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Identification in a Co-operative Community: Internal Marketing to Build Corporate Image and Reputation

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Abstract

A theoretical discussion of a structured approach to managing customer and service attitudes amongst service delivery people is developed. The service marketing and service management, quality management, organisation behaviour, and corporate communication literatures are examined.

It is generally argued that service quality perceptions and market- or business-consciousness of customers, delivery staff, and managers can have a profound impact on the business performance of a company in terms of what strategy is designed, knowledge of achievement, and level of satisfaction and feelings about value for money. Internal marketing has been widely adopted as an approach to creating and maintaining a climate of good service. The task for managers in the people-intensive industries is to recruit and keep good people. Knowledge workers individually possess ‘know-how capital’ (Lloyd, 1990) which is their skills, experience and aptitudes and their familiarity with the company’s business idea, its style of operation and its personality. *Corporate identification* is the cognitive connection that will ensure that some people come, make a commitment to stay and to contribute, whilst others come and go or do not choose to come in the first place. This term is synonymous with the currently popular notions of ‘buy-in’ and ‘winning hearts and minds’. It is no longer enough for an employee to perform tasks or obey orders. Each also needs to “believe” in the corporation and what it stands for and to “feel” for the work s/he is doing. The social and business significances of identification are discussed.

The concept of an internal marketing or internal relationship management system is discussed. This aims to engender corporate identification in terms of corporate image, personality, and reputation as a glue which binds together the knowledge workers into a coherent goal-oriented community with at least some sense of common purpose. Managers must create the context of a climate of good service if commitment to the business purpose is to become the currency of day-to-day work. The paper identifies the internal marketing meta-process as the dynamic communication structure for requisite interaction between sub-groups for coherence and co-operation in a community of stakeholders. A research agenda is suggested.

Keywords: reputation, competitive position, internal marketing, image, identification, co-operative community.

The Reputational Asset

Lloyd (1990) has discussed the need to recognise reputational assets and liabilities in corporate relations. In practice, managers place some value on reputation and image. This is illustrated by the following statement featured in a UK business programme recently, in which a car dealer was commenting on the impact of their radio advertising:

> *“I think we’re perceived as a quality company ..... which is the image we’re trying to project”.*

Lloyd has argued that each company should select with care and then try to cultivate a personality that is perceived to be honest, fair, responsible and “generally wellmannered", rather than have some other imputed to it. That is, image comes from identity.

Corporate Identification

Humans need involvement and identification with other humans. In the past, community was based on proximal relationships of co-operation - strength in numbers, in the sharing of tasks such as hunting, tending livestock, and cooking. Today, co-operative community (Halal, 1996) is rooted in much more psychologically open factors, such as feelings of acceptance and approval (status, etc.), and this requires some willingness to conform and to adapt to the needs of others in return for being considered an 'insider' and not an 'outsider'.

People need to identify with others and motivating causes or purposes. They need to feel that they can realise personal goals through a commitment to contributing to collective goals. Otherwise, why co-operate? The concept of competition has only limited validity, and may be nearing its 'sell-by date' (de Bono, 1993; Moore, 1996) despite a lengthy stay at (or near) the top of the economists' best-seller list. Affiliation in work is now a basic human need as the social institutions of community involvement - organised religion and extended family - have declined (Alvesson, 1993).

The view that identification is a powerful moulder of behaviour and attitudes is supported by Gatewood et al (1993):

> *"[organisation] members vary in how much they identify with their work organization. When they identify strongly with the organization, the attributes they use to define the organization also define them. Organizations affect their members through this identification process".*

Loyalty is a type of commitment that may be premised on the desire for reward, which may be calculative or affective. The latter is based on the desire for non-instrumental attachment to be achieved through internalising the values of the corporation (Argyle, 1989). What is required is a vision of a corporation which people want to work for (Hofman and Senge, 1993).

Both organising practices and recruitment policies can be manipulated to create a 'connected' (Senge, 1990) pool of people with personal goals which are aligned with those of the enterprise as a whole (business goals). The post-modern corporation is shifting from control to value-driven organisation.

> The author is careful here to avoid the use of the term 'organisational' which is used widely and infers that the 'organisation' is an entity. This is clearly challenged by Hosking and Morley (1991) who convincingly provide a case for talking of organising as the essential process to which management attends, (i.e. organisation = to organise, as a verb) and avoiding 'organisation' as a noun (as an organised body of people or an organised system). In this sense, 'organisational' (an adjective) may be used to refer to a facet of the process of organising (e.g. goals) but not as a possession of 'an organisation' (such as 'organisational culture'). Mitroff (1983) sees the corporation as a series of relationships between as series of parties, and not an entity. Berg (1986) also makes the point that modern management is value-driven, based on collective experiences and expressions. The collective is the basic unit, not the individual.

Effort to control the individual is giving way to management of the collective. By reframing the context of the corporation, the "value" of human resources (people, directed effort, knowledge, etc.) can be changed (Berg, 1986).

