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MANAGING POSITIVE CORPORATE AND ORGANIZATIONAL IDENTITY

The ways of considering the question of identity in relation to organizations are various and research on it may be conducted on different levels: particular entity (being a member of an organization), social groups (which constitute organizations) or the whole organization [1, p. 113-121]. Nevertheless, numerous authors have drawn analogies from some of the concepts used to describe humans to endow organizations also with identity by drawing generally from psychology in the application of metaphor analysis. Such analysis is used in order to describe complex ideas and abstractions in a more comprehensible terminology, as well as for conjectural reasons [2]. However, disadvantages of the metaphorical approach have also been found as using human and social psychology for explaining organizational science may create distortions in views and limit understanding.

Hence, Cornelissen J.P. suggested classifying various approaches to the metaphor of "organizational identity" and distinguished six basic research traditions: organizational communication, organizational behavior, cognitive framing, institutional theory, discursive psychology, and social identity [3, p. 683-709]. For this arrangement, three dimensions were used, such as language (extent to which organizational identity is determined by the language used by organization members), behavior (extent to which shared values, used practices or existing artifacts constitute coherent organizational identity) and cognition (extent to which the way of perceiving an organization by its members influences the organizational identity).

These research traditions do not necessarily appear in their basic shape as practice researchers often tend to combine different approaches.

Moreover, the metaphorical analysis of the identity of an organization gives rise to a certain confusion among researchers. It is therefore necessary to make a distinction between notions like organizational identity, corporate identity as well as corporate identification.

Sustainable, competitive advantage, as the Holy Grail in strategic management and practice may be built by managing how an organization is perceived as well as its corporate identity as a holistic construct enveloping most salient aspects of organizations is an important avenue to achieve this [2]. Corporate identity is a distinctive and defining characteristic of an organization. It is an expression of the organization's sameness, distinctiveness and centrality that is rooted and most evident in the behavior and verbal reports of organizational members [4, p. 218-239; 5, p. 349-376; 6, p. 377-403; 7, p. 469-509]. Albert and Whetten [8] argued that the distinctive features of an organization are characterized by those organizational attributes that are central (central character), distinctive (key differences) and enduring (the unchanging nature of an entity) [9, p. 35-54; 10, p. 10].

Later, empirical studies found that organizations that have survived for long and outperformed their competitors have a homogeneous and intense identity, which at the same time is complex and abstract enough to survive over time [11]. Corporate identity has to be simultaneously loose and tight coupled for it to survive long and can be a source of competitive advantage [12].

Discovering and defining corporate identity management makes general statements about the central characteristics (core values) of an organization. These characteristics constitute the set of meaning that management wants employees to use in viewing, describing and relating to an organization. The key differentiation between organizations lies not in the general core values statement (many companies have very similar or nearly the same core values) but in the effectiveness of transmitting the chosen corporate identity to employees and other stakeholders. The instrumentarium for corporate identity and management of transmission to employees and other stakeholders is Management by Values (MbV).

Management by Values is a process of managing corporate identity and transferring the organization's core values from one management generation to another by taking over responsibilities resulting from core values and their protection in the name of and for the benefit of the organization and its members through their institutionalization in a morally positive manner [13]. The development of particular phases (stages) of Management by Values has been presented in table 1. [13, p. 39-41].

Table 1

The characteristics of Management by Values process phases

Management by Values phase	Phase component	Characteristics
Discovering core values		Values should be discovered by the owners, senior management, managers of organizational units and employees. The discovered values should be: authentic, shared, constant, few, guaranteeing the development of individuals and the organization
Development of core values	Description of core values	• the organization level • the organizational unit level • the employee level
	The definitions of behavior	The definitions of desirable behaviors should concern the organization level, the organizational unit level, and the employee level.
	Formulating the declaration of core values	The declaration of core values refers to customers, shareholders, local communities as well as partners. It should be clear, fascinating, triggering pride among the employees, arousing interest
	Communicating core values	The recipients of messages concerning core values are: employees, customers, shareholders, local community, as well as partners. The communication tools include: declaration of core values, involvement of top management, language, internal publications (posters, newsletters, brochures), myths, stories, tales, culture patterns and models, symbolism (architecture, physical, status symbols)
Institutionalization of core values	Implementing core values	Involves: • Creating organizational structure with clear division of responsibility and power for the implementation of a given core value • Creating standards for the purpose of measuring the degree of core value implementation in each activity of the organization • Creating systems for the purpose of achieving a high level of core value implementation in order to regularly monitor the degree of core value implementation.
	Protecting core values	Comprises: • Recruitment (cultural adequacy of a prospective employee) • education (brochures, letters, recording company history) • training (teaching competency skills indispensable for the implementation of particular core values) • explaining core values (declaration of core values, formal and informal talks, training and informative programs, audio-visual materials) • motivating (formal rewards – promotion, bonuses, informal rewards – praise, letters of recognition, certificates, diplomas)
	Controlling core values	Regular monitoring of core value implementation level through checking compliance between employee behaviors and the behavior patterns assigned to core values
Redefining core values		Supplementing core value sets or changing their definitions that result from e.g. a merger, alliance, changes in the organization environment, development, organization expansion, the atmosphere of distrust and hostility, cynicism and pessimism inside the company

