



# A reflective approach to uncovering actual identity

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## Abstract

**Purpose** – This paper aims to present a case study of a unique identity-building process employed in a Scandinavian service firm. As noted by many authors, the concept of corporate identity is probably one of today's most explored areas by both academics and practitioners. Most agree that there is neither one way to define it nor one way to measure it. Some authors suggesting it is a multiple concept further complicates it. One thing is clear; uncovering identity starts internally with individuals and the organization. This article discusses the technique used in a Norwegian collection agency, Conecto, to develop an understanding of their actual identity.

**Design/methodology/approach** – The objective of the case study was to find the core values of the firm defined from an employee perspective, which would then provide an anchor for the firm's future work on its identity. The methodology employed is an existential psychotherapeutic framework, combining Socratic dialogue techniques refined by previous researchers, along with the concepts of personal identity and thought experiments. The project involved the entire organization in a year-long process to uncover past personal values that could provide a present anchor for the firm's future work on their identity, as defined from an employee perspective.

**Findings** – Consistency in communication is a critical factor for a successful branding strategy. Employees are critical in this process, particularly in service firms. This case study demonstrates that by engaging employees deeply in the identity process, a more solid and consistent branding platform can be built. The project initially started with internal research from a corporate branding perspective. The point was to identify the fundamental values of the organization and to make them more explicit in the firm's marketing communication, with the intent to help Conecto create a solid position in its sector. However, the project quickly developed into a much deeper process where each member of the organization participated in answering the existential question "who are we?" It evolved from a simple corporate communication task to an effort embracing different disciplines: existential philosophy, organizational psychology and culture. Summarily, the firm has identified what we refer to as a "super value" – responsibility. Another result of the process has been a redefinition of the firm's role in its business sector. By anchoring their business activities in the concept of responsibility, the firm sees itself as a mediator between its customers and the debtors. Therefore responsibility provides the foundation for "branding" strategies with all stakeholders.

**Originality/value** – The case study can be useful for organizations undergoing an identity process. It gives insight into the human side of the process and also the rewards that the process can provide.

**Keywords** Corporate identity, Corporate image, Core beliefs, Work psychology, Corporate communications, Norway

**Paper type** Case study



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## Introduction

A successful branding strategy is dependent on many factors. One criterion for success, according to Fombrun and van Riel (2004), is consistency in communication. Their research, based on data from RI's Reputation Quotient from several countries, indicates that consistency is positively correlated with high reputation companies. Inconsistency occurs when there are "numerous overlapping and conflicting communications" (Fombrun and van Riel, 2004, p. 95). This correlation has led them to identify consistency as one of the "roots of fame" to reputational success, along with being visible, distinct, transparent and authentic. Consistency in communication has been associated with credibility, where inconsistent messages can damage reputation (Herbig and Milewicz, 1993), with product success, where inconsistent portrayals of the firm can cause product confusion (Easingwood and Storey, 1993), with trust (or lack thereof) from inconsistent messages (Galford and Drapeau, 2003), and with establishing a strong brand (Cucka, 2003). De Chernatony and Segal-Horn (2003) list consistency, particularly between communication and behavior, as a criterion for successful service brands. Koten (1984) suggests that when consistency and coordination are missing from communication all that is left is noise.

Fombrun and van Riel (2004) suggest that achieving communication consistency can be obtained through "enforcing a shared identity". Basically this entails developing a reputation platform and basing the communications strategy around a shared corporate story, leading to coherent messages and subsequently more receptive stakeholders. The first criterion of a corporate story is that the story must be realistic. That is, it should be perceived as being accurate. Van Riel and van Hasselt (2002, p. 159) believe this will be the case when stakeholders perceive the story's content as fitting the organizational characteristics that are, among other things, "equally extended throughout the entire organization".

"Writing" the shared corporate story uses input from both internal and external stakeholders (van Riel and van Hasselt, 2002). It includes analyses of what they refer to as the projected and perceived identities of the organization. A projected identity is defined as those characteristics used by the firm to express its organizational identity. The perceived identity comprises the "beliefs of organizational members about characteristics that describe the continuity, centrality and distinctiveness of their firm" (van Riel and van Hasselt, 2002, p. 156). The point is to "transform the perceived organizational identity into change programs that will enable it to gain acceptance for the chosen projected identity", i.e. the corporate story. Van Rekom (2002) asserts that the fit between what he refers to as the factual corporate identity and the communicated corporate identity is a crucial factor in an organization's communication effectiveness.

