity program built upon the "desired" and "idealistic" values set up by management? The results of the empirical research suggest that: "although (1) employees' values, their identification with those values are at the core of corporate identity and (2) corporate identity management is a managerial responsibility, management in general does not take those values into account when running an identity programme". Nearly half (48.6%) of the respondents claimed that corporate identity programmes were based upon

values identified by managers. At the same time, however, it has to be noted that a bit more than one quarter (27%) of the respondents argued that employees' values were considered to be "at the core" also when running the programme. 8.1% belong to the 'no but not hopeless' category and 16.2% could not answer the question.

A case-study, analysing the corporate identity program of was Miskolc City Transport Plc, was prepared after the author's Open Discussion because of the shortcomings of the main questionnaire survey. This summary relates to the HR implications only; it does not give an overview of the whole case-study.

Miskolc City Transport Plc is a services company, where, following Olins' (1995) statement, staff behaviour is a key factor. Employees need to keep to or rather identify with certain behavioural norms, which has to be based on their identification with the whole company. This identification, however, was overshadowed by their low motivation levels, due to the specific situation of the company ("large socialist company tradition" and "being located in a depressed region"). Attention is being paid to people's identification otherwise those norms could be applied and controlled with 'absolute rigidity' only. Staff training had, and currently has, a major role in making employees express the main identity-values (identified by the strategy makers) via their behaviour.

"Retaining power" was one of the HR areas the author examined by way of his research in terms of the influence an explicit corporate identity may exert on specific areas of human resource management. Earlier statement in the dissertation suggested that: "In the case of each criterion, averages in the 'Opinion' column are higher than those in the 'Facts' column, which indicates HR managers' view about corporate identity having greater potential to help human resource related issues than the actual case." It was especially true in the case of "retaining power" where the factual values were two figures lower than opinion values (in all other cases the difference was only one). The interviewee reported in this regard that although in general a strong and distinct corporate identity should support this particular HR function, corporate identity (in terms of the result of an explicit program) had almost nothing to do with "retaining people" in the specific case of Miskolc City Transport Plc as this company is one of the biggest employer in the region. It calls attention to the need for exploring other factors (apart from corporate identity) influential to a specific HR area.

Last, but not least, the personal interviews revealed that, although the company, in fact, has a personnel department, it rather deals with administrative matters; training staff in corporate identity matters was organised by the marketing department (which is in charge of launching and managing the corporate identity programs). Employees do receive information about the company, its mission, vision and strategy, including the basic corporate goals as part of those trainings. The interviewee reported that the company values are in fact not at variance with the basic values of the employees (although it can be regarded as a subjective statement, the objective way to answer this question would be a survey among employees).

Academic implications of this thesis:
- It has introduced the international terminology (basic definitions, complexity of the concept, new conceptualisations).
- It has put forth the "Who-When-Where Model" which serves a "map" if someone wishes to find his or her way through the maze of the literature definitions and statements.

- It offers a new, also future-oriented, framework of the categorisation of the disciplinary perspectives.
- It points out that plenty of models can be used for academic interpretations and research; Birkigt and Stadler's (1986) framework, although influential, is only one of them.
- The further development of the ACID Tests (AC^{6}ID Test) allows for a new framework for academic research and it can be applied to illustrate corporate identity definitions.

Implications for practitioners:
- This thesis makes it clear that the success of a merely marketing-oriented management of corporate identity may be implausible without analysing the deeper aspects of the subject matter.
- The author's version of the ACID Test (AC^{6}ID Test) adds to the applicability of the REDS^2 method.
- The dissertation highlights that there are areas where corporate identity management can assist human resource management indeed.
- The dissertation calls attention to the fact that more emphasis should be placed on the involvement of the HR function in corporate identity programmes.
- Values held by employees should be identified apart from those held by management (e.g., by way of questionnaire surveys, interviews, etc.)

This PhD thesis is original in that:
- This is the first PhD dissertation in corporate identity literature in Hungary and the first one in the world that sought links between corporate identity and economic theories
- It has set up three new frameworks (models) – with special regards to the "further development" of Balmer's ACID Tests.
- It has provided a new perspective for analysing the CI-HR relationship.
- It has contributed to offering academics a common platform of understanding in order to avoid confusion, due to (1) impreciseness of "The terminology", (2) "A traditional lack of dialogue between Anglophone and Non-Anglophone scholars and writers", (3) "Multifarious disciplinary perspectives re business identity" and (4) "The traditional lack of dialogue between researchers from different disciplines" (Balmer, 2001:251).

The author hopes that this PhD thesis will be a major contribution towards the improvement of conceptualising corporate identity in Hungary, and the corporate identity concept will not be treated superficially by Hungarian academics. Moreover, the author hopes that the "two identity concepts": 'corporate' and 'organisational' identities will converge, in spite of the difference between their Hungarian - translations, and, last but not least, the role of human resources will not be neglected in the future, once the literature in general and this empirical research specifically has suggested that it should be taken seriously into consideration.

FURTHER RESEARCH OBJECTIVES

The author is planning to continue his research in the following directions:

- **Continuing literature review in areas related to corporate identity**; discovering new models and establishing logical relationships between those models.

- **Continuing seeking links between corporate identity and economic theories.** This might be a useful contribution to the existing literature/scholarship of corporate identity. The author wishes to carry out an in-depth review of Akerlof and Kranton's work, and the related literature listed among their references.

