

RESEARCH ANALYSIS OF CHINA'S CORPORATE IDENTITY, IMAGE AND REPUTATION

Veslav Kuranovic, Vilnius Gediminas Technical University

ABSTRACT

In this 20-21st century, the exciting advent of globalization was mostly forced to greatly compete China global and international material inputs, outputs, international partners, global customers and big market share, but without any prior deep knowledge and strict application of mainly and strategically laid path and the international establishment of biggest critical factors that justify enormous success in these global areas the prominent survival and relevance is mostly threatened. The big concept of global China's corporate identity, image and also corporation is considered to be the central to solving the main and essential research scientific problem addressed of different combining the effects of global and international business or trade. Mainly corporate reputation, image and identity strictly can be seen as a strategic global and international social resource or a big economic resource that can lead to China enormous competitive advantage.

Keywords: Corporate identity, Image Reputation, International Business, Globalization, Internationalization.

INTRODUCTION

In the past 70 years, the main concept of corporate identity, image and reputation has enormously gained wide acceptance as a way to understand deeply human systems. Increased big competition, globalization, mergers, acquisitions, alliances have created a greater need for Chinese international and global culture. The last few decades have widely witnessed significant and big growth in common interest, conceptual development in the topics of global corporate identity, image and reputation. Corporate reputation has attracted main interest from a wide range of different academic disciplines on different levels. It is also a main and growing focus for global business and global media attention. Corporate reputation is not a new-born issue neither in international academic world nor practice. Corporate reputation (CR) has become an international and global fashionable topic due, among other reasons, to the recent financial and economic crisis and spreading globally corporate scandals. Given its multinational and interdisciplinary character and intangible nature, CR has been a frequent issue in many different disciplines, but scarcely present in the business ethics and moral field. This neglect is odd since an international good reputation is one of the most precious and valuable consequences of doing the right things and the things right. Main constructs like "corporate image", "identity" and "reputation" are often globally superimposed or confused. Since the 1900s various concepts about global corporate-wide international market have captured the imagination of world scholars and practitioners, as (corporate identity, corporate branding, corporate image, corporate reputation and corporate communications).

STATEMENT OF PROBLEM AND SCIENTIFIC LITERATURE REVIEW

Given that academic researchers contribute to the literature in a number of ways, all of these domains are necessary to extend knowledge and make a scholarly contribution in these areas. Scholarship comprises four dimensions: Scholarship of discovery; scholarship of integration; scholarship of application and; scholarship of teaching (Boyer, 1990). The scholarship of discovery is research that leads to new knowledge (Macfarlane and Spence, 2003). Scholarship of integration refers to research that synthesis knowledge and places it in its broader context (Boyer, 1990). Scholarship of application applies knowledge to problems (Macfarlane and Spence, 2003), whilst the scholarship of teaching involves using the principles of good research in teaching.

In recent years academics have produced important work on the area such as Abratt (1989), Albert & Whetten (1985), Balmer (1994 & 1995), Larçon & Rietter (1979), Ramanantsoa (1989), van Rekom (1993), van Riel (1992 & 1995) & Wiedmann (1988). Many of the above cited scholars mainly conclude that the global management of an organization's identity is one of strategic importance and requires an enormous multidisciplinary approach. Image (mental image) can be defined as the global state of mind that underpins an overt waste expression, through international language or other behaviour, which is the means whereby attempts are made to communicate that global image.

Thus, one definition of a firm's image is the internal collective state of mind that underlies its corporate communications efforts (successful or not) to present itself to others (Smith, 1993; Balmer, 1998). Reputation can mainly be defined as a global distribution of opinions (the overt expressions of a collective image) about a person or other entity, in a stakeholder or interest different group. Note that this global definition differs from the different usual dictionary definition of reputation as internationally. What is mainly generally said or believed about a person or thing's character". The question of definitions is dealt with in more detail in Bromley (1993). These groups vary according to how important they are to a person or organisation, how accessible they are and how susceptible they are to information and influence (Keen & Greenall, 1987).

Problem

Doing international business in China or with Chinese it is very important to have deep understanding on corporate identity, image and reputation, there are a key to doing China international global business, lack of theoretical implications can have serious misunderstanding in mutual business relations.

Purpose

The main purpose of this paper is to explore China's corporate identity, image and reputation in international business relations that reflects the dimensions of these constructs and represents their inter-relatedness.

Design/Methodology/Approach

The paper draws on China and western key literature relating to corporate identity, image and reputation.

Findings

The paper develops a framework that explains and aligns the drivers of China's corporate identity, image and reputation.