Balmer and Greyser (2002) refer to the action of transforming the perceived organizational identity into the chosen projected identity as aligning the identities. Furthermore, these researchers have delineated five types of identities that must be aligned. First is actual identity, or who or what the organization really is. This encompasses such factors as organizational behavior, activities, market scope, performance and positioning, and also internal values. The most important stakeholders in this context are employees. Second is communicated identity, who or what the organization says it is. This includes various organizational messages sent by the company, for example planned messages through public relations or marketing

communications. The stakeholders in this case are the organization's communication functions such as the marketing or public relations departments and also external agencies.

Third is conceived identity, or how others view the organization. This includes reputational profile and image representation. Stakeholders here are normally external but can include employees. Fourth is ideal identity or that which the organization might compare itself with – the optimum positioning for the organization at any given time. Stakeholders here are other organizations that are “best in class” that can possibly provide a benchmark. Finally, fifth is desired identity, or what the organization would like to be, often a decision made by upper management. Stakeholders here are the board, top management, etc. This corresponds with Hatch and Schulz's (2000) view that corporate identity is often defined by top managers and their advisers and that communication channels are mediated, i.e. are delivered, in most cases by the mass media, or non-personal channels such as newsletters, annual reports, etc.

The task of “aligning” these identities can be challenging. It is quite possible that an organization's desired identity may conflict with how its identity is conceived, which conflicts with the actual identity, which in turn clashes with the communicated identity. An example from a business school illustrates this point. The school's administration created a branding campaign that suggested its market position was so strong that it shared characteristics with some of the great brands of our times, including McDonald's. Many faculty resented the association as they did not see themselves as delivering a ready-made, machine generated and impersonal educational “product”. What seemed a good idea, in that the school has strong brand awareness in the marketplace, backfired because the communicated identity was totally out of harmony with the employees' perception of the values within their organization, Balmer and Greyser's actual identity.

We argue that the key to aligning the identities lies in the examination of actual identity. Finding out “who we are” can establish the basis for who we tell others we are and also provide a realistic basis for understanding how others see us (image). As noted by Anixter (2003), actions to create alignment are important to bring the brand's story to life, but it requires knowing and being and doing. Aligning the identities based on an actual identity anchored in a believable corporate story can eliminate the endless search for that unique selling proposition that some firms engage in to differentiate themselves in an ever demanding communication environment. It can also lessen the temptation to create an image instead of a “shared picture of reality or substance” (Davies and Chun, 2002, p. 146).

It is also clear that “actual” identity, the real “who we are”, starts with the employees. According to Van Rekom (2002), there is agreement that identity is something perceived by the employees. And van Riel and Balmer (1997) note that the more “congruity concerning the driving forces that affect the daily activities of the employees”, in this case the uniformity and similarity of the employees' values, the less complicated it is to employ a consistent approach to communication strategy. A first step in “writing” the corporate story is what Balmer (2001) might refer to as clearly defining the branding proposition. This is the platform upon which corporate communications can be based, and it starts with a thorough analysis of the “actual” identity.

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Getting at the actual identity of the organization, however, offers many challenges. Additionally, there are a number of different approaches to the process. The case presented in this paper provides a unique opportunity to study how one firm approached “uncovering” their actual identity as part of re-enforcing a corporate story and building a platform for further branding activities. Evidence is also provided on how it eventually paid off for them.

### **Uncovering actual identity**

As noted by Gioia (1998, p. 17), “identity is arguably more fundamental to the conception of humanity than any other notion.” Accordingly, the features of individual identity are the basis for extending the concept to organizations. From a philosophical sense this view of identity is important. In phenomenology and existentialism the focus is on the implications of the meaning of existence for human beings. “. . . The aim . . . is to offer the means for individuals to examine, confront and clarify and reassess their understanding of life, the problems encountered throughout their life, and the limits imposed upon the possibilities inherent in being-in-the-world” (Spinelli, 1989, p. 127). Thus the principal task of uncovering identity is the exploration of the potential for freedom and the unavoidable limitations inherent in human beings’ experience of themselves (Spinelli, 1989, p. xi).