Communication is the basis of identification (Burke, 1969). Identifications affect cognitive schemata and decision heuristics (Heath, 1994). As humans we evaluate our position in relation to the values of others and may come to accept the goals of others as our own, thus bringing into close proximity, or overlapping, or even merging our selves/identities (Birtchnell, 1993). We come to our working arrangements (jobs, roles, employment contract, etc.) with a 'prior structure of preferences - a personality' (March and Simon, 1958). Identification is a means of gaining personal status. In many cases, prestige may come from sub-groups rather than from the whole enterprise. This encourages sub-group identification, but not identification with the total 'group' (business enterprise). Most people identify with their occupation and each other more than with their employing corporation. Thus, they interpret the meaning of their corporate environment in terms of their occupation and work group more than the corporation per se. How then can a sufficient degree of commonality and alignment be achieved to enable the business performance required of the total enterprise through active participation in the required tasks at the necessary level of effectiveness and efficiency (i.e. the production of excellent service)? How can wasteful and frustrating 'tribal warfare' (highlighted by Gummesson, 1991) be avoided?

Jensen (1997) asks to what degree are employees in general involved in the goals of the corporation? That is, genuinely identifying with the purpose and objectives of the corporation, rather than just displaying a 'necessary' instrumentalisation of personality traits? We are interested here in the person's identification with tasks, sub-groups, and the enterprise as a whole, as well as identification with customers (as part of a discernible 'special' sub-group which comprises insiders (colleagues) as well as 'outsiders' who have to be treated as 'insiders' in a given sell-buy situation). Strength of identification with the group influences the degree to which our goals conform to our perception of group norms. Identification can explain how alternatives are recognised by a member (Tompkins and Cheney, cited in Heath, 1994, p. 172).

> *"A decision maker identifies with an organisation (sic) when he or she desires to choose the alternative that best promotes the perceived interests of that organisation" (Heath, 1994, p. 194).*

The strength of identification with the group is determined, according to March and Simon (1958), by:

1. the perceived prestige of the group
2. the extent to which goals are perceived as shared among members
3. the frequency of interaction between members (also related to 2)
4. the number of personal needs satisfied in the group (also related to 3)
5. the amount of competition between members.

Forms of involvement to be found in the corporate situation are (Jensen, 1997): Pay; Skilled and professional achievement; Aesthetics; Community spirit; or, Social value. These are each contingent on identification with the working process and/or strategic concept of the particular corporation. Identification may be with the corporation, the job or work, a profession, other members, and/or with people external to the corporation. This may arise through symbols that bond, or through feelings of membership (e.g. employment, qualifications, financial relationships such as purchasing, etc.)

Productivity is the standard by which sub-group (work group, Division, Department, team, etc.) prestige is judged, and high performance leads to strong identification of a person with the sub-group. Groups that facilitate interaction and satisfaction of personal goals are more cohesive. Small work groups allow closure of interpersonal relations and this provides for greater identification.

Identification produces adoption of premises and assumptions. Sub-group identification implies the acceptance of, and conformity to, sub-group norms. Task group identification may be with a sub-group or extra-organisational group (such as a Professional Association). If a task is perceived as training or preparation of some other task(s), the identification with it will be weaker. Characteristics of the job (commonality of needs, level of technical skill required for the task, degree of autonomy in making decisions, range of skill needed), length of service, and mobility are also contributors.

Structure in organising results from identifications shared by members and by corporations and persons outside of them. Managers are assumed to take on the burden of creating identifications that shape the exchange of stakes (Heath, 1994). Tompkins and Cheney, (cited in Heath, 1994) wondered if it is the responsibility of the senior management group to “manage” identification.

Lewicki (1981) has observed the replacement of the "organisation man" by the "professional man" or even the "own man". Nowadays identification with another, be that a person, group, trade, job, or corporation, is an investment. Lewicki offers the concept of "organisational seduction" as the means for managers to gain commitment and loyalty from employees. Whereas this requires the making of a choice between allegiance to one's own values or preferences and those offered by the (corporate) seducer, identification is concerned with co-orientation - the values and preferences are one and the same (see Heath, 1994).

Images of the Co-operating Community

Beliefs and values of the corporate body may be entrenched, yet members may be unaware of them, until hey are challenged. Hale and Whitlam (1997) have modelled the behaviour of an ‘organisation’, showing that it’s members engage in internal dialogue regarding their actions. Stories are told of the way things are and this constitutes a self-image, which is also influenced by what is said by certain external parties. This dominant picture of what the corporation is may include perceived strengths, weaknesses, potential, and more. This is the collective beliefs and attitudes, which in turn influence how people act, in a self-perpetuating cycle as people do things and engage in conversations under the influence of experts.

A member of an organised enterprise will have two images of it (Dutton and Dukerich, 1991) which influence the cognitive connection that members create with their organisation and the kinds of behaviours that follow:

‘Perceived organisational identity’
- believed by the member to be distinctive, central, and enduring
‘Construed external image’
- what the member believes outsiders think about the organisation.

The author has extended this model to include the image held by the outsider (Outsider's External Image (OEI)). This is influenced both by product and service attributes and peoples' behaviour and expressed attitudes and values. Each member of the organisation also has a self-concept of himself or herself as a person.