The objective of positive corporate identity management (through Management by Values) is to acquire a favorable corporate image and consequently a positive organizational identity among employees so that, in the long run, this can result in the acquisition of a favorable corporate reputation, which leads to

employees displaying positive behavior toward the organization [2] as organizational identity can influence individual behavior but also individual behavior can influence the organizational identity [14, p. 53-73].

Mark Twain once said, "It is curious that physical courage should be so common in the world and moral courage so rare" [15, p. 214].

The development of corporate identity as well as its effective Management by Values, does not guarantee an organization to be free from corruption and unethical behaviors. Numerous cases of vulgarization of this process (sects, mobs) are known from managerial practice. Undoubtedly, core values may be cultivated in a morally negative, neutral as well as positive way.

Dutton *et al.* [16, p. 242] say that employees who identify strongly with the organization have a close psychological attachment that results from "adopt[ing] the defining characteristics of the organization as defining characteristics for themselves".

Because an individual's self-definition is closely tied to his or her perception of the organization's definition, the avoidance of action that is deleterious to the organization, such as corrupt behavior, is a matter of self-identity preservation. I should note, however, that if a member perceives the interest of the organization to diverge from those of outside stakeholders, strong identification may more effectively control corruption against rather than on behalf of the organization – a consequence included in descriptions of the "dark side" of organizational identification [17, p. 710-729].

The formal, ethical infrastructure as well as its external mechanisms, cannot protect a company from corruption. Each regulation, formal system, as well as knowledge itself, has its limitations. Within the process of ethical and moral decision making (behaviors of an individual and organization) and beyond those limitations, there is only and as much as a human being with his/her knowledge experience, character, value system, moral and social intelligence, etc. Hence, it can be supposed that in order to manage the positive identity of an organization, emphasis should be placed on the company's morality development (through moral competences development of managers and employees and a high level of implementation of the Managing by Values process) as well as on responsibility and respect toward the law and external regulations. No institutional reforms or internal infrastructures and systems will guarantee a good, moral and law-abiding state or company. The wrong culture as well as the wrong customs will pervert even the best institutions or systems sooner or later. The problem is that, despite it being relatively easy to change, improve or correct the infrastructural dimension of an organization, it is hard to reduce the risk caused by the human factor as it has its roots in culture. Although the culture of a company is resistant to changes, it is imperative to try to do this because despite the diagnosis of a contemporary corporation by J. Bakan [18], good people are able to change bad enterprises but they need to possess the capacity and skills to do so. It appears that corruption and scandals are not caused by lack of intelligence but by lack of wisdom or virtue [19, p. 258].

Honesty, a willingness to do the right thing and rules assimilated at home or at school alone are not sufficient to make proper moral decisions. Predicting which actions shape economic and social order and to what degree not only depends on moral sensibility and intuition but must also be based on sound knowledge [20, p. 105-112] or on managers' own experiences [21, p. 64-76].

We cannot assume that a manager will shape his/her capabilities only in relations with family or friends. The role of education on the academic level is also crucial as this is where the future manager, apart from gaining abilities to create business plans and balanced scorecards, should also form his or her moral, social and emotional competences. Hence, for over 10 years the role of various kinds of intelligence used in enterprise management has not been declining but has been strengthening, as can be seen on the example wherein three international conferences (Spain, United Kingdom, Republic of South Africa) were organized in 2007 during which leaders of global corporations (such as American Express or Hewlett Packard) presented their achievements in measuring, developing and managing moral and emotional intelligence [22]. A contemporary manager is not only an expert, but he or she's rather a wise person, who is not only mentally efficient but who is also able to distinguish between good and bad solutions since wisdom is highly connected with the ability to perform an accurate appraisal of what is possible, desirable and what is not appropriate. Hence, it can be may concluded that wisdom as an individual characteristic is the capability to accurately recognize correct values and to conduct, in accordance with them, the process of searching for the best solutions [23].

The most important skills for our collective sustainable well-being are moral competency skills; skills that allow us to honor the moral principles of integrity, responsibility, compassion and forgiveness.

Capitalism is not fundamentally an immoral and selfish system. It has been and may continue to be a flourishing economic system provided that people abide by the rules. What rules?

