

**CORPORATE IDENTITY: CAN IT WITHSTAND  
POSTMODERN TRENDS?**

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## **Abstract**

Starting with an old debate regarding the issue of how to define corporate identity and whether or not the social-psychological identity concept is transferable, the paper continues and invites the reader to reflect on a new issue. This new issue is the turn to Postmodernity and its possible effect on corporate identity. In light of discussions that the concept of identity, as we know it today, may not exist for very much longer and may dissolve altogether, it seems timely to ask what effects the postmodern condition may have on the concept of corporate identity.

Keywords: Postmodernity, Corporate Identity, external and internal communication

## **Introduction**

Even though CI is not a new idea, there still is much debate on how to define it (e.g. Bungarten, 1993). If one were to list all of the various ways CI has been defined, one could easily fill ten pages. One frequent point of discussion is whether or not the social-psychological concept of identity can be applied to the concept of CI. Considering the definitional confusion that partly still exists in the social-psychological literature, then the concept of corporate identity and individual identity seem to share at least one characteristic, they are both difficult to define. Regarding the literature on individual identity, Bills stated in 1981:

Until a common definition is agreed upon, ... researchers will each be like the Red Queen in Alice's Adventures in Wonderland (Carroll, 1968) who insisted that when she used a word it meant exactly what she intended it to mean (p. 25).

One could argue that it is acceptable to follow the example of the Red Queen in Alice's Adventures in Wonderland and define CI according to the kind of

perspective one considers to be appropriate for the issue at hand. After all, we live in an age of perceptivity (Foucault, 1973; Giddens, 1991). The German philosopher Friedrich Nietzsche already argued that there are no limits to the ways in which the world can be interpreted. Thus, the more perspectives we have on an issue, the more profound our knowledge and understanding of it will be (Berger, 1997). (Doesn't this sound good? Now we no longer have to wonder about how to precisely define corporate identity, true to the motto: Anything goes.)

If one however follows this line of argument, then one also has to take into account the *Zeitgeist* that has motivated it. In want of any better word, this *Zeitgeist* has been labelled postmodernism. Stepping a bit deeper into the realms of postmodernism, one realises that postmodernism is not only relevant with regard to the above mentioned discussion on definitional issues, but also for the concept of corporate identity more generally. If we stay for the moment with the idea that there is some transferability between individual and corporate identity, then corporate identity is also likely to be affected by the postmodern condition. With regard to its effects on individual identity, at least two positions have been advocated.

One side maintains that issues around identity are still as acute as ever, just appearing in a different gestalt, but other voices claim that identity is disappearing and hence we no longer need to worry about it:

In postmodern culture the subject has disintegrated into a flux of euphoric intensities, [it is] fragmented and disconnected [...] The decentered postmodern self no longer possesses the depth, substantiality, and coherence that was the ideal and occasional achievements of the modern self (Kellner 1992: 43-144).

A less person centred description on the postmodern condition is offered by Foucault:

Between word and image, between what is depicted by language and what is uttered by plastic form, the unity begins to dissolve; a single and identical meaning is not immediately common to them. And if it is true that the image still has the function of speaking, of transmitting something consubstantial with language, we must recognize that it already no longer says the same thing; .... (Foucault, 1973: 18).

In other words, if company logos, corporate design, descriptions of company values and mission statements no longer mean the same but different things to different people, in a world where people are used to a juxtaposition of images, sound bites, text fragments, symbols and the like, what does this mean to the concept of corporate identity? Is it also about to vanish into the postmodern scene as has been predicted for individual identity? Or is it completely unaffected by the tenants of Postmodernity?

The purpose of this paper is not to provide the answer but to initiate a debate, because postmodernism is not simply a fun theoretical idea to play around with, but a *real* phenomenon out there, that is affecting societies, consumers and corporate businesses alike - notwithstanding all the talk of simulacra, loss of the real, hyper realities, etc. etc.

Therefore, in the following I first would like to offer my perspective on CI based on the conglomeration of my knowledge of the social-psychological literature and the various CI definitions in the management literature. Subsequently, I would like to introduce some characteristics of the postmodern condition and their effect on identity and offer some ideas on how this might be applied to corporate identity.

## **Where does identity come from**

The word identity is derived from the Latin word *idem* referring to sameness, distinctiveness and continuity. Sameness and distinctiveness imply that one is able to recognize something and to establish its unmistakability. Thus, an essential criterion for identity is that a person, a group, or an object to be identified, possesses attributes that can be used for *differentiation*. Another characteristic of identity that is implied by the Latin word *idem* is continuity. The existence of a continuous thread that connects all of a person's/company's past and present experiences in a meaningful way seems to be essential in order to speak about having the same identity over time. Thus, *continuity over time* is the second fundamental criterion of identity (Baumeister, 1986, Erikson, 1968; Lash, 1984; Schneider, 1989).