Practical Implications

No Chinese managers will be able to use the framework to help them align and optimize identity, image and reputation building efforts for international business. Future academics will be able to use the framework as a basis for empirical research in China and with Chinese.

Originality/Value

The article reconciles disparate views from a number of theoretical streams that have investigated identity, image and reputation develops a comprehensive China business framework.

Corporate Identity Paradigm as Strategic Resources of Key Elements

We define corporate identity as an organisation's strategic choices and its expression thereof. He & Balmer (2007) have identified four sub-perspectives of corporate identity: Visual identity, corporate identity, organisation's identity and organizational identity. Corporate Identity is an area dominated by multiple identity categorisations. Balmer & Greyser (2003) identified six separate corporate identity types: Actual identity, communicated identity, conceived identity, ideal identity, desired identity and the corporate brand identity. Organisation's identity is the defining characteristics of an organisation (He & Balmer, 2007). This is seen as the perceptions of the organisation's various stakeholders about the organisation: "The identity of the organisation". Organisational Identity refers to the identity of people within the organisation. According to Hatch & Schultz (1997), "Organisational Identity refers broadly to what members perceive, feel and think about their organisations. It is assumed to be a collective, commonly-shared understanding of the organisation's distinctive values and characteristics". Organisational identity is defined as the characteristics of an organisation that contribute to the distinctiveness and uniqueness of an organisation (Albert & Whetten, 1985). While He & Balmer (2007) are correct in identifying these four perspectives of Corporate Identity, we argue that visual identity is also part of the corporate brand as it forms part of what we term corporate expression. Balmer & Greyser (2003) identified six types of corporate identity; two of the types they mention, communicated identity and corporate brand identity are also part of the corporate branding decisions that an organisation has to make. In our model, communicated identity needs to be integrated with brand communication and corporate brand identity with the elements that form brand image. Our view is that corporate identity consists of an organisation's strategic choices and how it elects to express these. Strategy formulation and implementation is well documented in the literature (Barney, 1991 amongst others). Values expressed through various subcultures lie at the core of organisation and underpin the identity formation process (Abratt, 1989; Balmer & Gray, 2003; Aaker, 2004).

Corporate Reputation Paradigm as Strategic Resources of Key Elements

The domain of corporate reputation draws academic attention from the management, marketing, accounting, economics and sociology areas (Brown, Dacin, Pratt & Whetten, 2006). Corporate reputation is much more than corporate image or corporate identity as it involves a temporal dimension that the latter do not consider (Cravens & Oliver, 2006). Helm (2007) observed that no consensus has been achieved concerning the core meaning and building blocks of corporate reputation, although there is considerable agreement about the positive effects that stem from having a good reputation. According to Firestein (2006), reputation is the strongest determinant of any organisation's sustainability. While strategies can always be changed, when reputation is gravely injured, it is difficult for an organisation to recover. Reputation is rooted in the aggregated perceptions of the organisation's stakeholders (Fombrun, Gardberg & Sever, 2000). Fombrun & van Riel (2003) suggest that organizations with good reputations attract positive stakeholder engagement. A favorable corporate reputation results in business survival and profitability (Roberts & Dowling, 2002), is an effective mechanism to maintain competitive advantage and can aid in building customer retention and satisfaction (Caminiti, 1992) and obtaining favorable media coverage (Fombrun, Gardberg & Sever, 2000). Fombrun (1996) observes that managers should pay increased attention to building and sustaining their reputation for greater economic returns. What is not immediately clear is whether a good reputation leads to better returns or good financial performance leads to a good reputation. A study by Inglis, Morley & Sammut (2006). Failed to establish any relationship between reputation and performance. This is inconsistent with the findings of Rose and Thomsen (2004); Roberts & Dowling (2002). Eberl & Schwaiger (2005) who showed that strong reputations have a positive impact on future financial performance. Strong corporate reputations have also been positively associated with successful organizational relationships with clients (Ewing, Caruana & Loy, 1999). While the definition of corporate reputation is debatable, the one proposed by Gotsi & Wilson (2001) is instructive: "A corporate reputation is a stakeholder's overall evaluation of a company over time. This evaluation is based on the stakeholder's direct experiences with the company, any form of communication and symbolism that provides information about the firm's actions and/or a comparison with the actions of other leading rivals." Following a review of the corporate reputation literature, Walker (2010) defines corporate reputation as "a relatively stable, issue specific aggregate perceptual representation of a company's past actions and future prospects compared against some standard". Stakeholder theory recognizes stakeholders may vary in their expectations of a company (Freeman, 1984). According to Freeman (1984) "a stakeholder in an organisation is (by definition) any group or individual who can affect or is affected by the achievement of the organisation's objectives". Not all stakeholders have the same influence. Wheeler and Sillanpaa (1997) and Clarkson (1995) categorise stakeholders by the level and nature of their influence as primary or secondary ones. Either elements of their corporate identity will have to be changed or the brand expression will need to be tailored. Identification of the dimensions that drive stakeholders' perceptions of the organization is integral to successful reputation management (Gabbioneta, Ravasi & Mazzola, 2007). A review of the literature evidenced varied recipes that purported to comprise the dimensions of corporate reputation. Walker (2010) & O'Callaghan's (2007) state that these dimensions are issue specific for each stakeholder and/or company and a one size fits all approach to corporate reputation fails to consider the complexity inherent in managing corporate reputation. Dimensions used to assess corporate reputation include environmental practices (Toms, 2002), sound leadership and good