Adam Smith's rules are as follows: "Tell the truth. Keep your promises. Be responsible for your actions. Treat other as you would like to be treated – with compassion and forgiveness" [24, p. 11]. And be

wise. Only under such conditions will a manager be able to develop the positive corporate identity and cultivate core values in a morally positive way as well as effectively manage the organization with the aid of Management by Values.

Positive corporate identity is communicated through Management by Values to employees and other stakeholders. The critical point for the future ethical and legal behaviors of employees as well as of the whole organization is the way of interpreting the behaviors and actions of an organization by its employees.

As pointed out before, organization identity largely refers to how members perceive, think, and feel about their organizations and is "assumed to be a collective, commonly shared understanding of the organization's distinctive values and characteristics" [25, p. 356-365]. Organization identity is built by employees as a meaningful relationship between them and the organization in order to answer the questions of "who we are" [2], while corporate identity is a managerial viewpoint and signifies the role of management in discovering, developing and communicating the vision, core values, mission through a Management by Values process. Thus, "managers must expose and present these elements effectively to all organizational members (corporate identity) while attuning themselves closely to how all members perceive, think, feel and behave towards their organization (organizational identity)" [2]. Indeed, it can be stated with conviction that the way employees interpret the organization's behaviors influences their tendency to positive, ethical and legal behaviors through their positive organizational identity and positive identification.

Making sense of what an organization represents or cares about is never an easy task. Organizations are complex organisms with rich histories and diverse activities that challenge the members' capacity to make meaning out of what the organization does and why it matters. Organizations behave and act in a specific way and members punctuate and interpret ts actions to better understand their organization. One way in which members infer what an organization stands for is by parsing and interpreting organizational actions in response to specific events. Interpretations of organizational actions modify how members conceptualize the organization. Members interpret organizational actions based partly on their interpretation of the kind and degree of virtuousness of actions. "Virtuous organizational action" is the perceived exercise of collective behavior that indicates the organization is following core values that lead to some form of moral or ethical betterment [26, p. 34-59]. Organizations vary in the virtuousness of their actions and these organizational qualities make a difference for financial performance.

There is evidence to suggest that positive organizational identity and members' identification with and attachment to their organization partly result from the perceived virtuousness of organizational actions. In other words, if an organization conducts in accordance with its core values (walking the talk), and its behaviors are perceived by employees as humane, just, courageous, it influences their positive organizational identity (positive meaning that organizational members impute to their collectives), which results in an increase of positive behaviors towards the organization's positive word of mouth recommendations, an increase of ethical and legal behaviors of employees and of positive emotions of organization members and in the virtuous self-constructs of members.
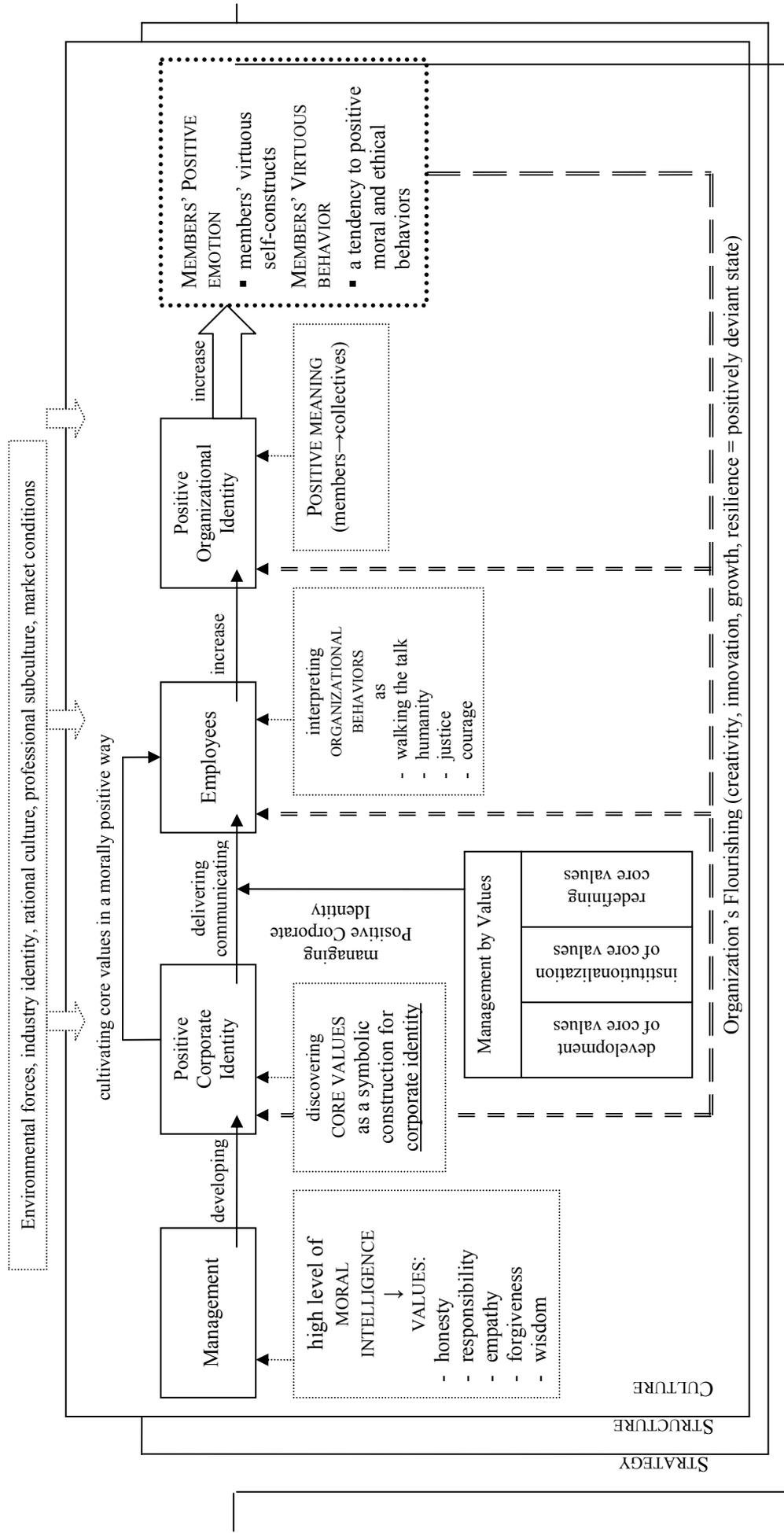
An organization's action is "walking the talk", while the positive corporate identity (core values) involves cultivating and managing by the Management by Values process in a morally positive way. Organizational action is humane when it involves helping and caring oriented toward organizational members or a larger society, through which they feel the worth of their existence and takes place when the organization treats its members with a dignity and respect that is based on moral and ethical reasoning. Moreover, courageous organizational action is one voluntarily taken by the organization in pursuit of "what is right" regardless of the risks it faces, which brings social well-being and moral betterment [26].