Organisational identification is achieved when a person's self-concept has the same attributes as those of the perceived identity of the specific social (work) group of which they believe they have membership (Dutton et al, 1994). A person's images are unique and thus their beliefs may or may not match a collective identity that represents the members' shared beliefs about what is distinctive, central, and enduring about their group. Further, each member's interpretation of the external image may or may not match the reputation of the organisation held in the minds of outsiders. Figure illustrates the possible existence of image gaps (shown by an arrow).

There may be image gaps

There may be multiple perception/belief/value sets among the various stakeholder groups. All of these images may potentially interact, i.e. be mutually influencing.

In any given corporation (internal member)-other (external) stakeholder group dyad, gaps will exist between the three images, simply because no person can know the experiences and thoughts of others. We also assume that we know what others are doing and why – we attribute meaning and purpose. Different zones of meaning (Heath, 1994) will exist which have differing social realities. These are sub-cultures within the total system, at individual and departmental levels. The gaps can be mediated through managed communication which has identification and co-orientation and symbolic convergence (Eisenberg, 1986) as central concepts and purpose.

The self-concept mediates the behaviour and feelings of a person in a social context by providing interpretations of meanings, of phenomena, and so on. This may result in congruence between the values of the person and the social group (see, for example, Hall et al, 1970, cited in Dutton et al, 1994). Alternatively, identification may be seen as a process of self-definition (Brown, 1969, cited in Dutton et al, 1994). The latter case is consistent with an attitudinal perspective on commitment (Porter et al, 1974, cited in Dutton et al, 1994). Organisational identification is a form of psychological attachment, which may or may not be positive. There is not necessarily pride in association (e.g. consider the Bhopal disaster, Watergate scandal, Exxon Valdiz oil spillage, Challenger explosion, etc.).

Powerful members of the group (the dominant coalition) may engage in communication and influencing processes in attempting to create a collective identity for members – through rituals, ceremonies, stories, symbols. All are used to articulate claims of what is distinctive, central, and enduring about the group. The distinctive attributes are often implicit until challenged, until actions or performance are questioned, or until there is perceived inconsistency between actions and the collective (i.e. corporate) identity.

Collective identity stems from the set of beliefs that are shared by members (insiders). On the other hand, the beliefs of a person constitute their own perceived identity. Because socialisation to a collective view is (always) imperfect, perceived identity may differ from the collective identity. Perceived identity is a powerful image which influences the degree to which a member identifies with the group.

Why is this important for corporate reputation? The behaviour and attitudes of members can have a profound impact on stakeholder perceptions of the enterprise, especially amongst customers and employees who experience service encounters, and amongst others who receive signals from and through the communication media. Social identity theory suggests that members can change their behaviour by thinking differently about their employer and work situation. Behaviour change may come about simply through changes to the perceived identity or construed external image. Images of the organisation define the strength of a member's identification with the enterprise. This, in turn, determines connection or disconnection between organisation and member. Images created by impression management for outsiders (for example, customers, shareholders, legislators - through advertising, lobbying, etc.) also shape the experience, attachments, and behaviours of insiders. The solution is to coherently manage influencers of image creation to align presented identity with the experiences of the various publics. This requires a meta-process that is customer-focused.

Zones of Meaning

Heath (1994) provides in-depth discussion of the concept of "zones of meaning" to explain the interpretive schema or frames which people apply to their situation to generate meanings for the interpretation of actions, relationships, and expectations. These meanings are socially constructed – that is, they are negotiated in interaction in relationships. Once meanings are derived, people are able to enact with others in a social environment using a dominant theme which helps them to explain what goes on around them and how they should respond. Thus people interacting constitute the "structure" of the corporation. Zones of meaning are sub-cultures within the overall corporation. Thus, a department, project team, professional group, or informal group may be a zone of meaning. Managers need to examine ways of ensuring sufficient co-operative working for the achievement of corporate goals and objectives.

People assume that they know what others are doing and why – they attribute meaning and purpose to observed phenomena among humans. Individuals only partially share social realities, if at all. They think and act within zones of meaning. Similar social realities are needed to detect deception, conflict, or failure to co-ordinate efforts. But, the same knowledge and understanding is not required for co-ordination. Even when there is common understanding, co-ordination need not necessarily arise, since understanding is not the same as agreement. Co-ordination of efforts comes about through dialectic and rhetoric through which people define, influence, sanction, and reward each others' behaviour. Shared reality arises from a sense of meaning and thought embedded in language. Eisenberg (cited in Heath, 1994) provides three models which support the view that the real issue is co-ordination between differing social realities in organising. When two or more people can understand the same phenomena in the same way and be equally satisfied by their experience (or corrective actions can increase their understanding by gathering more data, and/or altering their interpretive framework or criteria for judging degree of satisfaction), they are said to be co-oriented and there is symbolic convergence. Culture carries evaluative frameworks that people obtain and negotiate in acting together. Differences in meanings may not allow co-ordination. Clarification and negotiation is required in the relationship to achieve sufficient agreement to allow co-ordination of efforts. To minimise differences in social reality, there should be communication among key stakeholders to create zones of meaning appropriate to the interests of all parties (Cheney and Vibbert, in Heath, 1994, p. 48).

Identification impacts on co-operative behaviour through feelings of co-orientation and interdependence. The more people identify with one another, the more their enactments are likely to be similar (Heath, 1994, p. 185).

