

## The Development of Corporate Identity: A Political Perspective

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**ABSTRACT** A corporate identity denotes a set of attributes that senior managers ascribe to their organization. It is therefore an organizational identity articulated by a powerful interest group. It can constitute a claim which serves *inter alia* to justify the authority vested in top managers and to further their interests. The academic literature on organizational identity, and on corporate identity in particular, pays little attention to these political considerations. It focuses in an apolitical manner on shared meanings when corporate identity works, or on cognitive dissonance when it breaks down. In response to this analytical void, we develop a political analysis of corporate identity and its development, using as illustration a longitudinal study of successive changes in the corporate identity of a Brazilian telecommunications company. This suggests a cyclical model in which corporate identity definition and redefinition involve power relations, resource mobilization and struggles for legitimacy.

### INTRODUCTION

The study of organizational identity has attracted a large literature (cf. Albert et al., 2000; Hatch and Schultz, 2004; Whetten and Godfrey, 1998). This interest reflects Gioia et al.'s claim that "the concept of identity is key to understanding modern organizations" (2000, p. 78). Yet there is little agreement on what the concept of organizational identity denotes, on a relevant theory, or on an appropriate methodology for studying it (Hatch and Yanow, 2006). Rather, as one authority has commented, 'anarchy reigns . . . even after more than 15 years of active conversation about organizational identity' (Harquail, 2004, pp. 141-2).

This paper offers a political perspective that addresses one of the theoretical challenges besetting the subject of organizational identity. The problem resides in the tacit insistence found within much recent analysis on an a-political treatment of what is a politically charged topic. The essence of our argument is that the study of organizational identity needs to come to terms with the fact that organizations are arenas within which conflicting as well as joint interests are pursued. A political perspective extends our

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appreciation of organizational identity from being a set of meanings to constituting a political claim and, in so doing, moves away from the quiescent" logic of identity construction found in much purely constructionist scholarship. An identity claim is informed by collective views as to what the organization's priorities should be. Such a claim requires the mobilization of political support and the garnering of legitimacy. That claim can subsequently be mobilized as an ideological resource in the contexts of further political processes and power relations. In developing this argument, we recognize the asymmetry in interests and the political and ethical discourses that respectively account for and justify the use of power in organizations (Khan et al., 2007; Ogborn, 2001). We focus on "corporate identity", which refers to the identity attributed to an organization by what is normally its most powerful group — senior (corporate) management (Greve and Mitsunashi, 2007). Just as governments are the subject of special attention within political science because of the differential power they normally wield in society, those in leading-organizational positions are similarly deemed worthy of particular attention. The distinction we are making here between corporate identity and organizational identity is comparable to that between corporate and organizational culture made by Linstead and Grafton-Smith (1992) and is elaborated in detail by Cornelissen et al. (2007).

The following section presents the essence of a political perspective on corporate identity. It also clarifies the concept of corporate identity, arguing that it is a particular, but important, form of organizational identity. Findings from a longitudinal case study of a major Brazilian telecommunications company called Telemig are then presented in outline.<sup>m</sup> The purpose of including this case study is to illustrate the application of a political perspective to corporate identity and to advance the argument insofar as the case suggests a cyclical model of corporate identity development that is driven by political factors.

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## **A POLITICAL PERSPECTIVE ON CORPORATE IDENTITY**

### **The Political View of Organizations**

The political perspective is deeply rooted within political and social science, and is far from novel within organization theory. Just as governments are the subject of special attention within political science because of the differential power they normally wield in society, those in leading organizational positions are similarly deemed worthy of particular attention. Within organizations, the role of internal coalitions and shifting forces of power has been central to the political perspective on organizations. Critical theory indicates how politics is infused in management discourses and how these reflect the preferences and positions of particular organization groups while marginalizing others (Alvesson and Wilmott, 1996). Studies of strategic decision making point to the role of leading groups or internal coalitions with sufficient initiative and power to define an organization's mission and develop the competencies appropriate to that mission (e.g. Hickson et al., 1986; Hitt and Tyler, 1991). Organizational decision-making has been studied explicitly as a political process (e.g. Pettigrew, 1973), while the dialectical view of organizations as comprising different conflicting interest groups traces its origins to a Marxist conception (Benson, 1977).

With respect to external relations, the 'resource dependence perspective' (Pfeffer and Salancik, 1978) observes that in order to survive an organization needs to secure the support of external resource-providers. In some cases, an organization requires institutional approval or support in order to continue. Such dependence does not rule out the possibilities of exerting influence on external parties through cooptation, persuasive lobbying and the other proactive measures that 'old institutionalists' like Selznick (1949) and political analysts such as Berger (1981) have identified. The study of pressure group politics (e.g. Bentley, 1908; Berry, 1997) also draws attention to how organizations can be used by those controlling them to articulate their interests externally to government officials and politicians. The 'strategic choice' perspective argues that the leading coalition or group in an organization attempts to implement policies that it values, and by implication to maintain a preferred organizational identity, through a political process of negotiation both within and outside the organization (Child, 1997). There is, then, a political tradition within organizational analysis that regards organizational attributes as reflective of the ability of powerful groups to negotiate with, persuade, or impose upon others to accept their preferred policies. Insofar as this ability varies over time in changing circumstances, a political perspective should help to account for variation in an organization's attributes including the identity that is publicly claimed for it.

### Limitations of an Apolitical Organizational Identity Discourse

Our opening assumption in this paper is that one of the limitations of much current discourse on organizational identity lies in its tacit insistence on an a-political treatment of what is a politically charged topic. Albert and Whetten's (1985) seminal definition of organisational identity as that which is central, distinctive and enduring about an organization served to launch the identity literature off on this a-political track. Their definition is holistic and contains an implicit assumption of consensus. Both centrality and endurance become questionable attributes if the possibility is acknowledged that an organizational identity could be simply the expression of a particular interest group and thus open to contest by other parties. Some have argued against this holistic notion of organizational identity from an interpretative perspective. They maintain that the identity of an organization is an essentially inter-subjective phenomenon residing in the perceptions and understandings of its various membership and stakeholder groups (Hatch and Schultz, 2002). According to Ravasi and Schultz (2006, p. 435), 'organizational identities reside in shared interpretive schemes that members collectively construct in order to provide meaning to their experience'.

The interpretive perspective thus acknowledges that different categories of social actor, such as owners, managers, engineers, workers, trade union officers and customers, may well have their own shared understandings of what an organization's identity is (Scott and Lane, 2000). These different interpretations can conflict (Brown and Humphreys, 2006; Pratt and Foreman, 2000). This, in turn, raises the question of how potentially divergent meanings are negotiated between organizational actors, and whether such negotiations are an impetus for organizational identities to change over time (Gioia and Thomas, 1996; Gioia et al., 2000). The interpretative perspective can in this way draw attention to essentially political issues concerning conflict over the identity

ascribed to an organization by different social actors and the potential exercise of power in resolving such conflict. In practice, however, it has usually, treated conflict in terms of cognitive dissonance rather than a divergence of interests.

The notion of 'social actor' has also been employed in the analysis of organizational identity at two different levels (Whetten and Mackey, 2002). At one level, insofar as an organization is a player within its industry, community and other segments of society it can be considered as a social actor in its own right (Meyer et al., 2006). An affirmation of what an organization's role in society is and should be constitutes a political statement about its identity since it denotes concern with "a cause<sup>1</sup> which is likely to reflect the interests of a particular stakeholder group. This identity can be expressed by 'strategizing and organizing' (Whittington, 2003) as well as by defining the organization's obligations to principals or stakeholders. At another level of analysis, however, an organization includes various categories of social actor among its stakeholders and employees. As the interpretative perspective has recognized, each of these actor groups may well attach a somewhat different, and possibly more specific, identity to the organization.