management practices including the personal reputation of top management, investments in good governance, competence development including training and relevant compensation packages (Dowling, 2004), engaging in socially responsible behaviour (Brammer & Paveline, 2004) and displaying high ethical values (Porter & Kramer, 2006).

Corporate Image Paradigm as Strategic Resources of Key Elements

Corporate image mainly integrates the corporate culture with the global and international process of main managing and it requires the best of the best leadership, communication and international training skills the organization can muster. Perhaps mainly, its global value as an international management tool is greater because it provides a main mechanism for the global organization to:

- 1) Differentiate itself from global competition;
- 2) Create recognized added-value to the products and services marketed or delivered by the global organization.
- 3) Attract and maintain customer global relationships in order to prosper in an increasingly competitive and constantly changing global and international marketplace.

“Corporate image” can be roughly defined as what customers believe or feel about the company (Bernstein, 1984). “Corporate image” is the sum of perceptions referring to an organization held by its external stakeholders (specifically, customers) (Bromley, 1993; Davies and Miles, 1998). The “image”, as a construct, is supposed to be composed of emotional and functional elements, in which the emotional side seems to be the prevalent one (Palacie, Meneses & Perez, 2002). In literature, the symbolic dimension of the image has been recently highlighted (Cian, 2011; Cian & Cervai, 2011). The “corporate image” construct, as it was just defined, has been mentioned in literature with the following labels:

- “Perceived image” (Christie, 2002).
- “Reputation”/“organizational reputation” (e.g. Brown et al., 2006; Scott and Lane, 2000).
- “Company evaluation” (e.g. Sen and Bhattacharya, 2001).
- “Corporate associations” (e.g. Berens et al., 2005).
- “Corporate evaluation” (e.g. Brown and Dacin, 1997).
- “Corporate identity” (e.g. Bhattacharya and Sen, 2003).
- “Transient impressions” (e.g. Gioia et al., 2000).
- “Conceived identity” (e.g. Balmer and Greyser, 2002, in their AC2ID model).

CONCLUSION AND FUTURE SCIENTIFIC RESEARCH

Mainly corporate identity and corporate branding together are the main key drivers of a global organisation’s reputation management. It is also highlight the main key role of different stakeholders in forming the global organisation’s various reputations. The main and global leadership needs to establish their corporate identity by asking and answering the different questions of when, who and what the global organisation is and what it seeks to be. This will set

the big stage to develop the waste mission, global vision and strategic intent. It will also create a big platform to articulate the main core values of the global organisation and establish an appropriate international corporate culture. It was argued that this is the first stage of the development of an organisation's global corporate identity. Corporate identity development is the formulation of what we term the organisation's corporate global expression. Corporate expression includes different decisions about the organisation's global visual identity, brand promise and brand personality and how these will be communicated across a lot of stakeholders groups. The Corporate image comprises all the global, international, visual, verbal and behavioural elements that make up the big organization. The Corporate image is a dynamic and profound affirmation of the global and international nature, culture and structure of an organization. This applies equally to global corporations, businesses, government entities and non-profit different organizations.

Further research into the international and global economic aspects of corporate reputation might reveal interesting findings regarding the different exchange process whereby reputations are made and unmade. Comparisons between different organisations with regard to their relative sizes, shapes and serial changes in their reputations, may also offer a further avenue for international research into the ecological (market share) aspects of global corporate reputation.