Corporate Communication

Corporate Communication, comprising structured and managed c*orporate communications*, is integral to the manager's responsibilities and links to the core management function as 'impression management' (Crane, 1989; Giacalone and Rosenfeld, 1991; Bromley, 1993). Corporate communication translates corporate identity into a corporate image which has value to a stakeholder (Ind, 1992). The proportion of customer-oriented employees in the organisation's workforce can make a significant difference to its competitive position in the marketplace. Corporate identity is determined by the signals given by insiders - the symbols they choose, their communicative behaviour - their choices of communication method and content. These are their ways of realising their own personal goals, and they are mediated by each person's interpretation of the task at hand, and the supra-goals of the enterprise as known and understood.

Co-ordinated internal and external communications is an aspect of service quality in its broadest sense, since it is concerned with managing customer and other stakeholder expectations into line with organisational capability, and in ensuring that employees are knowledgeable in, and prepared for meeting, those expectations. Because asymmetries exist in the dissemination of, and access to, information on which to form opinions on reputation, the enterprise must actively signal its key characteristics to constituents (stakeholders) (Fombrun and Shanley, 1990). Publics construct reputations from a mixture of economic and non-economic signals from a range of sources in various forms. Customer service quality is increasingly one of these components. A relational perspective must be taken if actions and value are not to be taken as purely instrumental (Varey, 1996a and Varey, 1996b).

The field of Corporate Communication has yet to fully develop a clear conceptual framework which combines thinking on integrated (coherent) internal and external communications and relationships. Corporate image management, crisis management, issues management, and social responsibility have as yet to be fully converged in a single strategic management framework. This will provide an ethical society-responsive management system which can transcend purely economic values to provide for fair, honest, trust-based relationships.

Corporate Communication is viewed by the author as the integration of human resource management, corporate strategy, organisation development, public relations, and marketing management. Communication is managed from an organisational, managerial, and marketing perspective as a corporate competence. The perceptions of organisation members of their organisation, based on their attitudes and values, has an impact on the perceptions of external stakeholder groups - through the service deliverer's behaviour and values. In part, corporate image comes from the total experiences of dealing with the organisation's people (Kennedy, 1977; Barich and Kotler, 1991). Managers may attempt to ensure that the desired image is embodied in the behaviour of members, particularly those who interact directly with customers and other stakeholders. However, the "bosses illusion" is not uncommon. Here managers think they have understanding, acceptance, or agreement, when there is none. Members are able to suppress or display inauthentic emotions (the study of emotional labour is a growing field of managerial psychology (see for example, Mann 1998).

Personas are the communicative styles used to manage the impressions others form – they are the enactment of character. What each member of the corporate body does contributes to the Voice of the corporation, i.e. Voice is enactment (Heath, 1994). The aim of symbolic management is to create a clear, consistent, and coherent Voice. The integration of corporate communication means that members do not have to choose between speaking with their own 'voice' or that of the corporation. Each member then must identify their own voice with the Voice of the corporation.

Image management is intended to take some control of the reputations held of the organisation in the minds of significant 'key publics' (Grunig, 1992) who can influence the performance of the organisation. Indeed, in many markets where products are 'me-too' (highly undifferentiated) the ability to do this may be the real source of sustainable competitive advantage.

The Corporate Communication managing system (Varey, 1997) essentially provides the mechanisms for negotiating zones of meaning into some degree of compatibility through requisite interaction.

Corporate communication, including internal marketing, provides the means and policy for members to look in on the organisation as well as out to customers and other stakeholder groups (Dowling, 1994). Corporate communication shows the organisation to itself (Bernstein, 1984). As Dutton et al (1994) have shown, members' attachments (providing commitment and value-creating effort) to an enterprise group are fundamentally linked to the images of what the organisation means to them and what they think it means to others.

An organisation develops a 'corporate personality', through non-visual characteristics (Bernstein, 1984), when a set of interrelated factors are organised towards internal integration in psychological terms, i.e. :

> *"the organisation of various traits, feelings, attitudes, etc., into one harmonious personality ... the significance of some reasonably intuitive relationships between such factors as employee satisfaction, employee motivation, service quality, customer satisfaction, and, indeed, increased volume of business or profitability"* (Heskett in Czepiel et al, 1987).

As Berg (1986) has observed, for some organisations and markets the corporate image may be more important than the products or services provided, and human resources (people, skills, commitment, etc.) create and convey the image to the outside environment. Corporate image is the outcome of an expressive business strategy.

Corporate Personality - Identity, Image, and Reputation

Corporate personality is the perceived structure of preferences (March and Simon, 1958) which are exhibited in the behaviour of members and is ascribed to the collective by those who experience it (both insiders/members and outsiders).

Ind (1992) sees Corporate Identity as:

> *"the accumulation of a company's history and its strategies, evolving over time, and changed radically by significant events".*

Corporate Image, on the other hand, is:

> *"The picture people have of the organisation (sic), determined by its actions, and interpreted differently by each stakeholder".*

Outsiders rely on corporate reputations when making decisions about product purchases, job applications, and investments (Dowling, 1986). Reputation positions the enterprise relative to others and can realise premium prices by signalling key characteristics which are interpreted by stakeholders in terms of quality and status (Fombrun and Shanley, 1990). Organisations actively seek to create an 'image' of themselves that can also be used in managing internal processes (Berg, 1986, p. 566), many of which have corporate reputation as a product, effect, or outcome. Corporate identity, according to Berg, is the symbolic-affective aspects of the collective human resources of the enterprise.