This dual level analysis presents a disjuncture between the notion that an organization's identity can be defined in terms of its having a clear role in society and the probability that its members and stakeholders may not agree upon what this identity is. Whetten and Mackey (2002) try to resolve the disjuncture by emphasizing areas of agreement over organizational identity, in terms of what they call 'shared identity claims'<sup>7</sup> [p. 399] and 'identity congruence' (p. 400). This, however, is to ignore the possibility of contest between social actors in their definitions of an organization's identity. It is, in effect, to adopt what Martin (2002) terms an integration perspective, which depicts only one of several possible situations and which draws attention away from the tensions that are likely to lead to the development of organizational identities over time.

A political perspective, which recognizes the role of interest and power, can help to resolve the apparent disjuncture in social actor analysis. In regard to *interest*, the political perspective would regard organizational identity as a set of attributes that social actors ascribe to an organization, but it would also enquire whether those collectively-held identities constitute claims which can further their interests. In other words, the political view can accept, along with most identity theorists, that definitions of an organization's identity derive from subjective interpretations but it would expect such interpretations to be informed by a sense of how that organization can serve the interests of the people concerned. Insofar as these interests vary for different categories of stakeholder, each group is likely to attach their own preferred identity claim to an organization.

In regard to *power*, a political analysis would recognize that in hierarchically-constituted organizations such as most business firms, power and authority are unevenly distributed. One particular interest group - senior management - normally has privileged control over an organization's material and informational resources, which implies that it is likely to enjoy greater power than other groups to articulate its identity claim for the firm and to project this both internally and externally (Anthony, 1994; Gurrie and Brown, 2003; Soenen and Moingeon, 2002). So, in effect, the representation of the organization as a social actor is likely to be heavily conditioned by the identity that its leading group articulates for it. This leading group is in an advantageous position to project its identity claim for the organization onto the identity of the organization *per se*

as a 'social actor'. It is *this* identity claim on which we focus in this paper, and to which we give the term 'corporate identity'<sup>1</sup> in order to *distinguish* it from the organizational identities held by other groups. Our focus on corporate identity is consistent with the approach adopted by Clegg et al. (2007), except that it does not assume, as these authors appear to do, that the identity expressions of the principals of firms can be equated to a more general organizational identity.

### **A Political View of Corporate Identity**

We use the term 'corporate identity' to refer to senior managers' definitions of their organization through characterizations of its central and distinctive features (Melewar and Jenkins, 2002; Moingeon and Soenen, 2002; van Riel and Balmer, 1997). In the case study to be reported, the question of 'for what and for whom the company stands' served as our main criterion of relevance to capture the leading group's definition of the organization's corporate identity. Conceptions of corporate identity are also evident in the categorizations and abstract concepts projected by corporate leaders (Ashforth and Mael, 1989; Cornciisscn et al., 2007). The corporate identity characterizations offered by senior managers are likely to reflect a perception of accountability to given constituencies, such as customers, employees, shareholders or the community.

Cornciisscn (2002, p. 266) comments that the notion of organizational identity is often used by managers as a political tool 'with the aim of giving [organizational members] some sense of purpose and directing their creative energies towards the realization of corporate objectives' (see also Haslam et al., 2003). As critical theorists argue, this managerial use of organizational identity is not always neutral or rational, since top management frequently acts as an ideological actor who strives to convince others that its priorities are for the benefit of the whole (Levy et al., 2003). By framing an organization in terms of a particular logic and order, corporate identity claims can inform and justify the managerial use of power to maintain that order (cf. Foucault, 1982; Knights and Morgan, 1991). They may also serve to justify the authority of the leading corporate group insofar as it is expected to take the lead in articulating an organization's identity and is remunerated highly for so doing. Moreover, in conveying a view of an organization's accountability, identity claims locate that organization in relation to interest groups within the wider society. Studies of social and organizational identity suggest that the process of defining a collective identity is political in nature, insofar as it serves to justify membership boundaries and power asymmetries (Ashforth and Mael, 1989; Haslam et al., 2003). Management discourses with reference to corporate identity denote 'politico-ethical projects' which articulate principles that serve to construct domination by empowering some groups while disempowering others (Khan et al., 2007).

Conceptions of corporate identity derive from a process of interaction and sensemaking between different corporate actors and the principals to whom they as agents are beholden. Such characterizations may not be entirely consistent among themselves or between different managers, although at the corporate level they are likely to have some common salient components. Also while the process of corporate identity formation is typically hidden to the researcher, corporate identity is nevertheless expressed in more public and accessible forms. These include written corporate statements as well as

narrative descriptions offered by corporate managers. The researcher's challenge is to understand these diverse expressions of corporate identity and make sense of them with the help of the extant literature. This corresponds to recognizing the value of a 'constructivist-interpretivist' position concerning the process whereby the identity is formed and the meanings that inform it, while at the same time adopting a 'naturalist-realist' position concerning the manifestations of a corporate identity (Hatch and Yanow, 2006).

It is also necessary to differentiate a corporate identity from an organizational or corporate culture. While an organization's culture can help to support the identity that its top management seeks to articulate, the two are not conceptually the same. Corporate identity is a characterization of the organization as a whole by top management, including the organization's role as a social actor. By contrast, an organizational culture is concerned with acceptable and habitual conduct *within* an organization. It denotes the beliefs, norms and collective rituals common among organizational members, or significant sub-groups (Brown, 1995; Martin, 2002). Top managers may try to foster an organizational culture that lends credibility to their desired corporate identity. However, that identity can be recognized by the organization's internal and external publics without their necessarily being aware of its internal culture. Moreover, an organizational culture is likely to be embedded in its customs and rituals and hence endure for longer than the corporate identity articulated by top managers. If the two are inconsistent, this could reduce the legitimacy of the corporate identity.<sup>111</sup>

There are several considerations that lead us to focus on corporate identity rather than on other organizational identities, and these derive directly from a political perspective. First, as already argued, the hierarchical nature of most organizations lends particular significance to the corporate definition of what an organization is. This informs actions taken by management on behalf of the organization, which impinge upon the understandings held by its members and external constituencies. Employees are encouraged to take corporate identity as a significant point of reference, and indeed some of its components may be directed specifically at them in an attempt to enforce their compliance (Alvesson and Willmott, 2002). In this way, as Haslam et al. (2003, p. 366) argue, it becomes 'a psychological and social reality' for organizational members.

Second, the dynamics of proposition and opposition around corporate identity claims are likely to play a particularly active and salient role in the process of organizational development and they may shape internal features such as strategy, organizational design and training. Corporate identity definitions established for an organization at its foundation and during its formative years may have an enduring impact, at least as a point of reference against which the legitimacy of subsequent changes is evaluated (cf. Stinchcombe, 1965). On the other hand, if a corporate identity and supporting policies negatively affect the self-esteem and interests of others, they are likely to oppose it (Brown and Starkey, 2000). This loss of legitimacy could lead to alienation and the mobilization of protest, thus jeopardizing the claims of the corporate identity. Non-managerial parties to an organization are not necessarily powerless. The discursive struggle around identities highlighted by Phillips and Hardy (1997) showed that power can be exercised by groups lacking formal power or control over resources through their creation of meaning in terms of offering an interpretation of what is going on in their organization. Their

collective mobilization around the articulation of a distinctive interpretation consistent with their interests secured for them a legitimate voice and hence influence. In other words, actors can put effort into ensuring that their interests have a voice within organizational discourse and, in so doing, challenge the dominance of a corporate identity and the managerial ideology that informs it (Brown and Humphreys, 2006; Poggi, 2006). Corporate identity is therefore liable to be contested, in some circumstances effectively.