This aspect of identity is reflected in the CI literature when for instance aspects of identity transfer from founder personality to corporate culture are discussed. Such a transfer has been observed in companies like IMB, Grundig, Krupp, Siemens, Burda or Neckerman (Bensmann, 1993; Ind, 1992). The historical aspect of the identity concept is also evident in books and articles discussing CI programmes (e.g., Stahlheber, 1993), and in some definitions:

Corporate Culture (as part of CI) includes all historically developed attitudes, norms and values of a corporation that is guiding the behavior of all its members, managers and employees alike (Demuth, *Imageprofile* 89, cited in Bensman, 1993: 30). Identity is formed by an organization's history, its beliefs and philosophy, .... (Ind, 1992: 19).

## **The social factor**

Weigert (1988) stresses the point that identity, in addition to being historically derived, also has a social component: "We may define identity as a *typified self situated in a network of social relationships*" (p, 265, italics as in original). Similarly, Markus and Wurf (1987) wrote: "identity is an image of the self that one tries to convey to others; it exists both as a cognitive structure in the mind ... trying to convey it.... and as an entity in the world,... (this) situated identity is a joint construction of the person, the audience and the situation" (p. 325). The explicit point here is the importance of the social environment in experiencing identity.

This aspect is reflected in the CI literature as well. Roman Antonoff first introduced the idea of social legitimisation and acceptance in 1982:

If the value structure within a society changes (e.g., towards an increased environmental consciousness or a greater emphasis on leisure activities), then companies need to re-negotiate their personalities in light of the changed circumstances and continue to develop their identities. Otherwise they risk loosing market share. (Antonoff, 1982: 12)

The Gabler lexicon of economics defines CI as "the internally and externally communicated image of a company..." (1988: 1105, italics added). Harbrücker (1991: 184) also supports this view. More generally it can be stated that companies both shape their social environment but are also shaped by it.

## **The functional side**

Identity, besides just being something that exists, is formed over time and can be shaped, also has a functional side. In the social-psychological literature the following functions have been mentioned:

Identity maintains continuity with the past, provides meaning for the present and gives direction for the future (Erikson, 1968). These functions have been further detailed and complemented by Baumeister (1986). Having a good understanding of who we are implies that we have aligned ourselves with certain values and that we are committed to specific goals. This gives directions to our lives, allows us to make purposive and consistent choices and provides us with meaning. Hence, identity provides us with a structure of values and priorities. A further function is that identity establishes and influences the relationships we have to other agents around us, because, as mentioned above, social roles and statuses are an invariable part of identity. Having achieved identity thus offers answers to questions like: What shall I strive for (goals)? How shall I relate to others (strategies)? And how will I make the basic decisions needed to guide my life/to conduct business (action)? (Baumeister, 1986; Berzonsky, 1988).

As indicated by the words in parentheses (goals, strategies and actions), the functional aspects of individual identity can be applied to corporate identity and are also discussed in the CI literature, for example by Achterhold (1988). Achterhold's view of corporate identity being goal, strategy and action all at once is however often regarded as paradoxically (see Bensmann, 1993), but the solution to this paradox simply lies in differentiating between what CI is, and what its functional aspects are. Bundgarten's (1993) understanding of CI helps us further in untangling this matter. Unlike most other authors, he stated that the identity of an organisation is a given, independent of con strategic

considerations. The term does not imply an intended or planned target identity, but describes the current (IS)-identity of an organisation. Identity thus, is the prerequisite and starting point for any further work related to the personality of an organisation. Similarly, Achterhold (1991) argued that any corporate identity program results via a strategic adjustment of behaviour, communication and image to a (new) state of identity. Thus, corporate identity *leads* to corporate identity. In other words, at first an identity concept needs to be formulated. Then, based on this concept, it becomes possible to determine goals, to develop strategies, and to enact these strategies. Consequently, CI can never be the goal, but it is the means to attain goals. It can never be strategy, but provides the necessary guidelines to develop strategies. And it can never be action, but endows an organisation with the needed resources to enable enactment, e.g. of strategies. This view is echoed by Rieger (1993), who offers a list of the most commonly stated misconceptions in the CI literature. He for example stated that CI is the prerequisite to represent an organisation, its understanding of it itself and its basic norm and value structure internally and externally. It is not conveyance per se and thus not the same as integrated communication. Communication is simply an instrument of CI. Likewise, marketing and marketing communication are not equal to CI. They are simply the operationalisation of CI (p. 214).

Regarding these and the above considerations, CI could be described as follows: It builds on the criteria differentiation and continuity over time. It is historically grown based on the company's history, personality of the leader, geographical location, etc. At the same time, however, corporate identities are not written in stone and will change over time, as companies and organisations do not exist in a vacuum.

If a society and its value system change with regard to their needs and objectives (i.e. rise in environmental consciousness, value shift towards more leisure time activities due to an increase in disposable income), then also firms need to continue to develop their personalities and thus their identities in direct confrontation with the societal changes in order not to lose market share (Antonoff, 1982: 12).

Ergo, it is essential for companies to respond to economic and technological challenges and to listen to trends and shifts in value systems, if they want to survive. Considering this, it is surprising that one of the biggest shifts that momentarily occurs, the shift to postmodernism, has not been given more attention in the CI literature. Knowing that postmodernity has a profound affect on individual identity, as highlighted above, then there are good reasons to believe that it may also affect corporate identity. Below a few aspects of postmodern life are summarised that are believed to result in the disintegration of individual as well as corporate identity.