Berg (1986) stated that:

> *"the value-driven organisation is based on collective experiences and expressions such as corporate pride, a feeling of identity, or a corporate spirit"* (p. 575).

Questions and observations which can authentically and reliably capture the corporate climate or culture will reveal the degree of identification with the 'corporate' purpose.

Symbolic Management

The development and utilisation of symbolic resources to accomplish a strategic integration of the corporate image, profile, and image of the corporation, has been termed "symbolic management" (Berg, 1986). Symbolic resources are the symbols, metaphors, concepts, and images of the corporate setting. Symbolic management finds the most effective and affective distribution of meaning and action patterns in the corporation to support the overall corporate mission. This makes it easier for the environment to become a part of the corporate sphere of interest. The purpose of such an approach to management is to produce a collectively shared frame of reference for action inside the corporation, and a way of facilitating the accreditation of the corporation in the outside world (Jensen, 1997, refers to this as "legitimisation").

According to Berg (1986) symbolic management has three components which converge traditional distinct spheres of management: corporate advertising; human resource mobilisation; and, internal marketing. These are now discussed, with an emphasis on, and redefinition of, internal marketing.

Corporate advertising is the way in which the corporation attempts to 'market' its strategies, policies, and culture to the outside world, and to create a strong image. This attempts to frame the context of the corporation's actions and to clarify corporate values and preferences, and to provide members with a total view – the 'big picture'. It is intended that this will lead to necessary change in attitudes, values, and beliefs.

The **mobilisation of human resources** is all action taken to increase strategic competence. This is intended to strategically orient and focus the activities of all members according to overall corporate strategy.

Internal Marketing, according to Berg (1986) is active market-oriented or business-oriented communication among the members of the corporation. He sees it as an important tool for the internal integration of strategic actions in framing strategic choices and delineating the territory of activity, to create a framework for action. This is intended to create a sense of cohesion ("we belong to the same tribe"), and is important in maintaining or changing corporate identity. Internal marketing, it is supposed, frames the individual tasks in the overall purpose of the corporation, to make jobs seem important, and leading to the 'purposing' of the corporation. This is the conscious attempt to infuse the corporation with selected dominant values, and again assumes that attitudes, values, and beliefs can and should be changed.

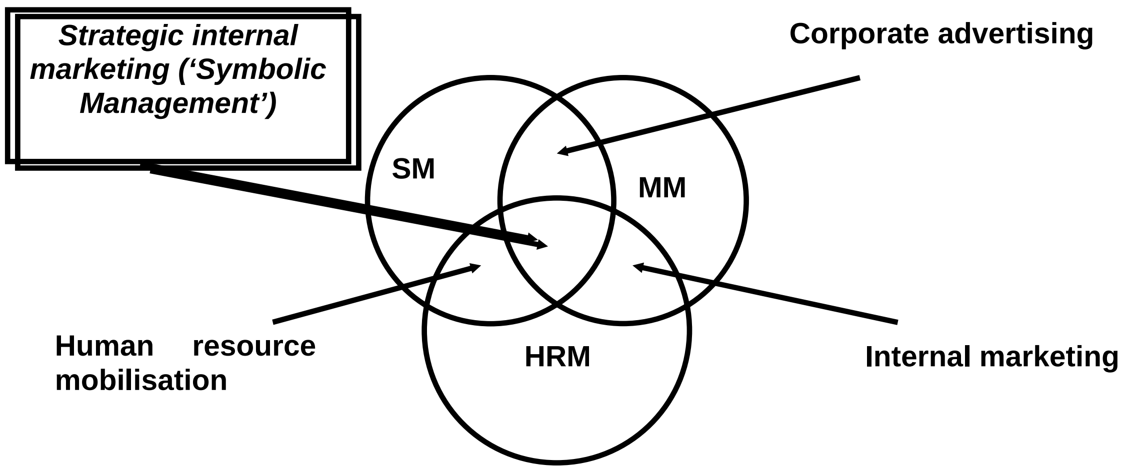
Does the paradigm of 'employees-as-customers' constitute internal marketing as the new employee relations, in which all are responsible for corporate reputation, rather than only managers? Most, if not all, employees are in a position to affect customers' behaviour and their perceptions of the organisation (Judd, 1987). Corporate identity (Moldenhauer, 1984; Olins, 1989; Balmer, 1993) and corporate reputation (Smythe et al, 1992; Dowling, 1994; Fombrun 1995) are increasingly seen as major strategic issues to be managed. There is more to the connection between members and their employing group than merely economic transactions (March and Simon, 1958; Varey, 1996a).