A third consideration is that it is part of top managers' justification of their leading role to give a corporate identity greater salience than other organizational identities. They do this through the documents and reports they issue and through the public statements they make. This accessibility aids an investigation that is concerned to explore the processes that lead to identity articulation and development.

### **Corporate Identity Development**

Although attention has been paid to the issue of continuity and change in regard to organizational identity, we still have only a limited understanding of its development over an extended period of time (Gioia et al., 2000; Pevcrclli, 2004). Some studies have indicated the presence of systemic identity conflicts (e.g. Humphreys and Brown, 2002) and these offer useful leads. Changes in the definition of corporate identity can be stimulated by external pressures as interpreted by corporate managers (Ghreim, 2005). Divergence between the corporate identity of an organization articulated by its leaders and the identity conceived as legitimate by significant external parties such as government agencies or consumers has been said to give rise to an 'identity dissonance' (Chreim, 2002) or 'perceived discrepancy' (Gioia et al., 2000). If this is experienced as an 'identity threat' by those leaders, it will encourage them to revise the organizational identity they hold and articulate (Elsbach and Kramer, 1996). When such dissonance or discrepancy arises, there are likely to be managerial responses aimed at restoring consistency between projected and attributed identity (Gioia et al., 2000). Nevertheless, should management seek to redefine a corporate identity, employees may organize resistance in order to preserve what these elements they value in that identity (Ravasi and Schultz, 2006). Equally, a negative reaction by the members of an organization against the prevailing corporate identity could generate pressures for it to change if their stance is supported by strong collective action mobilized by a labour union or occupational association.

Notions of 'identity dissonance' or 'perceived discrepancy' contribute useful insights into the process of corporate identity formation. These insights can be strengthened if their analytical grounding on cognition and interpretation is extended to include the political considerations of interest and power. In regard to interest, a dissonance or perceived discrepancy between a corporate identity and other organizational identities, or between a corporate identity and managerial behaviour, may affect the legitimacy of the practices it is intended to reinforce, and generate mistrust in management's capacity or willingness to satisfy the interest of other parties. That could encourage mobilization by groups and individuals who feel their interests are threatened.

Identity dissonance may also stimulate the exercise of power. Insofar as managers take active measures to reduce dissonance between their definition of an organization's

identity and that held by others, they require resources to research the nature of the dissonance, activities to create and project a new or reinforced identity message and, not least, efforts to formulate organizational policies and practices that support the identity. These measures depend on their power to command and coordinate organized activities and appropriate resources. The persons at the top of organizational hierarchies have the internal authority to initiate these measures, but unless an organization is autonomous and self-financing, they may also require the approval of owners and other resource providers. The more that organizational leadership depends on external approval, the more such approval is likely to be necessary for the viability of a corporate identity that the leadership is seeking to project (Pfeffer and Salancik, 1978). Similarly, in circumstances when the reaction of internal stakeholders to an identity claim is unfavourable, the power they may have to oppose this claim has implications for its sustainability and perhaps the continuance in office of the incumbent top management team.

A combination of high dependence on external support and collective employee power is often found in organizations, such as the one reported in this paper, that are located within the public sector or subject to public regulation. As LaPalombara (2001, p. 565) comments, 'politics in both the organizational environment and political organizations actually infuses even' aspect of what public-sector organizations are and what they do. These considerations indicate that it is simplistic to regard the construction and maintenance of an identity claim just as a process of arriving at a collective agreement on shared meanings. For, if a corporate identity is the product of political manoeuvring, its social construction has to be understood as involving power relations, resource mobilization and conditional legitimacy.

### Mobilization and Legitimacy

These considerations call for an analysis in which top managers' ability to construct and sustain a definition of corporate identity is not taken for granted. Political analysis suggests that this ability may depend importantly on two factors: mobilization and legitimacy. *Mobilization* is a concept often applied to the development of a collective consciousness and the energizing of action in social and political movements (e.g. McCarthy and Wolfson, 1996; Newton, 1999). Rowley and Moldoveanu (2003) propose that stakeholder group mobilization will be enhanced both by a sense of common interest and common identity. This suggests that acceptance of a collective identity and group mobilization may be mutually reinforcing factors.

Two kinds of mobilization are potentially relevant to understanding corporate identity development. The first concerns the activation of conditions that sustain a particular corporate identity discourse, including its modification in order to reduce identity dissonance and threat. These conditions are likely to include both material and ideational supports. External material supports could include the provision of financial resources and institutional support in the form of mandatory freedom to pursue policies and practices consistent with a given identity claim. Internal material support could include the allocation of investment towards socializing employees to accept a corporate identity claim through propaganda and training. The political ideology dominant in a society, such as neo-liberalism, could provide an important ideational support for a corporate

identity claim, feeding into its content and rationale. Mobilization often involves the formation of coalitions and/or the cooptation of support from outside the organization, and these are likely to have particular relevance for an organization providing a public service. The classic case in the literature is the Tennessee Valley Authority (Selznick, 1949). Greenwood and Minings (1996, p. 1040) refer to mobilization as 'the act of leadership', and this reinforces the argument that an understanding of the process by which a given articulation of corporate identity is constructed and reconstructed requires a primary focus on an organization's corporate management.

The other kind of mobilization might more precisely be termed 'counter-mobilization' (cf. Burnham, 1970; Green, 1984). It is the mobilization of forces opposed to a prevailing corporate identity, for instance by NGOs or organized labour. While these forces may be purely oppositional rather than offering a well worked-out alternative identity for the organization in question, they could hasten the redefinition of an existing corporate identity if they were motivated by a denial of that identity's legitimacy and supported by effective collective action. Counter-mobilization may also depend on material resources such as XGO and union funds, and on ideational ones such as former UK premier Edward Heath's memorable phrase 'the unacceptable face of capitalism'. Examples of counter-mobilization include Greenpeace's campaign against Shell concerning the disposal of the Brent Spar oil rig and the British GMB union's campaign against the employment-reducing effects of acquisitions by private equity firms.

*Legitimacy* is the second relevant concept. Within the sociological tradition, legitimacy denotes a condition of positive valuation and acceptance enjoyed by persons in positions of power, and by the organizations through which that power is exercised, with particular reference to the policies and actions they undertake (Bierstedt, 1964). Habermas (1975) maintains that 'legitimacy crises' arise when those in power are unable to meet social expectations. Suchman (1995, p. 574) argues that applied to organizations, 'legitimacy is a perception or assumption in that it represents the reaction of observers to the organization as they see it'. It reflects the extent to which an organization's goals and actions are congruent with wider social values, norms and beliefs (Parsons, 1956; Pfeffer and Salancik, 1978). The degree of legitimacy accorded to a corporate identity may be taken to refer to how far it is positively accepted by other groups or stakeholders within the organization or outside it. The legitimacy of an organization's corporate identity claim may also depend importantly upon institutional approval in sectors such as telecommunications in which the state has a stake in the ownership of member organizations, or acts as their regulator in the public interest (Powell and DiMaggio, 1991). Thus 'conscious and explicit attempts on the behalf of the organization to justify what it is and what it stands for' (Christensen and Cheney, 2000, p. 248) are aimed at securing legitimacy for the ideas behind a corporate identity and the actions associated with it.