### **A theoretical framework for analysis**

Brown (1995) identified seven characteristics that describe the postmodern era: Fragmentation, De-differentiation, Hyperreality, Chronology, Pastiche, Anti-foundationalism and Pluralism. Below some of these features are illustrated by looking at two of the main aspects of Corporate Identity: the *internally* and *externally* communicated image of a company.

Gergen (1991) argues that people today are much less bound to their geographical homes than they have ever been before (an argument that can easily be transferred to the world of corporate companies). This has multiplied their exposure to different worldviews, ways of life, political and religious ideologies, cultures and people from all around the globe. As a result, the self (corporate identities) become(s) populated and saturated with a varied number of voices, opinions and potentials for being.

If we consider for instance the recent merger between Daimler Benz and Chrysler. Suddenly employees as well as the management were faced with various ways of how to go about daily business. Insecurities already arose with regard to issues like by which name to call each other. In Germany the formal "Sie" in combination with Herr, Frau, Dr. is used when addressing others. In the US most relationships work on a first name basis. How should one address a German colleague with whom one suddenly had to converse in English in the context of a videoconference across the Atlantic? Using the formal Herr/Frau/Dr., but the informal "you"? Increasing globalisation thus poses



new problems as people are faced with a multiplicity of cultural values, languages and customs.

This brings up another aspect, the exposure to new communication technologies. Thanks to satellite, electronic and digitalised transmission technologies, we can now receive news from all corners of the globe within very short time periods. The Internet allows people to communicate with others that sit at a terminal thousands of miles away within seconds. We can "meet" all kinds of people in cyberspace or on video screens, exchange ideas, inform ourselves about their culture, perspectives and beliefs, or discuss current events and learn about the 'native' point of view. This exposure challenges the validity of a singular perspective and undermines the hegemony of rational choice. As however rational choice is the basis on which the modern identity is built, this threatens the very notion of a stable coherent self that has endured during modern periods and hence results in destabilisation (Gergen, 1991).

In light of these changes, businesses need to ask themselves how their employees might react to the multiple perspectives they are invariably confronted with and what effect this might have on a coherent internal corporate identity? Or asked differently, how important is it to preserve a coherent internal identity? May it not be more beneficial to allow for multiple perspectives to co-exist? Is the belief in a unified and consistent identity a myth of modernity, we can leave behind? Can the shift towards a more global structure better be mastered, if Corporate Identity is allowed to be more fluid and flexible?

How can companies cope with the exposure to multiple perspectives their employees are invariably confronted with and still preserve a coherent internal corporate identity? Or asked differently, how important is it to preserve a coherent internal identity? May it not be more beneficial to allow for multiple perspectives to co-exist? Isn't the belief in "one true objective reality" (one consistent identity) a myth of modernity, we can leave behind? Can the shift towards a more global structure better be mastered, if CI is allowed to be more fluid and flexible?

Another effect of mediated communication is that it alters the interaction between individuals and with that the experience of oneself in relation to

others, thus, also the external representation of CI. It is not a given any longer that commercials or information about a company are read or watched from beginning to end. Viewers may just see fragments of it and then switch to another television channel or website, and shortly after, are likely to be bombarded with other signs and images. Furthermore, if people from a variety of cultural backgrounds and geographical locations have access to the various messages sent, how precisely then can certain groups be targeted? Is it even possible to target specific groups considering that classical characteristics like psychographics do no longer appear to be valid? How does a person that can no longer be neatly classified on the basis of pre-fabricated schemata perceive corporate image? *What if* it is trendy to wear a designer deodorant from JOOP, an oversized cheap shirt from C&A, some freaky Jeans, Hush Puppy shoes, and to drive a BMW Z3? (Haller, 1999). Is the communication of a coherent external corporate image to such a fragmented customer base even possible? Should a company present itself in multiple roles to be able to reach its customers (be it individuals or other organisations) that, like them, are faced with the task of creating their identity in a world of flux images?

Postmodern identity is described by Kellner (1992) as "a freely chosen game, a theatrical presentation of the self, in which one is able to present oneself in a variety of roles, images, and activities" (p. 158). This means that there are inexorable possibilities to create identity. This is facilitated by an abundance of material that is provided by the market place in form of the products provided (Thompson and Tambyah, 1998; Venkatesh 1998). This can also be observed in the corporate world. Let's consider the merger of Daimler Benz and Chrysler again. On the official day of the merger, DaimlerChrysler presented all of their employees with a gift, a Swatch watch featuring the new corporate name and lettering. Thus, like individuals, corporate firms also utilise products that are offered by the market place to support the process of identity creation.

## Concluding remarks

From the above examples and posed questions it can be seen that the social-psychological debate on identity has also a lot to offer in terms of understanding corporate identity. Taking the postmodern condition in as a

conscious element in designing corporate identity, companies may be more likely to stay or become frontrunners in a postmodern world characterised by the fragmentation of signs and the numerous possibilities of re-signification.

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