- **Further research into the HR-CI relationship.** (1) Reviewing the HR literature as well for CI-related statements; (2) Scrutinising the CI-HR relationship on the basis of "best practices" in several companies in the sample of this PhD research – interviewing people responsible for corporate identity programs in the same companies; (3) finding new perspectives in the CI-HR relationship, conducting deeper surveys; (4) verifying the results of the subjective methods by way of objective ones; (5) Involving Akerlof and Kranton's work in the research who suggest people's identities and group identifications lead to increased motivation (they refer to "motivational capital)" and can help the HR function (e.g. "Bringing the concept of identity into the economics of organizations can change our understanding of policies such as incentive pay and supervision" Akerlof and Kranton 2005:10; "…identity is an important supplement to monetary compensation", Akerlof and Kranton 2005:11;)

- **Testing the AC⁶ID Test in cooperation with Professor John M. T. Balmer,** with special regard to the new identity types: "Construed Image" and "Informal Communications"; doing further literature review in this area

- **Further development of other existing models in the literature**, e.g. Bernstein's (1984) Wheel Model, further developed by Balmer and Greyser (2003)

- **Administering a Bradford-Miskolc comparative study with Trueman** (head of the city identity / city branding program at Bradford University School of Management). Bradford has several similarities with Miskolc: industry, ethnic minority, size of population, efforts to improve city identity/branding, etc. Trueman, in her paper (co-authored by Cornelius) referred to the AC²ID Test (Trueman and Cornelius, 2006). Perhaps it may also be a case-study for testing the AC⁶ID Test

- **Testing the influence of corporate identity on the economic performance of a company**, measuring the return on money invested in corporate identity. Methods and formulae listed by Nyárády and Szeles (2004) can be used to measure reputation. Also, the effect of corporate identity on competitive advantage may be tested: Balmer and Gray (2000) argue in their process model that achieving competitive advantage is the final goal of corporate identity management.

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APPENDICES

Appendix 1: Schools of thought

Appendix 2: "Interjú kérdőív" ("Interview Questionnaire", in Hungarian)

Appendix 3: The author's AC^{6}ID Test – alternative version (based on Balmer 2005)

Appendix 4: "PhD kutatási kérdőív" ("PhD Research Questionnaire", in Hungarian)

Appendix 5: Cross-tables 5.1-5.16

Appendix 1
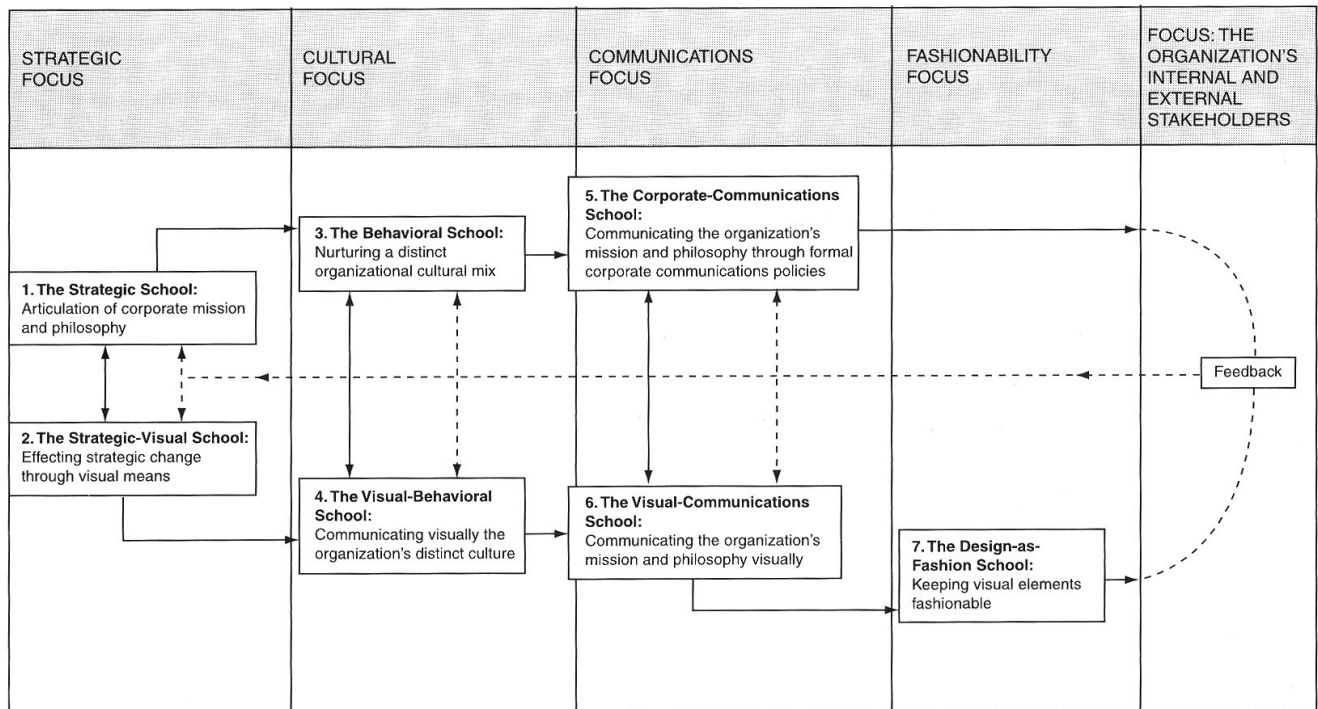
Appendix 1.1.: School of Thoughts (Balmer, 1995)

School of Thought		Concerned With
Strategic		questions relating to corporate strategy and positioning
Behavioural		*the role of the employee*, specifically with *employee relations* and internal public relations. The inseparability of corporate identity and corporate culture is frequently cited in the literature
Communication School		The importance of corporate communications as everything a corporation does in some way communicates the organisation's identity. Ineffective communications may result in negative stakeholder perceptions.
The "Four Design Schools of Thought"	**Design-As-Strategy**	graphic design to signal changes in corporate strategy
	Design-As-Behaviour	visual symbolism to encapsulate and communicate the essential values that underpin corporate identity.
	Design-As-Communication	noting that visual symbolism can be an effective communications tool in encapsulating organisational reality.
	Design-as-Fashion School	ensuring that corporate graphic design is kept fashionable

Appendix 1.2.: Schools of Thoughts. Source: Thomson (2005:17) – re-edited by the author ("the role of employee" and "employee relations" are highlighted by the author)

INTERJÚ KÉRDŐÍV

A kérdőív célja, hogy PhD disszertáció céljaihoz feltérképezze a magyarországi oktatást (megközelítést) a **Corporate Identity** (vállalati arculat) témakörben. A kérdésekre való válaszadás önkéntes, és a válaszadó neve nem kerül a disszertációban megemlítésre. Segítségét előre is nagyon köszönöm.

1. Oktatott tananyag

1.a. Kérem, hogy adja meg azt az egy vagy néhány jellemző tankönyvet ill. tankönyvfejezetet, amelyet a Corporate Identity oktatásához használnak – ami legjobban kifejezi az oktatásuk álláspontját!

1.b. Kérem, hogy adjon meg néhány cikket, amelyet a Corporate Identity oktatásához használnak – ami legjobban kifejezi az oktatásuk álláspontját!