Phenomenologists such as Merleau-Ponty have pointed to the human tendency to categorize new experiences in terms of their “fit” to past experiences. This gives new experiences a “meaning” that rationalizes subsequent behavior and attitudes. Such a process allows for learning to take place (Merleau-Ponty, 1962, 1964), which is important in building an identity. All identity is about existence and the first question to be asked is “Who am I?” followed by “Where do I belong”? We all exist in relation to the world, and Merleau-Ponty sees this interrelatedness as essential rather than secondary (Van Deurzen-Smith, 1997, p. 65).

van Riel and Balmer (1997) provide an overview of methods used to reveal the actual corporate identity, i.e. that answer the question, Who are we? The methods cited use various combinations of methodologies. For example, Bernstein’s (1986) cobweb method and the Lux star (1986) both use semi-structured interviews and more quantitative methods such as questionnaires. Balmer’s affinity audit uses the principles of ethnography, which demands wide access to the organization, coupled with semi-structured interviews, observation and reviewing the organization’s documents. Laddering techniques employ open interviews with the intent of uncovering insights into the dominant values of individual employees. The Rotterdam Organizational Identification Test is based on employee identification with the organization and utilizes a questionnaire. Some identity measurements also employ constructs that are supplied by the researchers, such as Atamer and Calori’s (1993) measurement to assess organizational characteristics: goal orientation, norms and values, management system and dominant logic. Through these techniques, researchers are able to assist organizations in answering the existential question of who they are.

A technique developed by Davies and Chun (2002) called the Corporate Personality Scale purports to measure employee perceptions (identity) and customer perceptions (image). Their work attempts to find gaps between the image and identity of firms by assessing the entities’ personalities, a metaphoric analysis of human characteristics

applied to organizations. The researchers claim that their scale is validated for measuring both image and identity, thus allowing a gap analysis of at least these two identities.

This case below describes the methodology employed by a service firm in Norway to uncover its actual identity. The uniqueness of this case is in the methodology employed in the process the firm used to “find itself”. The consultants working with the firm were two marketing experts and an existential psychotherapist. They were able to spend nearly a full year within the company and were afterwards retained on an as – needed basis to follow up the project. The case begins with a historical review of the firm and how the identity process started. Driven by the owners from the beginning, the project involved every individual with the firm with the owners eventually taking a back seat to the employees. The methodology, called the Value Funnel, is presented. The methodology at first glance appears surprisingly simple, but the process proved to be wrenchingly difficult from a psychological point of view, asking people to think about issues not normally associated with their workplace; some issues that a few employees found difficult to think about. Finally, the outcome of the process is discussed and its impact on the firm today.

### **The case**

After many years with the Oslo, Norway, police department as criminal investigators, including a number of years on special teams, Sverre Helsem and Øyvind Aas decided in 1989 to quit their jobs and start a collection agency, which they named Conecto. The idea of starting a collection agency seemed a natural idea as it combined the negotiating skills they developed from their police investigative work plus the high ethical standards they felt they had as police officers. As they note, “in the police you learn to work with people with many different needs and you have to take care of everyone’s interests. In addition, you gain a lot of experience from working with people in very difficult circumstances.”

The firm’s first customers were banks and financial institutions that had previous contacts with the two police officers. Both Sverre and Øyvind feel that these customers chose Conecto because of the ex-officers’ personal individual characteristics and their expertise as investigators, which they believe gave them a competitive advantage. “We had a lot of investigative techniques which gave us an advantage, but in Norway the police are viewed with a great deal of trust, and this was an important advantage for us.”

The firm has grown steadily and today numbers 60 employees with an annual turnover of 50 million NOK (c. 6.25 million EUR). In Norwegian terms (a country with a population of about 4.5 million) this is a medium-sized firm. Another collection agency also started by ex-police officers at the same time went bankrupt shortly afterwards.