An identity claim gains legitimacy when it is embedded in discourse that relates sympathetically to the wider context (Suddaby and Greenwood, 2005). This discourse can be informed by an ideology and/or articulated by a social movement. Legitimacy has also been associated with successful recipes (Gagliardi, 1986) and can be enhanced by evidence of consistency between claims and stakeholder expectations (Gioia et al., 2000). The evaluation by stakeholders of a corporate identity claim will inevitably be associated with the legitimacy that they accord to the authority of an incumbent corporate

management. A withdrawal of this legitimacy could arise from various developments, ranging from broad changes in wider socio-political sentiment to a specific failure by top management to deliver good organizational performance. The severe criticisms that firms like Gap and Nike faced concerning employ-merit conditions in their developing country sub-contractors' factories illustrate the impact of changes in public sentiment in their domestic economies. A lack of legitimacy, especially when combined with counter-mobilization against a prevailing corporate identity claim, is likely to generate pressures for that identity to be changed. Insofar as legitimacy is a cognitive process through which an organization or its actions are regarded as consistent with taken-for-granted assumptions (Zucker, 1977), the extent to which continuity is preserved within a changing corporate identity may help to preserve its legitimacy (cf. Child and Smith, 1987).

A political perspective thus draws attention to the conditions under which support may be mobilized for a given articulation of corporate identity, while at the same time allowing for opposition should that identity fail to gain legitimacy among non-corporate groups. It suggests a number of factors that may be relevant, for an understanding of changes in the articulation of corporate identity. They include the circumstances under which a collective identity first emerged including the interpretations of an organization's founders, and the support they mobilized. Other factors include subsequent events leading to identity crises, including a loss of legitimacy among stakeholder groups, the ability of organizational leaders to adapt to such crises, and the power of corporate leadership to prevail with their preferred claim relative to the power of other groups to oppose it. The political perspective is a dynamic one that points to a developmental process in the articulation of corporate identity. This process is now illustrated through reference to the case of Telemig during the period from its foundation in 1973 to its demise as a legal entity in 2000"

## THE CASE STUDY

### The Ontology of Corporate Identity in its Political Context

As indicated earlier, we adopted the middle ground suggested by Hatch and Yanow (2006) in respect of the ontological status of corporate identity. This middle ground envisages 'a social reality [that] is socially constructed *and that* the world, both social and natural, exists independently of any of us, even though we only know it through interpretation' (p. 42). While a corporate identity is a socially constructed reality (Berger and Luckmann, 1966), it has an existence and, more importantly, consequences that become to some degree independent of the process by which it was generated. A corporate identity cannot be confined only to managerial discourses (Haslam et al., 2003). While a corporate identity is an expression of the distinctive set of meanings that is attached to an organization by its corporate leaders, this subjectively-held meaning-set can be expressed by, or be projected into, public documents and statements of mission and philosophy that have a more objective ontological status. Moreover, there may be mutuality between senior managers' characterizations of their organization and its objectified routines. These characterizations may be sedimented into routines which in turn become tangible points of reference for an articulation of what an organization is.

The social construction of a corporate identity is, however, limited in that it is the expression of a certain group that does not capture or even recognize the potentially conflicting and contested nature of the identity claims being made. Documents issued by particular groups need to be interpreted in the context of other organizational members' accounts of corporate identity\*. The extent to which other parties to an organization contest a corporate identity can only be revealed by reference to accounts emanating from outside corporate management. Therefore while documentary evidence could reveal differences in the characterization of corporate identity over time, sole reliance on such sources could be misleading, giving a false impression of artificial consensus and unity. Reference to narratives and discourses, on the other hand, allow us to understand corporate identity as a contested creation of meanings that are far from neutral within the ambit of organizational politics. Meanings are embedded in groups and individuals frameworks of self-interest and therefore, are subject to forces of mobilization and counter mobilization. Moreover, an understanding of identity in its context and its transformation through time necessarily demands interpretation by the researchers. It involves the co-production of meanings between the researchers and its subjects whereby knowledge emerges from a continuous dialogue between data and scholarship. In short, understanding identity from a middle ground approach requires the use of multiple sources.

### **Sources and Method**

We therefore proceeded on the basis that the descriptions of, and claims about, an organization's central characteristics that constitute a corporate identity are present in senior managers' spoken narratives as well as in documents they issue (Hardy et al., 2005; Humphreys and Brown, 2002). The primary source of information on Telemig's corporate identity came from interviews with 14 executive directors during two periods of time: 1986-90 and 1997-2000. As part of wider questioning on the company's change over time, these respondents were asked to define the main characteristics of the company and to describe for what, and for whom, the company stood both at the time of interview and in its previous history. They were encouraged to elaborate on their answers, which were tape-recorded. In order to capture the shared views that the directors held on Telemig's identity, two researchers independently analysed the content of the answers to discern categories underlying their statements about the company's distinctive features at different times in its history. The first analysis of interview data gave rise to broad constructs that represented categorizations of the organization. These emerged from discussion between the researchers. We then examined the directors' interviews again and identified the category into which each extracted sentence or passage could be placed. This yielded a 93 per cent agreement between the researchers. The extracts over which there was some ambiguity were discussed between the researchers until agreement was reached about which category to place them in. The main categories and the percentage of total interview extracts falling into them are presented later in Table I for each period of the company history.

We complemented this assessment of Telemig's corporate identity by reference to several documentary sources. One was a set of autobiographical interviews of 25

telecommunications sector leaders who were associated with Telemig's foundation and development under Brazil's military regime until 1985. These autobiographies were available in the *Historia Oral das Telecomunicacoes no Brasil* [Oral History of Brazil's Telecommunications] lodged in the Ministry of Telecommunications. This material was again content analysed against the categories arising from the analysis of the directors' interviews. Other documentary sources were Telemig's annual reports and key internal documents. These documents provided overall information on identity claims. Here the two researchers analysed the organizational priorities and preferences expressed towards particular stakeholders and expressions about accountability [for what and for whom the company stood]. A content analysis of these documents, and the interviews, according to the themes they expressed indicated that corporate claims about Telemig's social role changed over time.

The study was not originally designed to assess the legitimacy of Telemig's corporate identity or the kinds of mobilization that affected it. An awareness of these factors emerged in a grounded manner from the case itself (Strauss and Corbin, 1990). Insights into legitimacy were gained from two available sources both reflecting opinions expressed by employees or their representatives in the context of changes in the wider political environment. The first source was 145 interviews that had been conducted with Telemig's middle managers and engineers, also during the periods 1986–90 and 1997–2000.<sup>13</sup> In the course of each interview, respondents were invited to describe what they saw as the company's main characteristics, both at the time and in its previous history, and to comment on these. Analysis of these interviews focused on the views expressed about top managers' discourses on for what and for whom the company stood. In particular, we took account of how the interviewees perceived the compatibility of top managers' claims with employee interests, and the consistency of managerial discourses with corporate actions and resource provision. The interviews normally lasted for around 90 minutes and were transcribed verbatim.

Because it was not possible to interview lower-level employees, analysis of the Telemig union newspaper was used as a second source of insight into legitimacy. The newspaper was founded in 1980. It was considered an appropriate source of opinion because it circulated widely within the company, and because until 1990 over 90 per cent of Telemig's employees outside corporate management belonged to the union. Every copy of the newspaper produced by Telemig's union was analysed, in order to assess its characterization and evaluation of management's identity claims and behaviour. The newspaper mentioned 9,408 different topics over the period 1980 to 2000. The researchers selected 2,288 items that contained narratives about the stance of the company and its management towards its employees. The criticism of management contained in this discussion provided an indication of the approval or otherwise granted by the union towards Telemig's corporate identity.

We sought insights into the mobilization behind the formation of Telemig's corporate identity through evidence about internal coalitions and their links with external networks that enabled its top management to secure resources and to gain external support. Particularly significant insights were offered for the early part of Telemig's life by the autobiographies of Brazil's telecommunications sector founders. The interviews offered further insight into the processes of mobilization and counter-mobilization, and the

parties involved, during the whole of the company's life. Information on the activity and power of Telemig's labour union, including its alliances with national unions and political parties, was also taken into account as an indication of attempts at counter-mobilization. Finally, further follow-up interviews with nine union officers and 16 retired employees (including two former CEOs) provided additional information and perspective on events relevant to mobilization.