(1.c. Milyen tétel utal az arculatra a vizsgatételsorban? Milyen választ várnak rá?)

2. Kutatás

2.a. Történik-e (történt-e) kutatás Corporate Identity tárgykörben az Ön tanszékén?

      2.a.a. Ha igen, mire vonatkozik/vonatkozott konkrétan?

2.b. PhD (egyéb akadémiai) kutatás valósult-e meg Corporate Identity témakörben (esetleg folyik-e jelenleg)?

3. A Corporate Identity megközelítése az oktatásban

3.a. Kérem, definiálja a Corporate Identity-t! Többféle szempontot említhet, ami fontos az Ön számára.

3.b. Van-e valamilyen különbség a gyakorlati szakma (*„practitioners”*: cégek, tanácsadók, stb.) és az akadémia (*„academics”*: oktatók, kutatók) CI definíciói között?

      3.b.a. Ha igen mi?

3.c. Az arculat lényege szerint mennyire szól (1-5-ig osztályozva) az alábbiakról?

Periférikus elemek (vizuális)   Központi elemek

Külső fókuszú   Belső fókuszú   Holisztikus fókuszú

Taktikai   Stratégiai

3. d. Alkalmaznak-e az oktatásban modell(eke)t, mix(ek)et (amik akár a CI elemeit tünteti fel, bármilyen folyamatot tükröz, vállalati alkalmazásról szól, stb.). Mik ennek az elemei?

3. e. Mi ennek a modellnek, mixnek a forrása, mely szakirodalomból idézik? (Ha többet megjelöl az előző pontban, esetleg azoknál is érdekel.)

3.f. Mely külföldi szerzők nevei fordulnak elő a corporate identity oktatásakor

3. g. Milyen kapcsolatban állnak a Corporate Identity-vel az Önök oktatásában az alábbi (néhol hasonló vagy átfedő) fogalmak?

Megnevezés	Megjegyzés (mit oktatnak erről, hogyan kapcsolódik a CI-hez, egyéb szempont, stb.)
1. Corporate Image (vállalati imázs)	
2. Corporate Reputation (vállalati reputáció)	
3. Organisational Identity (szervezeti identitás)	
4. Corporate Branding (vállalati márkázás)	
5 Corporate Communications (vállalati kommunikáció)	
6. Visual Identity (vizuális arculat)	
7. Corporate Personality (vállalatszemélyiség)	
8. Marketing (marketing)	
9. Corporate Culture (vállalati kultúra)	
10. *Egyéb*	

További megjegyzések:

Még egyszer köszönöm a segítségét és időráfordítását.

Appendix 3
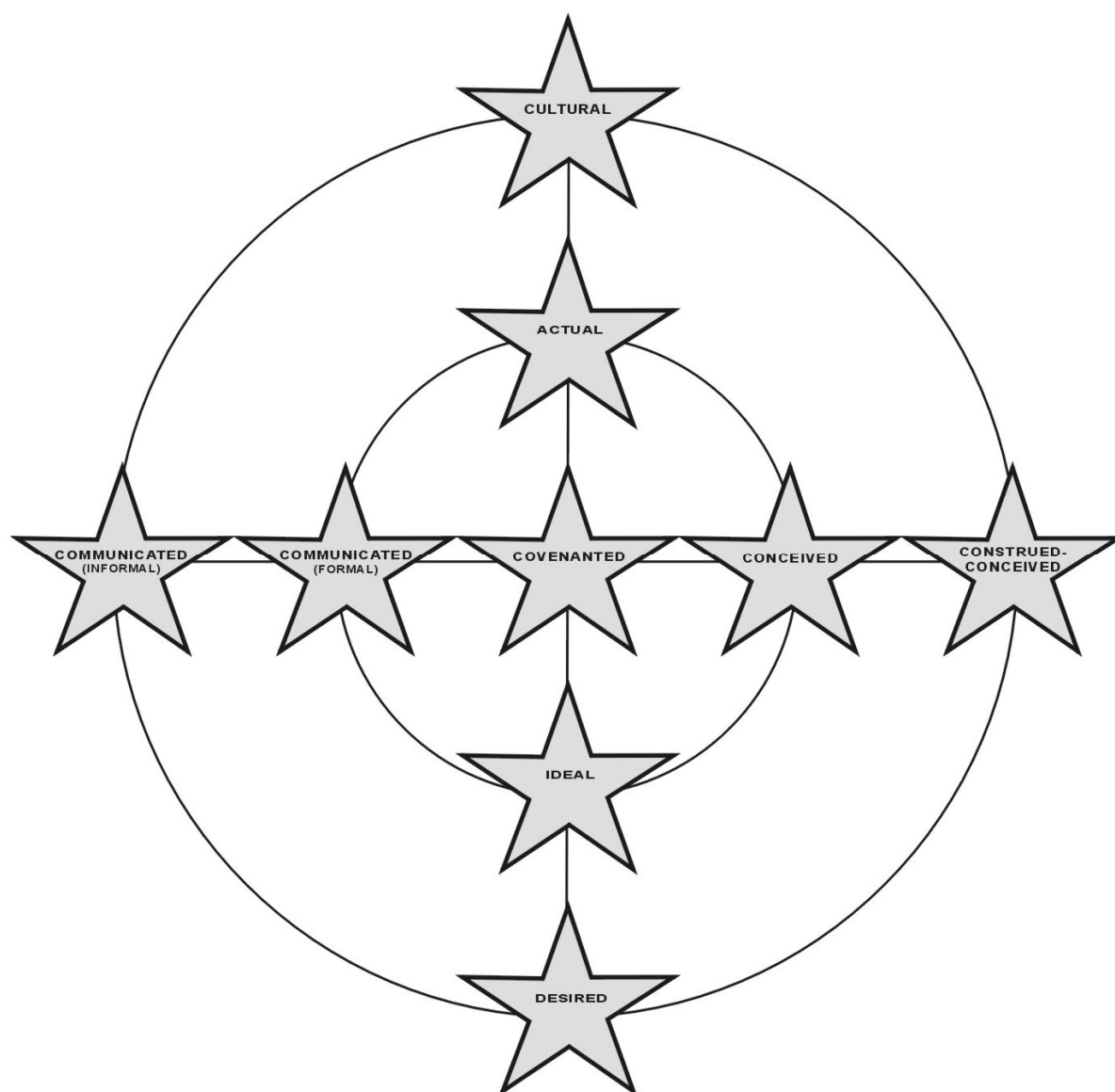
PhD kutatási kérdőív

Ez a kérdőív tudományos célokat szolgál, a doktori kutatásomhoz szükséges. Kitöltése önkéntes. A kérdőív anonim módon kerül feldolgozásra, konkrét egyedi adatok semmilyen formában nem kerülnek a nyilvánosság elé.