REFERENCES

- Aaker, D.A. (2004). Leveraging the corporate brand. *California Management Review*, 46(3), 6-18.
- Abratt, R. (1989). A new approach to the corporate image management process. *Journal of Marketing Management*, 5(1), 63-76.
- Albert, S. & Whetten, D.A. (1985). Organizational identity in B.M. Staw & L.L. Cummings (eds.), *Research in Organizational Behaviour*, 7, JAI Press, Greenwich, CT, 263-295.
- Balmer, J.M.T. & Gray, E.R. (2003). Corporate brands: What are they? What of them? *European Journal of Marketing*, 37(7/8), 972.
- Balmer, J.M.T. & Greyser, S.A. (2003). *Revealing the corporation: Perspectives on identity, image, reputation, corporate branding and corporate-level marketing*. Routledge, London.
- Balmer, J.M.T. & Greyser, S.A. (2002). Managing the multiple identities of the corporation. *California Management Review*, 44(3), 72-86.
- Balmer, J.M.T. (1998). Corporate identity and the advent of corporate marketing. *Journal of Marketing Management*, 14, 963-996.
- Balmer, J.M.T. (1994). The BBC's corporate identity: Myth, paradox and reality. *Journal of General Management*, 19(3), 33-47.
- Balmer, J.M.T. (1995a). Corporate identity: The power and the paradox. *Design Management Journal*, 39-44.
- Balmer, J.M.T. (1995b). Corporate branding and connoisseurship. *Journal of General Management*, 21(1), 22-46.
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 99-120.
- Bernstein, D. (1984). *Company image and reality*. A Critique of Corporate Communications, Holt, Rinehart and Winston, Eastbourne.
- Bhattacharya, C.B. & Sen, S. (2003). Consumer-company identification: A framework for understanding consumers' relationship with companies? *Journal of Marketing*, 67(4), 76-88.
- Boyer, E.L. (1990). *Scholarship reconsidered: Priorities of the professoriate*. JosseyBass, San Francisco.
- Brammer, S. & Pavelin, S. (2004). Building a good reputation. *European Management Journal*, 22(6), 704-713.
- Bromley, D.B. (1993). *Reputation, Image and Impression Management*. John Wiley & Sons Ltd., Chichester.
- Bromley, D.B. (forthcoming). *Notes on the concept of reputational space*. Department of Psychology, University of Liverpool.
- Brown, T.J., Dacin, P.A., Pratt, M.G. & Whetten, D.A. (2006). Identity, intended image, construed image and reputation: An interdisciplinary framework and suggested terminology. *Journal of the Academy of Marketing Science*, 34(2), 99-105.