When an organization is characterized by the attributes described above, it has met all the conditions for it to be able to build an effective immune system to combat corrupt behaviors.

The main purpose of the paper was to attempt to answer the question: How to increase immunity to corruption?

The answer propounded in this study is that connecting organizational identity with positive organizational scholarship constitutes the key to understanding and building the respective system. The presented research draws from research on identity and positive organizational scholarship to argue that an organization can build effective immunity to corruption through developing and consequently managing positive corporate and organizational identity, which creates the moral frame for legal and ethical behavior of the organizational members and of the organization itself.

Fig. 1, presented below, reveals the posited the model of an organization's immune system capable of protecting against corruption based on positive corporate and organizational identity. As presented in the paper, consequent management of positive corporate and organizational identity through management by wisdom and moral intelligence can create the frame for immunity to corruption [19, 243-263].

Environmental forces, industry identity, rational culture, professional subculture, market conditions

MEMBERS' POSITIVE EMOTION
■ members' virtuous self-constructs
MEMBERS' VIRTUOUS BEHAVIOR
■ a tendency to positive moral and ethical behaviors

increase

Positive Organizational Identity

POSITIVE MEANING (members→collectives)

increase

Employees

interpreting ORGANIZATIONAL BEHAVIORS as
- walking the talk
- humanity
- justice
- courage

cultivating core values in a morally positive way

delivering
communicating

managing Positive Corporate Identity

Positive Corporate Identity

discovering CORE VALUES as a symbolic construction for corporate identity

developing

Management by Values

| development of core values | institutionalization of core values | redefining core values |

Management

high level of MORAL INTELLIGENCE →
VALUES:
- honesty
- responsibility
- empathy
- forgiveness
- wisdom

Organization's Flourishing (creativity, innovation, growth, resilience = positively deviant state)

CULTURE
STRUCTURE
STRATEGY

Source: author's study

Fig. 1. Conceptual framework for organization's immunity to corruption based on positive identity

Productivity and profit are consistent with virtuous behavior. Therefore, the author strongly believes that the combination of positive corporate and organizational identity (created by interpreting organizational actions as virtuous), with positive leadership can instill values, meaning and purposes in organizational life and help managers know they are not just the "cutting stone" but the "building cathedrals" in a process of organizational immunity to corruption. The road to organizational immunity to corruption is a very important but also a slow process, as in the example of the Cathedral of Notre Dame in Paris, it took 182 years to build this structure [19].

Thus, strong core values, goals and action plans are imperative and the combination of "head", "heart" and "soul" will constitute the groundwork for competitive advantage in business world.

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