A kérdőív a vállalati arculat HR vonatkozásairól szól és az alábbi három nagy hipotézis csoport (I.-III.) verifikációját célozza, kiegészítve egy negyedik, „további kérdések" kategóriával (IV.). A kérdéscsoportok az alábbiak:

I. **Az arculat (identitás, Corporate Identity, CI) jelentősége a humán erőforrások menedzselésében: az arculat üzleti partnere-e a HR tevékenységnek**

II. **A humán tényezőre való odafigyelés az arculat kialakítása és menedzselése során, a HR funkció bevontsága az arculati folyamatba[49]: a HR üzleti partnere-e az arculatnak?**

III. **A közösen (alkalmazottak által is) elfogadott értékrend fontossága: mennyire veszik ezt alapul az arculatkialakítás során?**

IV. **További kérdések: HR Branding, arculat-kultúra szorosság**

Az egyes kategória címek alatt általános „magyarázat"-ot adok, hogy értse, mire vagyok és miért kíváncsi, ezáltal megkönnyítsem Ön számára a válaszadást.

Kérem, válaszoljon az alábbi kérdésekre az Ön által képviselt cégre vonatkozóan!

1. **Cég neve (elhagyható):** _____ (mely a disszertációban nem kerül megemlítésre, a kérdőíveket tikosan fogom kezelni, illetve <u>semmilyen</u> adat nem kerül harmadik fél kezébe!)

2. **Cég mérete (teljes cég, illetve cégcsoport szinten) a dolgozók száma alapján:** _____ **fő**
   (2.a. Cég mérete azon egység szintjén, ahol az arculati program lezajlott/zajlik[50], a dolgozók száma alapján: _____ fő)

3. **Árbevétele (teljes cég, illetve cégcsoport szinten) 2005-ben:** _____ **forint**

   (3. a. Árbevétele 2005-ben azon egység szintjén, ahol az arculati program lezajlott/zajlik: _____ forint)

4. **A nemzetközivé válásnak melyik fázisa jellemző az Ön által képviselt cégre?**
   ☐ Hazai cég   ☐ Nemzetközi vállalat   ☐ Multinacionális vállalat   ☐ Globális vállalat

   Amennyiben külföldi a vállalat vagy külföldi érdekeltséggel is rendelkezik, mekkora a hazai vállalatrész:
   Dolgozói létszáma: _____ fő;   2005-ös árbevétele: _____ forint?

5. **Többségi tulajdon szerint a cég:**
   ☐ Magyar   ☐ Külföldi   ☐ Vegyes

6. **Kérem tüntesse fel a cég szektorbeli hovatartozását!**
   ☐ Primer szektor   ☐ Szekunder szektor   ☐ Tercier szektor

7. **Tulajdon szerint a cég:**
   ☐ Állami   ☐ Magán

8. **Mélyreható arculati (arculatkialakítási/váltási) program a cégnél (melyre a kérdőív kérdései utalnak):**
   ☐ folyamatban van;   ☐ az elmúlt 1-2 évben zajlott le   ☐ 3-5 éve zajlott le;
   ☐ 6-10 évben zajlott le   ☐ 11 éve vagy annál régebben zajlott le

Az Ön cégénél kit tudnék arculati kérdések ügyében felkeresni (opcionális)? _____
(Konkrét arculati kérdések tekintetében szeretnék egy második fordulós megkérdezést lefolytatni. Az itt megjelölt személy felé nem adom ki, nem említem a mostani kérdőívben leírtakat.)

Segítségét megköszönöm:
dr. Csordás Tamás, Miskolci Egyetem, Humán Erőforrás Tanszék
Mobil telefonszám: 30 / 915-48-27; email cím: alkcst@uni-miskolc.hu
Postacím: 3515 Miskolc-Egyetemváros

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[49] Tudatos arculatkialakítási vagy arculatváltási program

[50] Pl. a Daimler-Chrysler esetében ez a Mercedes – kitöltése esetleg elmaradhat

I. Az arculat (identitás, Corporate Identity, CI) jelentősége a humán erőforrások menedzselésében: az arculat üzleti partnere-e a HR tevékenységnek

Magyarázat: Wally Olins londoni arculati tanácsadó szerint „az arculat (identitás) design, marketing, kommunikációs és *humán erőforrás* eszköz", azaz egy megtervezett és menedzselt vállalati arculat segíti a HR tevékenységet. Ezt hipotézisként felfogva az 1. kérdésben arra keresem a választ, hogy ez igaz-e az *Ön cégére nézve* illetve *általános véleménye alapján* is: azaz egy tudatosan megtervezett/menedzselt arculat hasznára van a HR tevékenységnek, segíti azt.

1. kérdés: Kérem, 1-5-ig osztályozza az egyes szempontokat (1: nem jellemző, hogy az arculatnak – = megtervezett és menedzselt arculat[51] – hatása van az adott tényezőre az *Ön által képviselt cégnél/Általában, személyes véleménye szerint* … 5: teljes mértékben jellemző, hogy az arculatnak hatása van az adott tényezőre az *Ön által képviselt cégnél/Általában, személyes véleménye szerint*). További szempontokat is meg tud említeni a táblázat alsó 2 sorában, ha úgy érzi van még olyan HR terület, amit egy tudatosan megtervezett/menedzselt arculat segíteni tud.