The image creation efforts of corporate marketers may not feel right to other members. van Rekom (1993) raises the case of employees who dissociate themselves from corporate advertising campaigns. The essential 'recognizability' of the enterprise is lost, resulting in loss of credibility. Basing promotional campaigns on the external image alone can be counter-productive. For example, market research had indicated that a Dutch bank should present itself as the "friendly bank", but when employees saw the advertisements, they went on strike. The Bank receive further publicity which showed outsiders and insiders alike that its staff did <u>not</u> want to be friendly (van Rekom, 1993). Communication for competitive positioning cannot ignore the identity of the enterprise, without incurring the risk of jeopardising its image. Corporate communications messages must be consistent with the *actual* identity. The formulation of, and response to, role expectations is a communicative process (de Levita, 1967, cited in van Rekom, 1993). Identity is thus a set of signals. Elements of identity are 'personality traits' - to be observed in behaviour - symbolism - communication. The signals are interpreted by others who form an image. The problem addressed here is this: how to reduce the gaps between the meanings attached to signals by the various stakeholders, especially those between members of the enterprise and outsiders. How can managers as 'corporate communicators' ensure that the chosen competitive position (Ries and Trout, 1986) is consistent and aligned with the identity of the enterprise (as seen from the perspective of 'insiders' as well as 'outsiders')? Even if the chosen 'position' (image) is right for the market (i.e. customers), why should it necessarily be right for other stakeholders?

Managed internal corporate communication, based on identity research (van Rekom, 1993) can go a long way to ensuring that the multiple perception sets from which Self Concept, Perceived Organisation Identity (POI) (belief about what the corporation is), Construed External Image (CEI) (what an organisation member believes outsiders think of the corporation), and Outsider's External Image (OEI) (what an outsider thinks of the corporation) are brought into better alignment. Two-way communication is necessary to match capability with demand: definition and negotiation iteratively provide mutual satisfaction. The aim of Corporate Communication is to reduce the 'perception gaps' through managed mediators. Internal marketing is a facet of Corporate Communication, based as it is on the concept of marketing as a voluntary exchange of value(s), is one such mediating process.

Internal marketing can be more appropriately thought of as the overlap of interests of the marketing, human resource, and symbolic management functions simply by casting marketing as a strategic management approach. *Strategic internal marketing* also includes the interests of strategic management (as defined by Berg, 1986, p. 566), and is concerned with goal-directed, planned and controlled symbolism. This notion differs from that of Berg, who saw internal marketing in a much narrower way (see Figure 1).

Figure 1: The Domain of Strategic Internal Marketing (adapted from Berg's (1986) Typology of Symbolic Management)



The Internal Marketing Process and Identification

Figure 1 models the connections between the three functions of corporate advertising, human resource mobilisation, and internal marketing, with strategic management, marketing management, and human resource management, in the sphere of 'symbolic management'. It is proposed here that the common purpose of corporate advertising, human resource mobilisation, and internal marketing is the achievement of identification among the various internal and external stakeholder groups of the corporation. These coinciding interests are served by Strategic Internal Marketing (SIM) which couples the zones of meaning of the groups (internal and external to the corporation) by enacting the perceived organisation identity in each group. The aim if Strategic Internal Marketing is to transform the CEI and OEI into a single image through coupling of internal zones of meaning to create a coherent 'voice' which is negotiated with external stakeholders' zones of meaning to form a unitary image, i.e. to close the gaps identified here. By bringing to bear the marketing concept of exchange of value, negotiation can be that of "co-operative antagonists" (Dozier et al, 1995, p. 99).

Berg (1986) was concerned that ‘internal marketing’ (in his terms, the joint interests of marketing management and human resource management) should not simply be corporate propaganda aimed at achieving conformity to the views and interest of the dominant coalition. In this regard, Martin and Powers (1983) provide an illustrative discussion of congruent positive corporate stories as a form of symbolic communication to achieve commitment to the corporation, with the particular case of IBM corporate culture (see also Wilkins, 1979). This concern is easily dealt with by taking marketing as the process by which offer and acceptance are negotiated. Marketing changes the offering to meet the needs of the customer, and operates through symmetrical dialogic communication. Marketing requires promotion and persuasion, but is not limited to this behaviour (Shimp, 1993).

The Internal Marketing System

The Strategic Internal Marketing mechanism can be operated as a holistic business management process or meta-structure to integrate the multiple functions of the corporation by ensuring that all employees understand and experience the business and its activities in an environment that supports stakeholder consciousness, and ensuring that all employees are prepared and motivated to act in a stakeholder-oriented manner. A system of inter-related marketing-like activities is operated with the following features (Varey, 1996a):

- A high level of involvement of organisation personnel in personal contact with customers as continuous satisfaction research reveals benchmark performance on how well service quality is perceived by customers relative to key competitors. The results are aimed at the service providers not exclusively for management consumption!;
- Regular employee interviews, focus groups and surveys to assess internal service climate and culture and obstacles to service quality improvements, and to identify key areas for action from the results of customer surveys;
- Visible performance measurement of each workgroup's contribution to the achievement of clear performance objectives for each key success factor;
- Individual service providers in teams designing the means of improvements which are funded by quality councils which operate at various levels of detail of the overall business organisation;
- Internal customer groups segmented by level of customer contact and information needs, as well as values and attitudes. Managers facilitate excellent service provision by designing and providing 'internal products and services' which enable and ensure the achievement of competitive advantage in terms of customers' priorities;
- Internal communications tailored to reinforce service quality to all groups and to specifying what is expected of them by stating specific measurable behaviours;
- Rewards for all based on measured personal internal service quality goals;
- Recognition of good service quality role models via internal communication channels and external media such as advertising which acknowledges outstanding service;
- Employees encouraged to communicate through genuine dialogue with customers by being freed from routine tasks;
- Personal development and training centred on service quality competencies and by using performance data collected aims to challenge assumptions about the customer's role and requirements;