### Telemig's Corporate Identity

The analysis of interview and other material pointed to three distinct periods in the development of Telemig's corporate identity. Their boundaries closely accorded with key events in the company's history: its foundation as a state enterprise in 1973, the 1985 transition in Brazil from a military to a civilian government, the announcement in 1993 that telecommunications companies would be privatized, and the company's demise in 2000. Examination of its directors' discourse suggests that in each of these three periods they conceived of Telemig performing a different role as a social actor. In the first period, 1973 to 1985, this was an agency for economic and social development. In the second period, 1985 to 1993, it was an agency for multiple interests. In the third and last period, it was an agency for shareholder value.

Table I presents our classification of the characterizations and claims relevant to Telemig's corporate identity for each of these three periods which were most frequently mentioned by its directors and, for the first period, in the founders' autobiographies. Short quotations from their narratives are shown in order to illustrate the meaning attached to each category. Table I also summarizes the main features of mobilization and legitimacy in each period. The case offers a basis for elaborating the political perspective through a discussion of the roles played by mobilization and legitimacy in the process of Telemig's corporate identity development.

*Mobilization.* The Telemig case offers several insights into how mobilization can be used by top managers and other interest groups to support or oppose corporate identity claims. The company's initial corporate identity characterized the company as being missionary, technocratic and military (Table I). During the foundation period a professional network comprising military officers and telecommunication engineers, linked to power networks in government, served as transmission belts for the government's plans to design a telecommunications sector which could contribute to the country's social and economic development. In addition to facilitating the sharing of ideas, this network was also an instrument for mobilizing the regulative changes and investment necessary for such ideas to have salience (Granovetter, 1992). In an interview, one of the company's founders indicated the tight-knit nature of this network and its role in developing a missionary identity:

At Telemig we engineers were mixed together with military people. This helped to build a consensus in the sector about the mission and the management of telecommunications companies. We all understood the relevance of telecommunications for the unity and development of Brazil and spread our values throughout the country.

Table I. Central characteristics of Telemig's corporate identity, mobilization and legitimacy in different periods

| <b>Corporate identity definition in each period of time</b>  | <i>Percentage of total identity characterizations falling into each category</i> | <b>Mobilization</b>   | <b>Legitimacy</b>   |
|--|--|---|---|
| <i>Sources: interviews with directors and (for the period 1973–85) analysis of founders' autobiographies</i> |  | <i>Sources: founders' autobiographies, interviews, background information on union power and action</i>   | <i>Sources: 143 interviews with employees and analysis of the trade union newspaper</i>   |
| <b>1973–85</b>   |  |   |   |
| <b>IDENTITY CLAIM: Agency for economic and social development</b>  |  |   |   |
| Technocratic agency of the military government to help promote national development and integration.         |  |   |   |
| <b>IDENTITY CHARACTERIZATION</b>   |  |   |   |
| <i>Missionary</i>  | 30.8   |   |   |
| 'Our job was to integrate Brazilians to the world and to the community'                                      |  | Close network of military officers and engineers, many sharing a common educational background. This network linked military officers to federal governmental bureaucrats and, via the holding company, to top managers and engineers in Telemig. This network channelled strong financial and ideological support from the government. It publicly articulated the role of telecoms companies in fostering the development of Brazilian society through seminars, meetings and publications. Opposition by organized labour was proscribed by law until 1979. As the military regime lost support after 1978 and the opposition workers' movement gained strength, mobilization behind the founding corporate identity progressively weakened and counter-mobilization strengthened. | Telemig's contribution to economic and social development helped to secure a high level of legitimacy for its founding corporate identity during the 1970s. Legitimacy was sustained by the esteem that the company enjoyed within the state of Minas Gerais due to its combination of economic success and social delivery. An internal culture of benevolent paternalism encouraged an acceptance of the corporate identity. The legitimacy of the founding corporate identity started to decline after the late 1970s as the military regime with which it was associated was progressively rejected by a growing proportion of the Brazilian public. Moreover, Telemig's declining performance after 1979 further underlined the credibility of its corporate identity. |
| 'We were entrepreneurs, we had to innovate and do everything from the smallest task to the bigger'           |  |   |   |
| 'We considered the interests of the country as being those of the company'                                   |  |   |   |
| <i>Technocratic</i>  | 23.6   |   |   |
| 'Telemig was an engineering company. Decision making was guided by technical criteria'                       |  |   |   |
| 'We were proud that technical criteria prevailed in our decisions'   |  |   |   |
| 'We were known for our innovativeness in technology. Our systems were transferred to other companies'        |  |   |   |
| <i>Military</i>  | 13.2   |   |   |
| 'Telemig was a professional organization. We learned this from the military'                                 |  |   |   |
| 'Telemig was like an army where "the good soldier is the one who obeys"'                                     |  |   |   |
| 'Telemig was a military company, obedient to rules and hierarchy'  |  |   |   |
| Cumulative percentage of total identity characterizations  | 67.6   |   |   |

|   |  |   |
|---|--|---|
| <p>In this period, there were strands of mobilization and counter-mobilization.</p> <p>The formation of a new democratically-elected government based on a coalition of political interests was the primary driver of mobilization towards modifications in Telemig's corporate identity. Company directors were now political appointees. However, mobilization behind the revised corporate identity was weakened by the lack of a clear post-military political ideology in Brazil as well as by reduced government funding for the company.</p> <p>Pressures for change were also exerted by the emergence of labour unions which, allied to the Workers Party, were active and powerful both at macro and micro levels. The union demanded a more pluralistic organization and open management but it did not accept that this reformed corporate identity was actually implemented.</p> <p>Telemig's founding technocratic and apolitical identity was defended, and the new identity resisted, by the company's Managerial Council consisting of managers below corporate level.</p> |  | <p>Telemig's modified corporate identity gained only partial legitimacy within the company. The claims of increased openness were welcomed but this was tempered by criticism that the openness was very limited and by regret that political interference was compromising the company's technical excellence. Also Telemig's declining performance in this period reduced the legitimacy of its corporate identity.</p> |
|---|--|---|

1986-93

#### IDENTITY CLAIM: Agency for Multiple Interests

A state enterprise accountable to elected politicians in Brazil's new democracy and operating in ways responsive to the needs of employees and the community. Former characterization as a technocratic company now played down. Company reports in the six years between 1986 and 1993 contained 44 per cent more mentions of Telemig's democratic and pluralist aspirations than in the previous 12 years. However, the new corporate identity claim was not clearly articulated.

#### IDENTITY CHARACTERIZATION

##### Political

- 'This company now has to listen to the demands of politicians; we depend on their goodwill'
- 'Today the board concerns itself whether a political demand will result in some votes'
- 'In 1985 we had a political opening in Brazil which gave scope for political interference'

35.0

##### Democratic and company oriented

- 'This company had previously never looked to the community as an intelligent voice. Now it does'
- 'Telemig is now an open company, it listen to its employees'
- 'We are much more inclusive than in the past'. We now listen to our managers through proper channels'

33.5

##### Corporatist

- 'Telemig is an organization that is centred on employees. It is the interests of employees that guide decision making'
- 'This company exists for its employees'
- 'It is obvious that as a state company, Telemig is corporatistic. The employees think that the company is theirs and exists for their own benefit'