Szempontok (azaz az alábbiak tekintetében mondható-e, hogy egy megtervezett/menedzselt arculat HR eszköz)	Az Ön cégénél (1 2 3 4 5)	Általában (vélemény) (1 2 3 4 5)
1. Személyzet vonzása (azaz egy megtervezett/menedzselt arculatú cég jobb munkaerővonzó képességgel rendelkezik) *Megjegyzés:*		
2. Személyzet kiválasztása (azaz a felveendő személy arculatba való illeszkedése egy további kiválasztási szempont a meglevők mellett) *Megjegyzés:*		
3. Személyzet megtartása (azaz egy megtervezett/menedzselt arculatú cég jobb munkaerő megtartó képességgel rendelkezik) *Megjegyzés:*		
4. Személyzet motiválása (azaz egy megtervezett/menedzselt arculatú cégnél az emberek motiváltabbak) *Megjegyzés:*		
5. Személyzet összetartásának/összetartozásának elérése (az arculatnak hatása van az összetartás/összetartozás érzésre) *Megjegyzés:*		
6. Bizalom, lojalitás (azaz egy megtervezett/menedzselt arculatnak pozitív hatása van a munkavállalói bizalomra, lojalitásra) *Megjegyzés:*		
7. Harmonikus munkavállalói kapcsolatok (egy jól megtervezett/menedzselt arculatnak pozitív hatása van a kapcsolatok harmonikus voltára) *Megjegyzés:*		
8. Azonosulás / elkötelezettség (egy jól megtervezett/menedzselt arculatnak pozitív hatása van a munkavállalók céggel való azonosulásra, az iránta való elkötelezettségre) *Megjegyzés:*		
9.		
10.		

Általános megjegyzés (főként, ha a fenti két oszlop értékei eltérnek):

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[51] Hiszen minden szervezetnek van arculata, de nem mindegyik foglalkozik vele tudatosan. A kérdések az utóbbiakra vonatkoznak: arculati (arculatkialakítási/arculatváltási) program keretében megtervezett, kidolgozott és a későbbiekben menedzselt (a környezet változását figyelembe vevő, ahhoz időnként hozzáigazított) arculat

II. A humán tényezőre való odafigyelés az arculat kialakítása és menedzselése során, a HR funkció bevontsága az arculati programba: a HR üzleti partnere-e az arculatnak?

Magyarázat: Az alábbi kérdésekkel arra keresem a választ, hogy a HR megjelenik-e egy arculati (Corporate Identity, CI) programban, ismét hipotézisként felfogva a szakirodalmi megállapításokat.
Ad. 2. kérdés: Több, arculatra vonatkozó definíció és modell szerint egy cég, többek között, munkavállalói magatartásával is kifejezheti „magüzenetét" (értékeit, alapkarakterét, személyiségét, stb.).
Ad. 3. kérdés: Feltételezem, hogy ha az emberi magatartás fontos arculati tényező, akkor az erre ható vállalati funkciónak, a HR-nek valamilyen helyet kell kapnia az arculati folyamatban (programban). A már említett Wally Olins odáig elmegy, hogy javasolja HR szakember részvételét az arculati programért felelős csapatban (nem javasolja az arculati program egyetlen osztályra bízását). Ebben a kérdésben arra vagyok kíváncsi, hogy ez megjelenik-e a gyakorlatban, illetve milyen mértékben.
Ad. 4. (a, b, c) kérdés: Wally Olins javaslata szerint egy arculati program megalapozásaként végezni kell vizuális, kommunikációs és viselkedési auditot (=helyzetvizsgálatot / -elemzést), azaz „jelenleg ez a formavilágunk (logo, stb.)", „így kommunikálunk" és *„ez jellemző alkalmazottaink viselkedésére, ezen tényezők határozzák meg azt" (=„viselkedési audit").*

2. kérdés. Az Ön cégének példája alapján egy cég arculatát meghatározza-e az alkalmazottak magatartása, (vagy az arculat inkább egy vizuális formavilágra vonatkozó kérdéskör?)
☐ Igen, általánosságban igaz, így ránk nézve is, hogy az alkalmazotti magatartás arculatot meghatározó tényező
☐ Nem, az arculat sikere cégünk esetében nem függ az emberi magatartástól
☐ Nem igaz ránk nézve, de az lenne a helyes, ha az arculatban nálunk is benne lenne az emberi magatartás
☐ Nem tudom

3. kérdés. Kap-e (kapott-e) a HR valamilyen szerepet az arculati programban?
☐ Igen, az arculati program végrehajtására alakult egy csapat, melyben részt vettem, illetve a HR osztályról részt vett valaki
☐ Igen, egyes tevékenységeket/feladatokat, melyek az arculati program kapcsán vetődtek fel (pl. személyzetfejlesztés/tréning), a HR osztálynak kellett végrehajtani. Mit konkrétan? _____
☐ Igen, tudomásom szerint a legutóbbi arculati program folyamán felmerültek HR-es kérdések/feladatok, csak azokkal nem a HR osztályt bízták meg (hanem pl. adott egység szintjén oldották meg)
☐ Nem, a HR semmilyen módon nem volt (nincs) érintve az arculati programban.
☐ Nem, de *szerintem*, a HR-t be kellene vonni az arculati programba.
☐ Nem tudom

4. kérdés. Tud-e arról, hogy a cégnél, <u>az arculati program kapcsán végeztek-e viselkedési auditot</u> (még ha nem is így hívták), melynek során az alábbi HR-es vonatkozású kérdések némelyikét feltették? (Az „audit" szó jelentése *itt*, Olins nyomán, kb. „helyzetvizsgálat", azaz „ez jellemző a munkavállalói viselkedésre, illetve ez áll a hátterében")

4. a. Végeztek-e viselkedési auditot, tudomása szerint, <u>az arculati program kapcsán</u>?
☐ Igen   ☐ Nem   ☐ Nem tudom
Ha válasza „igen", kérem, térjen át a 4. b. kérdésre, ha „nem" vagy „nem tudom", a 4.c. kérdésre!

4. b. Az alábbi kérdések felmerültek-e <u>a „viselkedési audit" során</u>? Többet is x-elhet.
Az Olins által javasolt kérdések:
☐ 1. Befektet-e a cég az emberek fejlesztésébe (személyzetfejlesztés)?
☐ 2. Állítottak-e fel teljesítmény követelményeket, a teljesítményt értékelik-e?
☐ 3. Az embereket a teljesítményük szerint kompenzálják?
Egyéb kérdések (szempont: az Olins-féle és saját kérdések öleljék fel a teljes HR spekrumot):
Felmerültek-e az alábbi kérdések a <u>„viselkedési audit" során</u>?
☐ 4. A kiválasztás szempontrendszerét áttekintették-e?
☐ 5. Megelégedettség vizsgálatot végeznek-e?
☐ 6. Alkalmazotti elkötelezettséget/azonosulást vizsgálata történik-e a cégnél?
☐ 7. Figyelmet fordítanak-e a csapatérzés vizsgálatára, a „mi tudat" kialakítására?