- The manager's focus is on building supportive working relationships ('intimate co-operation') which break down and cross barriers between departments based on trust (good communication and realistic promises kept) rather than only on external customers. This requires development of mutual expectations;
- A framework of concepts and skills developed and used to deliberately and systematically improve the processes of the organisation which impact on service outputs and thereby service quality perceptions of customers.

Essentially, a relationship management system is developed, to create the environment and conditions in which identification is fostered and developed. People take on identifications consisting of identities, expectations, and interests (Heath, 1994). Identification exists to the extent that members think that they support the corporations goals and help it to achieve these goals (Heath, 1994) – members identify to the extent that it can help them achieve their own personal goals. Strategic internal marketing is a negotiated alignment mechanism, which seeks to bring zones of meaning into compatibility.

Becoming assimilated into corporation and to become representatives of it by coming, in varying degrees, to reflect it, entails adopting technical jargon and perspectives needed to interact with the other members. People must learn and share the idioms and meanings of the group in order to communicate (Heath, 1994). Kanter (1989) observed that people mostly make their commitments to projects rather than to their employers. Identification can be increased by enlarging the number of relationships (Bullis and Bach, 1991).

Brown (1969) suggests that when people believe there are opportunities for achievement and access to meaningful membership of the corporation, they identify more if there are no competing sources of involvement and identification. Negotiated, rather than prescribed, work leads to a feeling of involvement. People identify with and become committed to the corporation if they feel they have sufficient information to make decisions (Penley, 1982). People identify with one another when they believe their interests and identities are the same (Burke, 1969).

Berg (1986) identifies four types of symbolic resources that constitute the offer made in promotional marketing activity:

- Historical resources
- Basic values and ideologies, as expressed in corporate policies (internal marketing as dynamic policy deployment)
- Particular activities and events, such as anniversaries and celebrations
- Company lifestyle (ethos).

Berg (1986) suggests that human resources mobilisation programmes and symbolic rewards are becoming more important elements of modern management. These are each essential components of the internal marketing process. Birtchnell (1993) highlights that identification involves sharing both successes and failures.

Tables 1 and 2 provide the key to Strategic Internal Marketing objectives and performance criteria by examining the desired effects on the corporate working environment. These are the factors, identified by scholars of the concept of identification, which the management of identification must address. Specific marketing-like activities and goals can provide for requisite interaction based on exchange and co-operation (goal-sharing and group prestige), and help to construct a coherent Voice, thus making the enterprise attractive to those whose voice is compatible (Heath, 1994).

Some of the factors that affect the strength of identification suggested by March and Simon (Chapter 3, 1958) are listed and defined in Table 1.

Table 1: Influences on Strength of Identification

Group prestige	• its prestige with other people, based on symbols of success - group goal achievement, status level of members, visibility (distinctiveness, size, rate of growth). • individual standards - based on the norms of past and present groups, and on personal experience.
Frequency of interaction	• stronger identification leads to greater interaction and vice-versa • increased goal-sharing • increased number of needs satisfied • exposure to contact • cultural pressure/attitudes • homogeneity of backgrounds (perceived similarities) • size of the *community* (an autonomous social unit within which most personal needs are met).
Perceived goal-sharing	• similarity of present positions (assumed attitudinal similarity).
Number of individual needs met in the group	• permissiveness toward individual goal achievement (conformity as a cost of membership).
Amount of competition between a person and other group members	• independence of personal rewards • zero-sum games increase competition and reduce identification.

The term *corporate identification* is used here in preference to the term 'organisational' identification as used by March and Simon (1958, p. 73) for the reasons given earlier. Factors which positively influence the identification of a person with the enterprise or 'goal-oriented co-operative community' are identified in Table 2.

Table 2: Positive Influences on Identification

Length of service	• strong identification reduces the propensity to voluntarily terminate employment • new recruits tend to strongly identify with their employer • length of association affects quantity of interaction and level of need satisfaction
Vertical mobility	• expectation that ability will be rewarded by promotion – failure to achieve higher occupational status

	can be perceived as rejection by superiors, and thus negatively affect identification
Supervisory practices	• supervision which facilitates satisfaction of personal goals • general supervision • participation in policy decision-making • employee-oriented supervision
Attractiveness of the enterprise	• considerable interaction • perceived acceptance • permits satisfaction of personal goals • high in prestige, relative to those to which other family members or education/experience peers belong • distinguishable product • large number of high status occupations/people • rate of growth • limited personal experience

Implications for Managers

Such a mechanism for closely coupling the zones of meaning of the various stakeholders should not be limited to the internal groups. The total corporation is a set of nested sub-systems, each dealing with an external sector (Daft and Weick, 1984). The internal marketing meta-structure and process addresses the problem of coupling (i.e. co-ordinating the efforts of) the various zones of meaning, by emphasising and providing the mechanism for boundary spanning..