9.9

Cumulative percentage of total identity characterizations

78.4

Table I. Continued

| <b>Corporate identity definition in each period of time</b>  | <i>Percentage of total identity characterizations falling into each category</i> | <b>Mobilization</b>  | <b>Legitimacy</b>  |
|--|--|--|--|
| <i>Sources: interviews with directors and (for the period 1973-85) analysis of founders' autobiographies.</i>  |  | <i>Sources: founders' autobiographies, interviews, background information on union power and action.</i>   | <i>Sources: 145 interviews with employees and analysis of the trade union newspaper.</i>   |
| <b>1994-2000</b>   |  | The emergence of global players in telecommunications encouraged Brazil to open its telecommunications market and to privatize its state companies. The reforming government that took office in 1993 put out a clear message that idealized the virtues of 'the market' in contrast to the deficiencies of 'the state'. In 1993, it announced its intention to privatize telecommunications companies. It encouraged experienced executives in Telemig to substantiate the new corporate identity through a programme of major restructuring (including layoffs) and retraining. However, the affinity of those managers with the government was now based on a shared ideology rather than being activated through a tight social and administrative network as had been the case in the 1973-85 period. The union movement was considerably weakened by growing unemployment and despite taking industrial action could not effectively counter-mobilize against the new corporate identity and its implementation. | While the changes post-1993 helped the company to recover the financial deficit it had incurred in the early 1990s, they were perceived by many employees and their union as threatening their interests. There was a widespread feeling among employees that the company's new identity and actions breached the trust they had vested in it, and that the company's founding identity was now dead. Most employees did not regard Telemig's new corporate identity as legitimate, although privatization was favoured by many senior and middle managers as well as by the government. |
| <b>IDENTITY CLAIM: Agency for Shareholder Value</b>  |  |  |  |
| An enterprise being prepared for privatization in a market opening to competition. Corporate identity characterized by a growing accountability for shareholder value, market orientation, self-reliance and cost effectiveness.   | 31.7   |  |  |
| <b>IDENTITY CHARACTERIZATION</b>   |  |  |  |
| <i>Shareholder value</i>   |  |  |  |
| 'Telemig was previously constructed around the goal of bringing benefit to society, today the main concern is with profit'   |  |  |  |
| 'We have now to do everything for the owners'. If we don't, we are out'  |  |  |  |
| 'As a state enterprise there was no visible owner. Now everything has to be for the owner'   |  |  |  |
| <i>Market orientation</i>  |  |  |  |
| 'The company is now solid and firm... an organization that is ready to impose itself in a competitive market' ( <i>Dinâmica</i> , Telemig's corporate magazine, March-April 1999)  | 24.4   |  |  |
| 'Telemig has changed from an introverted identity oriented towards itself to an extroverted identity where leadership is oriented to the outside world, to the clients'  |  |  |  |
| 'Under the new incoming president the company is redefining its priorities. The president is a leader. He has put pressure for the company to prepare for competition; we have to be a company that is oriented towards the market, not only at the level of discourse, but primarily in practice' |  |  |  |
| <i>Self-reliance and cost effectiveness</i>  |  |  |  |
| 'We have to live on what we can get. The state doesn't support us anymore'   | 20.2   |  |  |
| 'Competition is now a reality and we have to prepare for this new world'   |  |  |  |
| 'Costs come first, then the rest'  |  |  |  |
| Cumulative percentage of total identity characterizations  | 76.3   |  |  |

A director of the company in this period described the technical dimension to that identity:

Telemig was primarily an\* engineering company. There was no company without engineering. All the important departments were under the command of engineers. They dictated the rules of the game. Decision making was rational and followed technical criteria.

With the end of the military regime, the incoming Chilean top managers mobilized to change Telemig from a technocratic military to a pluralist organization. This was evident in the document entitled *Managerial Philosophy* issued in 1987. This document affirmed the intention to make the company responsive to the demands of diverse interests, including shareholders, the community, customers and politicians. This new claim encountered resistance from engineers and managers below director level, as well as from the company union. Engineers opposed this claim as they saw it as a corporate justification for binding the organization to external political interests. For example, one said that:

Directors now come here to make a political career. This has transformed the way we make decisions, the way we deal with customers, the company's priorities and our careers. Beforehand the president only looked at the technical side of a question. He did not care about politics.

A union official commented that:

9

The company now is in the hands of political nominees. Many of these do not have a notion of what a telecommunications business is.

A common thread in the discourse of the alliance between middle managers, engineers and the Telemig union was the inconsistency between top managers' claims to be constructing a more pluralist organization and the persistence of a military culture and practices. A union official said of management's attempt to introduce an open door policy:

The open door policy is a farce. It does not provide opportunities for saying what we think and expressing our reservations about managerial policies. If you talk about certain issues, you can receive a warning. The next step is that you are dismissed. I would not dare to try the open door policy. Imagine what would happen if I bypassed my boss. I would be out. It is possible to break the hierarchical system in theory, but just don't try it in practice.

Though they did not advance an alternative identity, their counter-mobilization activities lent cohesion and forcefulness to the critical ideas that subsequently contributed to a redefinition of Telemig as a company more sensitive and attuned to employee interests. As a director put it:

The union encouraged the employees to confront managers and this affected management emotionally. There was a general panic and perplexity. Then the company started to put pressure on managers to talk to the employees.

»

The third period of the company's history witnessed senior managerial efforts to mobilize for privatization and a redefinition of Telemig's stance towards customer service and subsequently towards being an agency for shareholder value. In 1995, top management issued a document, *Telemig's Transformation*, in which it defined Telemig as a service organization, responsive primarily to the demands of customers. This was accompanied by re-engineering and restructuring which culminated in the separation of the mobile and the fixed business and the recognition of Telemig as one of the best service providers in the country. Managerial mobilization involved training and education for the provision of superior services and the formation of alliances with multinational companies and the neo-liberal government of Cardoso to prepare for privatization.

These new identity claims were again opposed by engineers and the union, because they devalued engineering in favour of marketing and also undermined Telemig's identity as a state company, which during its life time had defined employees' interests as an essential component of its ethos. The prospect of privatization particularly inflamed union activism. The number of strikes in the telecommunications sector rose to ten in 1995 when the legislation for privatisation was introduced, compared with an average of two strikes a year during the previous two years. However, in contrast to the 1980s, little was gained from this attempt to counter-mobilize because by this time the threat of unemployment was undermining the union's capacity to sustain industrial action.

«

*Legitimacy.* We suggested that a corporate identity gains legitimacy when it relates sympathetically to the wider political context, enjoys the support of an ideology and/or a significant social movement, is associated with success, and is consistent with stakeholder expectations. The Telemig case indicates that all these factors are relevant to the sustainability of corporate identity claims, and that their intensity may vary over the course of a company's development. As mentioned, interest groups can increase their legitimacy by mobilizing resources for articulating a discourse which finds resonance in changes that are socially supported. In the mid 1980s, corporate managers' claims were largely informed by the political changes which affected the country during this period, such as the move to a democratic regime. A change of political regime fostered an emphasis on decentralization of decision making and on participation across Brazilian society. Later in the mid-1990s, Telemig's corporate identity claims were significantly informed by an ideology when they accorded with neo-liberalist policies in their emphasis on competition and employability.

The legitimacy of a claim is closely related to the authority of those who make it. However, this conferred authority is unstable. It depends on the acceptance of others, who may decide to withdraw this 'right'. Thus the end of the 1970s witnessed a de-legitimation of the military regime due to a withdrawal of Brazilian public support and the incapacity of the system to deliver economic growth. This led to a breakdown of

the political forces that supported the regime, including the alliance between the military and engineers in state enterprises. The civilian government which replaced the military regime failed to assure adequate resources for the company and its declining performance contributed to a de-legitimization of top management. A discrepancy developed between the normative expectations attached to the company and its institutional resource provision. This handicapped the company's ability to respond to global market pressures. While global telecommunications were moving towards service provision and market segmentation, Telemig was still stuck in the old model in which engineering continued to be viewed as a distinctive competence of the company. Telemig was prevented by the lack of funds from carrying out technological innovation. The inability to sustain its distinctive competence led to a failure of clear vision and of credible plans for the future, which resulted in a sense of confusion and crisis. This further reduced the legitimacy of Telemig's definition as a technocratic engineering company.