4. c. (Amennyiben a 4.a. kérdésre tehát „nem" vagy „nem tudom" volt a válasz)

Véleménye szerint szükséges-e az, hogy viselkedési auditot végezzen egy cég az arculati program kapcsán?

☐ Igen: szerintem a(z) 1 2 3 4 5 6 7 számú kérdéseket kellene megfogalmazni ennek kapcsán (többet is bekarikázhat). Szerintem még a következő kérdéseket is fel lehetne tenni:_____

☐ Nem. Válaszát esetleg indokolhatja:

_____

☐ Nem tudom eldönteni

III. A közösen (alkalmazottak által is) elfogadott értékrend fontossága: mennyire veszik ezt alapul az arculatkialakítás során?

Magyarázat: John M.T. Balmer, a „Nemzetközi Vállalati Arculati Csoport" (International Corporate Identity Group) alapítója és vezetője arculati definícióinak egyikében az szerepel, hogy „az arculat középpontjában a munkavállalók értékmixe áll". Balmer szerint, továbbá, a „szervezeti arculat" lényege a munkavállalói azonosulás; míg a „vállalati arculat": menedzsment felelősség, azaz a tudatosan kialakított arculat a felsővezetői szinten megállapított értékeket tükrözi.

5. kérdés: 5.a. Mennyire tartja igaznak az Ön által képviselt cégre nézve/Általában az alábbi állítást? 1-5-ig osztályozza (1: nem tartom igaznak … 5: teljes mértékben igaznak tartom)

Állítás	Az Ön cégénél	Véleménye szerint
1. „Egy jól működő arculat alapja a munkavállalói azonosulás."		
2. „A munkavállalói azonosulás alapja a munkavállalói elégedettség."		
3. „Az arculati programban megfogalmazott magatartási szabályokat könnyebb betartatni értékekkel/célokkal azonosuló munkavállalóval, mint nem azonosulóval."		
4. „Az arculati programban megfogalmazott magatartási szabályokat könnyebb betartatni elégedett munkavállalóval, mint elégedetlennel."		

5.b. Fordítottak-e figyelmet az arculati program során a munkavállalói azonosulásra?

☐ Igen ☐ Nem ☐ Nem, mert tudjuk, hogy munkavállalóink azonosulnak értékeinkkel/céljainkkal, ezt egyéb felméréssel ellenőriztük. ☐ Nem, mert felmérés nélkül is tudjuk, hogy munkavállalóink azonosulnak ☐ Nem tudom

5.c. Fordítottak-e figyelmet az arculati program során a munkavállalói elégedettségre?

☐ Igen ☐ Nem ☐ Nem, mert tudjuk, hogy munkavállalóink elégedettek, ezt egyéb felméréssel ellenőriztük ☐ Nem, mert felmérés nélkül is tudjuk, hogy munkavállalóink elégedettek ☐ Nem tudom

6. kérdés. Az arculati programra vonatkozóan, tudomása szerint, figyelembe vették-e azt, hogy az arculat által kifejezni kívánt értékeket a munkavállalók által is igaznak vélt értékekre építsék, vagy csak a vezetés által meghatározott értékeket közvetíti az arculat. A megfelelő választ x-elje be!

☐ Igen, a munkavállalók által is igaznak vélt értékekre építették/építik az arculatot
☐ Nem, az arculat a menedzsment által meghatározott értékekre alapul(t)
☐ Nem a munkavállalók által is igaznak vélt értékekre építették/építik az arculatot, de így kellene, hogy legyen
☐ Nem tudom

IV. További kérdések: „HR Branding"-re, illetve „arculat és kultúra szorosság"-ra vonatkozóan

7. kérdés. Hogyan értékeli az Ön által képviselt cég image-ét <u>a munkaerőpiacon</u> (1-5-ig osztályozva, 1: rossz … 5: kiváló)? 1 2 3 4 5 (megfelelőt karikázza be – elektronikus kitöltés esetén húzza alá);
Megjegyzés: _____

8. kérdés. Munkaerőpiaci image, HR Branding

8.a. **Van-e külön szervezeti szintű program arra, hogy a cég javítsa image-ét <u>a munkaerőpiacon</u>?** ☐ Igen ☐ Nem

8.b. Ha „igen":

- Hogyan, milyen eszközökkel teszik ezt?
  _____

- Használják-e erre a „HR Branding" (HR vagy munkaadói márkázás) kifejezést (vagy szinonimáját)? ☐ Igen ☐ Nem
  Ha igen, mely kifejezést használják erre? _____

8.c. Ha „nem", szükségesnek tartja-e, hogy legyen <u>külön</u> szervezeti szintű program arra, hogy a cég javítsa image-ét a munkaerőpiacon?
☐ Igen   ☐ Nem   ☐ Nem, mert a cégnek e nélkül is markáns pozíciója van a munkaerőpiacon ☐ Nem tudom

9. kérdés. Arculat-kultúra szorosság: Mennyire tartja igaznak az Ön által képviselt cégre nézve/Általában az alábbi állítást? 1-5-ig osztályozza (1: nem tartom igaznak … 5: teljes mértékben igaznak tartom)

Állítás	Az Ön cégénél	Általában (vélemény)
1. „Az arculat középpontjában a szervezeti kultúra áll."		
2. „Minden arculatváltás egyben kultúraváltást is jelent."		
3. „Minden kultúraváltás egyben arculatváltást is maga után von"		

10. kérdés. Ha megjegyzése van bármivel kapcsolatban az itt leírtak közül, kérem, itt jelezze!