Managers must lead in this organisational superstructure to create a collaborative culture and to remove organisational obstacles (Halal et al, 1993). The managed internal communication networks can assist re-orientation and early recognition and response to external triggers for change (Fombrun, 1992).

There is a pressing need to seriously pay attention to internal image as well as external image, by soliciting, debating, and acting on the views expressed by insiders. This is the essence of marketing in the first market - employees (Sasser and Arbeit, 1976). Corporate Communication can enable insiders to take account of the expectations and interpretive schema of the various outsiders, and vice-versa, by engendering dialogue.

Whilst the creation of shared understanding may be an unrealistic expectation in organisational communication management, it may also be unnecessary (Eisenberg, 1986). What may be required is a shared vocabulary, derived through a dialectical process. Corporate communication is then a symmetrical, dialogical process of negotiation and adaptation.

Managers have to give employees a sense of the total company and its business environment, i.e. the ‘big picture’. They also have to listen to and appreciate their interpretations of it (Heath, 1994). Meanings must be the product of narratives enacted by managers with employees (Smircich, 1983).

Crucially, managers must be able to identify sources of, and understand the, reputations of the corporation in the various stakeholder groups.

A Research Agenda

A set of propositions have been constructed from the discussion of Strategic Internal Marketing as a management strategy for strengthening identification in the corporate environment. These propositions can form the basis of a research agenda by identifying potentially testable relationships between the various concepts and the link between adoption of such a strategy and overall organisational performance.

P1: If a stakeholder sufficiently identifies with the corporation or enterprise, they will want to enact with the other members, leading to a highly co-operative working environment.

P2: The corporation can be thought of as a network of coupled zones of meaning and as a system of interpretation, in which people communicate within and between zones of meaning to obtain and share meaning as well as to exchange information, so that the social reality of one zone can be understood and made compatible (but not necessarily the same) with that of another. This enhances co-operative capability.

P3: Strategic Internal Marketing provides the mechanisms for the closer coupling of zones of meaning.

P4: Internal marketing is a ‘parallel organisation’ (French and Bell, 1995) or meta-structured process (Halal et al, 1993) which works to align personal goals and interests with those of the insider collective and outsider interests.

P5: The Strategic Internal Marketing management approach of structured ‘marketing-like’ activities would increase identification by providing a mechanism and rationale (or philosophy) for explicit exchange through negotiation (two symmetrical communication).

P6: The marketing ‘offer’ with each stakeholder group is the negotiated corporate image for that group. Since this may require a specific identity, the ‘production’ effort focuses on the legitimate corporate identity for each group. This requires, in each case, a suitable vocabulary.

P7: The impact, on corporate reputation and value, of the gaps is likely to be incompatibility between differing zones of meaning, leading to unresolved conflict, poor co-ordination, competition, and dissatisfaction with the relationships between the parties.

P8: Perception gaps need to be closed by ensuring that those who ‘fit in’ are attracted to become insiders, whilst the ‘rules of the game’ are constantly challenged to ensure good fit between the various expectations of community publics (Varey and Gilligan, 1996).

P9: The effectiveness of an internal marketing approach in closing the gaps will be measurable in the extent to which it counters he tendency for zones of meaning to become differentiated and idiosyncratic.

P10: In accordance with Weick (1979), organisation is like a grammar in providing rules and conventions for social processes of interlocking behaviours. The degree of co-orientation can be raised through deploying a common (negotiated) vocabulary for a coherent 'Voice' and identity. This is achieved through strategic Internal Marketing which takes steps to frame the environment for co-operative action.

P11: Interpretations of stakeholders are determined by their zone of meaning which has its own unique vocabulary. The particular words and idioms are a perceptual screen that affect action and judgement. Each industry, department, or discipline has its own idiom. Corporate communication is a systems approach to negotiating zones of meaning into compatibility.

P12: People think of themselves as members of networks and sub-networks, more than of the total corporation. A strategic internal marketing process will require interaction to ensure the requisite communication to close the identity-image gaps which can be identified by examining the language used by stakeholders. Their topics of discussion correlate with identification, reflecting shared meaning.

P13: Those members of the network of interpretation who have multiplex relationships identify strongly with the corporation.

An empirical study of these practices is being designed, as part of a programme of research in the emerging field of Corporate Communication. The study will attempt to answer a specific question of importance to managers. Can a linkage between the proposed mechanism and marketing effectiveness and/or business performance and quality of working life be demonstrated? Is this explainable by the concept of identification? For the researcher the question is this: how can such a link be demonstrated by empirical work? This study would need to consider measures which could reveal resulting higher customer satisfaction, or greater loyalty, or sustained competitive advantage, or a more positive reputation, for those who adopted the approach, compared with those who did not adopt this approach. Managers, quite responsibly, always ask about the likely impact on the 'bottom-line'. Findings from the large-scale longitudinal IABC Excellence Study (Dozier et al, 1995) indicate that a "mixed-motive" emphasis on a flexible combination of one-way and two-way communication practices does positively affect corporate performance and employee satisfaction.

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