- Brown, T.J. & Dacin, P.A. (1997). The company and the product: Corporate associations and consumer product responses. *Journal of Marketing*, 61(1), 68-84.
- Brown, T.J., Dacin, P.A., Pratt, M.G. & Whetten, D. (2006). Identity, intended image, construed image and reputation: An interdisciplinary framework and suggested terminology. *Journal of the Academy of Marketing Science*, 34(2), 99-106.
- Caminiti, S. (1992). The payoff from a good reputation. *Fortune*, 125(3), 49-53.
- Christie, D. (2002). *A trilateral model for the management of corporate image: An examination of the inter-relationship between an organisation, self-image, its projected image and its perceived image*. Doctoral Dissertation, School of Management, Faculty of Commerce and Management, Griffith University, Gold Coast.
- Cian, L. (2011). How to measure the brand image: A reasoned review. *The Marketing Review*, 11(2), 165-187.
- Cian, L. & Cervai, S. (2011). The Multi-Sensory Sort (MuSeS): A new projective technique to investigate and improve the brand image. *Qualitative Market Research: An International Journal*, 14(2), 138-159.
- Clarkson, M.B.E. (1995). A stakeholder framework for analysing and evaluating 22 corporate social performance. *Academy of Management Review*, 20(1), 92-117.
- Davies, G. & Miles, L. (1998). Reputation management: Theory versus practice. *Corporate Reputation Review*, 2(1), 16-27.
- Dowling, D.G. (2004). Corporate reputations: Should you compete on yours? *California Management Review*, 46(3), 19-36.
- Eberl, M. & Schwaiger, M. (2005). Corporate reputation: Disentangling the effects on financial performance. *European Journal of marketing*, 39(7/8), 838-854.
- Ewing, M., Caruana, A. & Loy, E.R. (1999). Corporate reputation and perceived risk in professional engineering services. *Corporate Communications*, 4(3), 121-128.
- Firestein, P.J. (2006). Building and protecting corporate reputation. *Strategy & Leadership*, 34(4), 25-31.
- Fombrun, C., Gardberg, N. & Sever, J. (2000). The reputation quotient: A multi stakeholder measure of corporate reputation. *The Journal of Brand Management*, 7(4), 241-255.
- Fombrun, C.J. & van Riel, C.B.M. (2003). *Fame and fortune: How successful companies build winning reputations*. FT Prentice-Hall, Upper Saddle River, NJ
- Fombrun, C. (1996). *Reputation: Realizing value from the corporate image*. Harvard Business School Press, Boston.
- Fombrun, C., Gardberg, N. & Sever, J. (2000). The reputation quotient: A multi stakeholder measure of corporate reputation. *The Journal of Brand Management*, 7(4), 241-255.
- Freeman, R.E. (1984). *Strategic management: A stakeholder Approach*. Pitman Publishing, Boston, MA.
- Gabbioneta, C., Ravasi, D. & Mazzola, P. (2007). Exploring the drivers of corporate reputation: A study of Italian securities analysts. *Corporate Reputation Review*, 10(2), 99-123.
- Gioia, D.A., Schultz, M. & Corley, K.G. (2000). Organizational identity, image and adaptive instability. *Academy of Management Review*, 25(1), 63-81.
- Hatch, M.J. & Schultz, M. (1997). Relations between organizational culture, identity and image. *European Journal of Marketing*, 31(5/6), 356-365.
- He, H.W. & Balmer, J.M.T. (2007). Identity studies: Multiple perspectives and implications for corporate level marketing. *European Journal of Marketing*, 41(7/8), 765-785.
- Helm, S. (2007). One reputation or many? Comparing stakeholders' perceptions of corporate reputation. *Corporate Communications: An International Journal*, 12(3), 238-254.
- Inglis, R., Morley, C. & Sammut, P. (2006). Corporate reputation and organizational performance: An Australian study. *Managerial Auditing Journal*, 21(9), 934-947.
- Keen, C. & Greenall, J. (1987). *Public Relations Management in Colleges*. Polytechnics and Universities, Heist Publications, Banbury.
- Larçon, J.P. & Reitter, R. (1979). *Structures de Pouvoir et Identité de l'Entreprise*. Editions Nathan, Paris.
- Macfarlane, B. & Spence, L.J. (2003). Redefining the scholarship of business ethics: An editorial. *Journal of Business Ethics*, 48(1), 1-6.
- O' Callaghan, T. (2007). Disciplining multinational enterprises: The regulatory power of reputational risk. *Global Society*, 21(1), 95-117.
- Palacio, A.B., Meneses, G.D. & Perez, P.J. (2002). The configuration of the university image and its relationship with the satisfaction of students. *Journal of Educational Administration*, 40(5), 486-505.
- Porter, M.E. & Kramer, M.R. (2006). Strategy and Society. *Harvard Business Review*, 3-16.
- Ramanantsoa, B. (1989). *Histoire et identité de l'entreprise*. Revue Française de Gestion, Janvier/Fevrier, 107-110.

- Roberts, P.W. & Dowling, G.R. (2002). Corporate reputation and sustained superior financial performance. *Strategic Management Journal*, 23(12), 1077-1093.
- Rose, C. & Thomsen, S. (2004). The impact of corporate reputation on performance: Some Danish evidence. *European Management Journal*, 22(2), 201-210.
- Scott, S.G. & Lane, V.R. (2000). A stakeholder approach to organizational identity. *Academy of Management Review*, 25, 43-62.
- Sen, S. & Bhattacharya, C.B. (2001). Does doing good always lead to doing better? Consumer reactions to corporate social responsibility. *Journal of Marketing Research*, 38(5), 43-62.
- Smith, P.R. (1993). *Marketing communications: An integrated approach*. Kogan Page, London.
- Van Rekom, J. (1992). *Corporate identity, ontwikkeling van concept en meetinstrument, in Riel*.
- Van C. & Nijhof, W. (Eds) (1993). *Handbook Corporate communication*. Bohn Stafleu Van Loghum, Houten.
- Van Riel, C.B.M. (1995). *Principles of Corporate Communication*. Prentice-Hall, Hemel Hempstead, UK.
- Walker, K. (2010). A systematic review of the corporate reputation literature: Definition, measurement and theory. *Corporate Reputation Review*, 12(4), 357-387.
- Wheeler, D. & Sillanpaa, M. (1997). *The stakeholder corporation: A blueprint for maximizing stakeholder value*. Pitman Publishing, London.
- Wiedmann, K.P. (1988). Corporate Identity. *als Unternehmensstrategie, wist*, 5, 236-242.