11. kérdés (pótkérdés a 2006. 06. 29. –ig beérkezett néhány kérdőív szöveges megjegyzései kapcsán):
Az Ön cégére nézve az arculat (annak kialakítása) mennyire vizuális (logo tervezés, ennek ráhelyezése különböző felületekre, stb.), illetve mennyire komplex, mélyreható (folyamat)? Osztályozza 1-5-ig (1 = csak vizuális, 5 = mélyreható): _____

Appendix 5

Explanatory variable: "phase of internationalisation"		Responses			Total
		"Yes"	"No"	"No, albeit it would be appropriate"	
Domestic	Count (frequency)	8	3	4	15
	% within "phase of internationalisation"	53.3%	20.0%	26.7%	100.0%
International	Count (frequency)	5	2	0	7
	% within "phase of internationalisation"	71.4%	28.6%	0%	100.0%
Multinational	Count (frequency)	8	1	1	10
	% within "phase of internationalisation"	80.0%	10.0%	10.0%	100.0%
Global	Count (frequency)	3	0	0	3
	% within "phase of internationalisation"	100.0%	0%	0%	100.0%
Total	Count (frequency)	24	6	5	35
	% within "phase of internationalisation"	68.6%	171%	14.3%	100.0%

Appendix 5.1.: Does employee behaviour determine the identity of an organisation…[2]

Explanatory variable: "majority ownership"		Responses			Total
		"Yes"	"No"	"No, albeit it would be appropriate"	
Hungarian	Count (frequency)	9	4	4	17
	% within "majority ownership"	52.9%	23.5%	23.5%	100.0%
Foreign	Count (frequency)	14	2	2	18
	% within "majority ownership"	77.8%	11.1%	11.1%	100.0%
Joint venture	Count (frequency)	1	0	0	1
	% within "majority ownership"	100.0%	0%	0%	100.0%
% of Total	Count (frequency)	24	6	6	36
	% within "majority ownership"	66.7%	16.7%	16.7%	100.0%

Appendix 5.2.: Does employee behaviour determine the identity of an organisation…[3]

Explanatory variable: "sector"		Responses			Total
		„Yes"	„No"	"No, albeit it would be appropriate"	
Primary	Count (frequency)	4	2	3	9
	% within "sector"	44.4%	22.2%	33.3%	100.0%
Secondary	Count (frequency)	9	1	1	11
	% within "sector"	81.8%	9.1%	9.1%	100.0%
Tertiary	Count (frequency)	12	3	2	17
	% within "sector"	70.6%	17.6%	11.8%	100.0%
Total	Count (frequency)	25	6	6	37
	% within "sector"	67.6%	16,2%	16.2%	100.0%

Appendix 5.3.: Does employee behaviour determine the identity of an organisation…[4]

Explanatory variable: "ownership"		Responses			Total
		„Yes"	„No"	„No, albeit it would be appropriate"	
State-owned	Count (frequency)	7	0	3	10
	% within "ownership"	70.0%	0%	30.0%	100.0%
Private	Count (frequency)	18	5	3	26
	% within "ownership"	69.2%	19.2%	11.5%	100.0%
Total	Count (frequency)	25	5	6	36
	% within "ownership"	69.4%	13.9%	16.7%	100.0%

Appendix 5.4.: Does employee behaviour determine the identity of an organisation…[5]

Explanatory variable: "phase of int."		"HR involved in running programme"	"HR implemented specific tasks"	"HR-related issues were raised, HR not entrusted"	"HR did not take part at all"	"HR not involved, albeit it should be"	I don't know"	Total
Domestic	Count (fqcy)	3	2	1	4	4	1	15
	% within "phase of int."	20.0%	13.3%	6.7%	26.7%	26.7%	6.7%	100.0%
International	Count (fqcy)	1	0	1	4	1	0	7
	% within "phase of int."	14.3%	0%	14.3%	57.1%	14.3%	0%	100.0%
Multinational	Count (fqcy)	2	4	2	2	0	0	10
	% within "phase of int."	20.0%	40.0%	20.0%	20.0%	0%	0%	100.0%
Global	Count (fqcy)	1	1	0	0	0	1	3
	% within "phase of int."	33.3%	33.3%	0%	0%	0%	33.3%	100.0%
Total	Count (fqcy)	7	7	4	10	5	2	35
	% within "phase of int."	20.0%	20.0%	11.4%	28.6%	14.3%	5.7%	100.0%

Appendix 5.5.: Has HR played any role in the corporate identity programme?$_2$

Explanatory variable: "majority ownership"		Responses						Total
		"HR involved in running programme"	"HR implemented specific tasks"	"HR-related issues were raised, HR not entrusted"	"HR did not take part at all"	"HR not involved, albeit it should be"	I don't know"	
Hungarian	Count	3	2	1	6	4	1	17
	% within "majority ownership"	17.6%	11.8%	5.9%	35.3%	23.5%	5.9%	100.0%
Foreign	Count	3	6	4	3	1	1	18
	% within "majority ownership"	16.7%	33.3%	22.2%	16.7%	5.6%	5.6%	100.0%
Joint-venture	Count	0	0	0	1	0	0	1
	% within "majority ownership"	0%	0%	0%	100.0%	0%	0%	100.0%
Total	Count	6	8	5	10	5	2	36
	% within "majority ownership"	16.7%	22.2%	13.9%	27.8%	13.9%	5.6%	100.0%

Appendix 5.6.: Has HR played any role in the corporate identity programme?[3]

Explanatory variable: "sector"		Responses						Total
		"HR involved in running programme"	"HR implemented specific tasks"	"HR-related issues were raised, HR not entrusted"	"HR did not take part at all"	"HR not involved, albeit it should be"	I don't know"	
Primary	Count	2	2	0	3	2	0	9
	% within "sector"	22.2%	22.2%	0%	33.3%	22.2%	0%	100.0%
Secondary	Count	2	3	3	2	1	0	11
	% within "sector"	18.2%	27.3%	27.3%	18.2%	9.1%	0%	100.0%
Tertiary	Count	3	3	2	5	2	2	17
	% within "sector"	17.6%	17.6%	11.8%	29.4%	11.8%	11.8%	100.0%
Total	Count	7	8	5	10	5	2	37
	% within "sector"	18.9%	21.6%	13.5%	27.0%	13.5%	5.4%	100.0%

Appendix 5.7.: Has HR played any role in the corporate identity programme?[4]