The instances in which there was a withdrawal of the legitimacy granted to Telemig's corporate identity suggest that such legitimacy can take two forms. The first reflects a *cognitive consonance* in the minds of stakeholders between a corporate identity claim and the actions of corporate management (Suddaby and Greenwood, 2005). Thus in the 1985-93 period, a cognitive dissonance arose when managerial proposals to transform Telemig into a pluralist organization and claims to stand for participation and openness lost credibility because, of the perceived failure to put these claims into practice. The trade union newspaper exposed these inconsistencies between top management's discourses and practices. It did this primarily through creating metaphors, often depicted as cartoons and elaborated in stories, which criticized management as being authoritarian and operating behind closed doors.<sup>41</sup> As mentioned, the 'open door' metaphor was used to claim that these were doors that showed employees out to the street rather than ones offering access to a participative process. This cognitive dissonance undermined the legitimacy of the corporate identity.

The second form of legitimacy is *interest-based*. It relies upon compatibility between the corporate identity, and associated managerial policies, and the interest of other parties. In the last period of Telemig's life, 1994 to 2000, there was a clear conflict of interest between the implications of the newly reconstructed corporate identity and the interests of employees, even though there was little cognitive dissonance between what corporate management claimed and the actions it was seen to be taking. The conflict of interest was manifested through metaphors, such as that portraying the company as a stepmother, which implied a lack of caring for the welfare of employees. Statements made in interviews and the content of the union newspaper indicate that during this period employees considered that the positive aspects of Telemig's previous corporate identity, particularly its corporatist strand, were now being undermined.

A

## DISCUSSION

### Cycles of Corporate Identity Definition and Redefinition

The Telemig case suggests a model of corporate identity definition that could be further investigated and extended by further research. It indicates that the definition of a

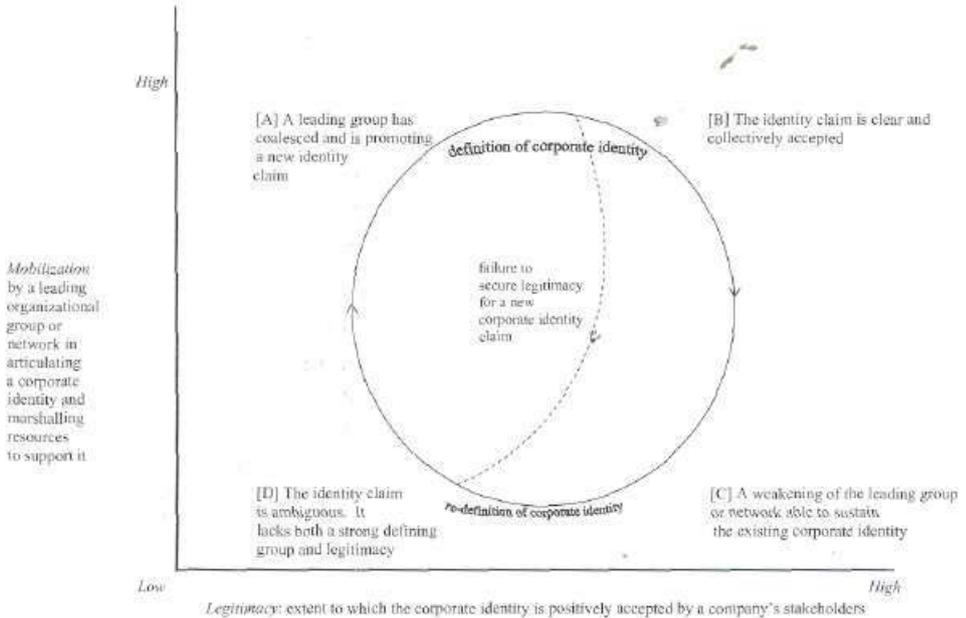


Figure 1. The cycle of corporate identity definition and redefinition

corporate identity evolves over time as a result of dynamic tensions associated with different conditions of mobilization and legitimacy. When viewed from a long-term perspective, Telemig's experience suggests a cyclical process whereby in some periods new claims and definitions of corporate identity are advanced and gain acceptance, whereas at other times these lose support. This postulated cycle is portrayed schematically in Figure 1. It is framed in terms of the two key dimensions that are suggested by existing theorizing and have also emerged from the case study, namely mobilization and legitimacy.

The upper left-hand part of the cycle in Figure 1 [A] represents a situation in which an effective leading group has coalesced, probably with the support of significant external groups. This leading group has a shared sense of what the organization's role in society should be, its priorities and its preferred stakeholder group. These ideas become an identity claim when this leading group is sufficiently powerful to exert influence across different organizational levels and to mobilize in two ways the conditions that will give life to this claim. The first is a cognitive mobilization in the sense of bringing together the ideas, knowledge and expertise necessary to articulate the organization's role and its distinctive competence. The second is a political mobilization in the sense of reaching accommodations with the interests of external and internal groups that provide the organization with the autonomy to pursue that role, and permit it to secure and allocate necessary resources (Aldrich, 1999). The foundation of Telemig's corporate identity in the early 1970s illustrates this stage. At this point, however, the new corporate identity had not secured wider social legitimacy.

Movement towards the upper right-hand part of the cycle [B] represents the results of the efforts put into identity definition, which in the case of Telemig were reinforced by

the company's early achievements. At this point of the cycle, top managers have a clear and distinctive identity claim that is reiterated in its discourses and reaffirmed in structure and routines. The identity claim's cognitive and interest-based consonance now secures legitimacy both from within and outside the organization. This stage characterized Telemig up to the end of the 1970s.

A move towards the lower right-hand part of the cycle in Figure 1 [G] takes place when there are changes in the context that begin to undermine the resourcing and effectiveness of the leading group projecting an identity claim. These may create a gap between the identity and perceived reality, which is likely to set in train the process leading to identity redefinition. For the leading actors involved, this stage is one of increasing difficulty in maintaining their prevailing identity claim. It developed in Telemig during the last years of the military regime with the decline in the company's profitability and new investment after 1979.

As conditions shift towards the lower left-hand part of the cycle [D], corporate managers experience an increasing loss of legitimacy for their identity claim. The corporate identity becomes confused, discredited and challenged - in other words, de-legitimated. The corporate group is weak and the corporate identity has lost centrality both for organizational members and external groups. In this situation a corporate identity crisis arises. For Telemig, this stage began in the early 1980s with the combination of rejection of the military regime by Brazilian society and faltering company performance. It continued through the 1980s with political uncertainty and several periods of poor performance. For those groups attached to the previous corporate identity, taking refuge in an idealized past may be seen as a way out of the current uncertainties.

Identity cycles can be more or less complete. An identity cycle can be interrupted if there is a clear inconsistency between the identity claim and managerial practices. If this inconsistency represents a threat to employees' interest, or affects deeply rooted values, this situation can give rise to counter-mobilization for identity redefinition. The 'agency for multiple interests' identity characterizing Telemig from the mid-1980s did not gain full support from the majority of the company's managers and employees, because its leadership was not rooted in the tradition of the company or the sector and was seen to be a tool of external political interests. Progression from the top left-hand to the top right-hand segments of the cycle was cut short and the process returned to a sense of crisis and confusion before a new corporate management advanced a new identity claim in the early 1990s. The 1990s also witnessed a thorough attempt to construct a new identity for the company. Top management's mobilization involved a considerable investment in strengthening the organization's capabilities to sustain its core theme of marketization and also to re-socialize its personnel accordingly. Nevertheless, the new identity retained elements of contradiction so long as the company remained state-owned, and only achieved a high level of consistency upon privatization in 1998. Two factors contributed to identity redefinition in the period leading up to privatization. Senior managers tackled opposition by initiating an attractive early retirement programme. They also obtained the support of middle managers for privatization as the latter believed that this was a better solution than having an organization captive to politicians or corporatism.