Explanatory variable: "ownership"		Responses						Total
		"HR involved in running programme"	"HR implemented specific tasks"	"HR-related issues were raised, HR not entrusted"	"HR did not take part at all"	"HR not involved, albeit it should be"	I don't know"	
State-owned	Count	2	3	0	2	2	1	10
	% within "ownership"	20.0%	30.0%	0%	20.0%	20.0%	10.0%	100.0%
Private	Count	5	5	5	7	3	1	26
	% within "ownership"	19.2%	19.2%	19.2%	26.9%	11.5%	3.8%	100.0%
Total	Count	7	8	5	9	5	2	36
	% within "ownership"	19.4%	22.2%	13.9%	25.0%	13.9%	5.6%	100.0%

Appendix 5.8.: Has HR played any role in the corporate identity programme?[5]

Explanatory variable: "phase of internationalisation"		Responses			Total
		"Yes"	"No"	"I don't know"	
Domestic	Count (frequency)	2	9	4	15
	% within "phase of internationalisation"	13.3%	60.0%	26.7%	100.0%
International	Count (frequency)	1	5	1	7
	% within "phase of internationalisation"	14.3%	71.4%	14.3%	100.0%
Multinational	Count (frequency)	1	7	2	10
	% within "phase of internationalisation"	10.0%	70.0%	20.0%	100.0%
Global	Count (frequency)	2	0	1	3
	% within "phase of internationalisation"	66.7%	0%	33.3%	100.0%
Total	Count (frequency)	6	21	8	35
	% within "phase of internationalisation"	17.1%	60.0%	22.9%	100.0%

Appendix 5.9.: Was a behavioural audit carried out…?$_2$

Explanatory variable: "majority ownership"		Responses			Total
		"Yes"	"No"	"I don't know"	
Hungarian	Count (frequency)	1	11	5	17
	% within "majority ownership"	5.9%	64.7%	29.4%	100.0%
Foreign	Count (frequency)	5	9	4	18
	% within "majority ownership"	27.8%	50.0%	22.2%	100.0%
	% of Total	13.9%	25.0%	11.1%	50.0%
Joint venture	Count (frequency)	0	1	0	1
	% within "majority ownership"	0%	100.0%	0%	100.0%
Total	Count (frequency)	6	21	9	36
	% within "majority ownership"	16.7%	58.3%	25.0%	100.0%

Appendix 5.10.: Was a behavioural audit carried out…?$_3$

Explanatory variable: "sector"		Responses			Total
		"Yes"	"No"	"I don't know"	
Primary	Count	0	6	3	9
	% within "sector"	0%	66.7%	33.3%	100.0%
Secondary	Count	2	5	4	11
	% within "sector"	18.2%	45.5%	36.4%	100.0%
Tertiary	Count	4	11	2	17
	% within "sector"	23.5%	64.7%	11.8%	100.0%
Total	Count	6	22	9	37
	% within "sector"	16.2%	59.5%	24.3%	100.0%

Appendix 5.11.: Was a behavioural audit carried out…?$_4$

Explanatory variable: "ownership"		Responses			Total
		"Yes"	"No"	"I don't know"	
State-owned	Count (frequency)	1	7	2	10
	% within "ownership	10.0%	70.0%	20.0%	100.0%
Private	Count (frequency)	5	14	7	26
	% within "ownership"	19.2%	53.8%	26.9%	100.0%
Total	Count (frequency)	6	21	9	36
	% within "ownership	16.7%	58.3%	25.0%	100.0%

Appendix 5.12.: Was a behavioural audit carried out…?$_5$

Explanatory variable: "phase of internationalisation"		Responses				Total
		"Yes"	"No"	"No, although it should be"	"I don't know"	
Domestic	Count (frequency)	3	6	3	3	15
	% within "phase of internationalisation"	20.0%	40.0%	20.0%	20.0%	100.0%
International	Count (frequency)	3	4	0	0	7
	% within "phase of internationalisation"	42.9%	57.1%	0%	0%	100.0%
Multinational	Count (frequency)	2	5	0	3	10
	% within "phase of internationalisation"	20.0%	50.0%	0%	30.0%	100.0%
Global	Count (frequency)	2	1	0	0	3
	% within "phase of internationalisation"	66.7%	33.3%	0%	0%	100.0%
Total	Count (frequency)	10	16	3	6	35
	% within "phase of internationalisation"	28.6%	45.7%	8.6%	17.1%	100.0%

Appendix 5.13.: Has the corporate identity programme been based on values shared also by employees…?$_2$

Explanatory variable: "majority ownership"		Responses				Total
		„Yes"	„No"	„No although it should be"	„I don't know"	
Hungarian	Count (frequency)	5	6	3	3	17
	% within "majority ownership"	29.4%	35.3%	17.6%	17.6%	100.0%
Foreign	Count (frequency)	5	11	0	2	18
	% within "majority ownership"	27.8%	61.1%	0%	11.1%	100.0%
Joint-venture	Count (frequency)	0	0	0	1	1
	% within "majority ownership"	0%	0%	0%	100.0%	100.0%
Total	Count (frequency)	10	17	3	6	36
	% within "majority ownership"	27.8%	47.2%	8.3%	16.7%	100.0%

Appendix 5.14.: Has the corporate identity programme been based on values shared also by employees…?$_3$

Explanatory variable: "sector"		Responses				Total
		"Yes"	"No"	"No, although it should be"	"I don't know"	
Primary	Count (frequency)	2	5	0	2	9
	% within "sector"	22.2%	55.6%	0%	22.2%	100.0%
Secondary	Count (frequency)	5	5	0	1	11
	% within "sector"	45.5%	45.5%	0%	9.1%	100.0%
Tertiary	Count (frequency)	3	8	3	3	17
	% within "sector"	17.6%	47.1%	17.6%	17.6%	100.0%
Total	Count (frequency)	10	18	3	6	37
	% within "sector"	27.0%	48.6%	8.1%	16.2%	100.0%

Appendix 5.15.: Has the corporate identity programme been based on values shared also by employees…?4

Explanatory variable: "ownership"		Responses				Total
		"Yes"	"No"	"No, although it should be"	"I don't know"	
State-owned	Count (frequency)	3	3	3	1	10
	% within "ownership"	30.0%	30.0%	30.0%	10.0%	100.0%
Private	Count (frequency)	7	15	0	4	26
	% within "ownership"	26.9%	57.7%	0%	15.4%	100.0%
Total	Count (frequency)	10	18	3	5	36
	% within "ownership"	27.8%	50.0%	8.3%	13.9%	100.0%

Appendix 5.16.: Has the corporate identity programme been based on values shared also by employees…?5