## CONCLUSION

We have advanced a political perspective that calls for a revised conception of corporate identity. If corporate identity is a set of statements made by its leadership on what an organization is and what it stands for, these statements are highly consequential for organizational members because they imply differential access to the benefits offered by the organization and a disparity in the demands placed upon individuals. One of the latent functions of corporate identity is to justify and secure legitimacy for the incumbent top management. But a corporate claim may also have the dual function of justifying the right of the corporate group to govern, and at the same time providing the basis for an alliance between different groups that enables each to pursue its interests. Changes in corporate identity are therefore essential!)- political and contentious. Identity transformation involves a redefinition of alliances, and the inclusion and exclusion of groups in power networks. These are political-ethical decisions which involve some calculation of the material and ideological benefit to the actors concerned (Khan et al., 2007).

Some two decades ago, Pettigrew {1985} decried the apolitical nature of studies of organizational change. A major contribution of the present article is to reinforce his point with reference to studies on organizational identities. The mainstream of such work has substantially advanced the understanding of the cognitive complexities of the phenomena of identity definition and change, especially among individuals and groups. However, the nature of an organizational identity, such as corporate identity, is very different from that of an individual identity. Organizations are engines of power that move through resource mobilization and counter-mobilization. The Telemig case indicates the part that such processes play in generating, as well as undermining, a corporate identity. Equally, identities that are successfully attached to organizations can support the use of corporate power\* not least by securing the acceptance, or defusing the opposition, of non-corporate groups to the exercise of such power. This point serves to add a political dimension to the emphasis in some recent identity literature on the role of sensemaking. It directs attention to the role of corporate identity in informing, for political ends, the sense that the members of an organization make of their membership (Haslam et al., 2003). Moreover, it inflects the emphasis on sensemaking towards understanding the phenomenon in terms of the relationships, and potentially divergent interests, which may inform it rather than an interpretative and holistic understanding. Thus the analysis offered in this paper endorses and amplifies the warning some have made recently (e.g. Alvesson and Willmott, 2002; Brown, 2006; Clegg et al., 2007) that we need to move beyond the simplistic notion of consensual meanings that have dominated much of the discussion on organizational identity to date.

There are strong affinities and potential synergies between the perspective developed here and the emphasis in the social movements literature on political mobilization and political coalition building as fundamental organizational dynamics (Zald and McCarthy, 1987). Davis et al. (2005) comment on the relative dearth of studies that have tried to bridge the fields of social movements and organization theory, and one may speculate how far the forces of resource mobilization and legitimation that attach business schools to corporate sponsorship have contributed to a neglect of the political aspects of corporate identity formation. They note (2005, p. xiv) that 'formal organizations . . . engage in

political and mobilization processes that resemble those studied by social movement scholars'. The analysis developed in\* this paper goes somewhat further than this by suggesting that *both* organizations *and* relevant external bodies engage in political action which sets up a co-evolutionary dynamics between them. We have indicated elsewhere how such political dynamics played an essential role in the overall co-evolution of Telemig with its environment (Rodrigues and Child, 2008).

In contrast with previous studies that focus primarily on internal relations as informing corporate organizational identity, the study of Tcelcmig advances the case for extending the investigation of identity in the context of social movements external to the organization. Embeddedness in such movements helped to shape the company's corporate identity. Three social-political movements in Brazil were particularly significant. The first involved combating communism and the threat of globalization through militarism, nationalism, and protectionism. The second agitated for the return to a democratic regime. The third was the current of neo-liberalism. These movements justified several changes that had consequences for the distribution of power and initiative within the company. As Telenig's actors engaged in strategies of mobilization and counter-mobilization to gain legitimacy with reference to such 'wider causes', this generated a dynamic which engineered identity transformation.

There are several ways in which the perspective developed here calls for a different approach to research on corporate identity, and on organizational identity in general. First, more attention deserves to be given to the origins of collectively-held identities and how they develop over time. In so doing, we should question what informs them, and which opinion-leading groups are active in the process. We have argued that a privileged access to resources can help the identity held and developed by a corporate group to gain an edge over other competing identities. However, the presence of contested representations of organizational identity may not simply reflect asymmetrical distributions of material power in and around organizations. Definitions of organizational identity may also prevail over time through a hegemonic formation of interpretations held by particular groups. Such interpretations may persist despite a decline in the power of the groups which espouse them, an example being the engineers within Telemig. A second line of further investigation would therefore examine more closely the diverse aspects of power involved in the formation and maintenance of corporate and other organizational identities.

A political perspective suggests, thirdly, that more research is warranted into how the perception of individual or collective interest informs the identity that is accorded (to organizations). Attention to interest does not necessarily imply a rationalistic conception of organizational identity; but rather that inquiry into the sensemaking aspect of attributing identity to an organization should extend beyond the question of 'what is this organization' to 'what does this organization stand for in relation to my (or our) understanding of our interests?'

The fragmentation and fragility which many have described as characteristic of organizational identity may have its origin in the complexities of reconciling different interests even inside the same group. Given its political nature, identity transformation is sensitive to mobilization and counter mobilization by diverse forces, within organizations as well as outside them. Therefore, a fourth question that deserves further investigation

is the extent to which top executives themselves act as a homogeneous political unit when formulating corporate identities. Studies have indicated the presence of political rivalry and conflict within top management (e.g. Morrill, 1995; Ravasi and Zattoni, 2006). While our evidence suggested nuances rather than serious conflict within Telemig's top management, the narratives and documents we used as sources could have obscured its presence. The company's heavy dependence on the state for much of its life may also have reduced the scope for conflict within its top management.

In closing, it should be noted that the Telemig case has some unusual features that speak for further work to examine how far our conclusions have wider application. First, the organization was heavily embedded in an institutional context due both to its long period of state ownership and to its public standing as the provider of an infrastructural service. While organizations in regulated environments may experience similar dynamics around the definition and redefinition of their identities, such as those associated with privatization, other companies may not be embedded to the same degree as the present case. Second, the study spanned a long period of time, 27 years. The time period adopted will inevitably bear upon an investigator's judgment as to the stability or otherwise of an organization's identity. Over a long period, there is more chance of changes taking place and for the dynamic properties of those changes to become apparent.

## ACKNOWLEDGMENTS

The authors are **grateful** for the comments offered by Andrew Brown, Pasquale Gagliardi and Hugh Willmott on a previous draft of this article. They would also like to thank the editor and reviewers of *JMS* for their valuable feedback and guidance. We would like to thank Talita da Luz, Alexandre Carrieri, and Augusta Cabral for their collaboration in data collection. Appreciation is due to C/NPq and FUMEC Brazil for providing funds to assist the conduct of the research reported here, and to INSEAD for its institutional support during the article's preparation.

## NOTES

- [1] An extensive account of this case study will be reported in Rodrigues and Child (2008). Telemig was the telecommunications company serving the state of Minas Gerais.
- [2] This distinction is maintained in the first author's article on organizational culture in Telemig (Rodrigues, 2006) which treats the development of the company's internal culture with reference to its degree of integration, differentiation and fragmentation. In addition to this substantive distinction, the assessment of Telemig's organizational culture relied upon the responses of all employees interviewed, in contrast to the present reporting of the company's corporate identity which derives from interviews with executive directors and the documents they produced.
- [3] Engineers fell into two categories: those with university degrees and those with technical qualifications. It was not feasible to interview unqualified employees.
- [4] For a detailed analysis of these metaphors see Rodrigues and Child (2008).

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