From the start, Helsem and Aas implemented ethical norms as a foundation in their company. They realized that product attributes in the debt collection industry cannot be used to differentiate a firm; these attributes are easy to copy. For example service quality is addressed through control systems such as ISO standards. Further, the Norwegian government heavily regulates this industry, including fixing fees and salaries, so it is nearly impossible to compete on price. While the firm was small and growing, central persons in management were able to develop personal relationships

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with most customers. There was a feeling in the firm that these intangible qualitative attributes, in addition to the tangible attributes, were key for its success

However as the firm grew, customers feared that the firm's growth would lead to a decline in the collection rate and the quality of its service, not to mention less personal interaction. Conecto thus faced two challenges: they had to convince their customers that they would continue to deliver a reliable service and they had to secure and strengthen their value-based position in the market, their source for competitive advantage.

Conecto has always had a policy of hiring personnel with more "caring" backgrounds, for example social workers. But this "caring" association was seemingly at odds with their mission statement: "Conecto will provide a higher rate of recovery". The firm also has the distinction of operating in an industry with a poor reputation. Conecto therefore knew they had to understand their own identity in order to maintain consistent communication and to build a strong foundation for the future of their business. The firm felt they had no choice but to make a serious effort to establish a strong, value-based identity in order to support a strategy of differentiation from other agencies. This would require resources and commitment, but the upside would hopefully be a sustainable competitive advantage for the company based on identity, values, and emotional appeal to the Conecto brand.

### **Finding itself**

During winter 2002-2003, Conecto carried out a customer satisfaction survey. The results were encouraging and indicated that Conecto already had a perceived value-based position among their customers, as many positive descriptions were attached to the company. For example, over 90 percent of the customers agreed that words like dutiful, committed, stable and reliable described the company. The term that customers most associated with the firm was the word "folksy". They couldn't quite explain what they meant by this word, but indicated it was very positive.

However, the perception of the firm's values by its customers was problematic. First, the customers were asked choose the words that they associated with the company. It was pure luck if they matched words that the organization used to describe itself. Conecto also knew that basing their identity on how other people perceived them might be wrong. Additionally, no one knew what those words really meant. A word like "folksy" could have different meanings depending on who used it and context in which it was used. Conecto also knew that if they were to take value positioning seriously, they would have to make sure that this was consistent in the messages communicated by all members of the organization. This would mean developing a common value foundation that all members of the organization could support and hopefully identify with, regardless of backgrounds or level in the organization. Therefore, the owners made the decision to start a process of "finding" themselves – in this context uncovering the actual identity of the organization. The consultant agency of Martin Fidem was asked to take on the task. This firm consists of two young consultants who had named their firm on the concept of "the truth". Working with a psychotherapist, they had developed a process called the Value Funnel, a process entailing moving from a very broad and large number of values, to a smaller number, eventually ending with a core set of values identified as representing the organization at a certain point in time.

From the start, it was important to let the people at Conecto push the process forward. Key was providing a framework where Conecto's people could increase their awareness of their own values and identity, the ultimate goal being "the Conecto man/woman", employees who identified their own interests with those of the group. It was also necessary to make sure that no short cuts were taken in the process.

No high expectations regarding the outcomes of this process were made. Instead of launching a kick-off for the process with big words and motivating speeches, a low-key approach was employed. The point was for the employees to develop their own interest for the identity process as they gradually started reflecting on values and identity on a personal level. It was necessary to make sure they would gain awareness and interest in Conecto's identity based on their own experiences and at their own pace. It was also important that every member of the organization contribute equally to the process, regardless of their status within the organization. Key was making sure that no one felt that the values were being forced upon them.

### The value funnel

As noted previously, the consultants working with the company employed a process called the value funnel, illustrated in Figure 1. The process begins with a relatively standard method of collecting a wide range of important values at the individual level but becomes increasingly complex as it employs perspectives from philosophy and existential psychotherapy to surface the personal values of Conecto's people, slowly narrowing the range of values into a smaller agreed upon set of representative values.

The employees were first asked to state their three most important values in a simple e-mail survey. It was not specified whether the values should be connected to their workplace or be strictly personal. They were then asked to write a short story about their relationship to their workplace in the future. The story should include situations in which they would feel personal pride from being a member of the Conecto organization. The aim of this step of the process was to get a snapshot of the thoughts of the employees at this particular moment in time. More importantly, this first step

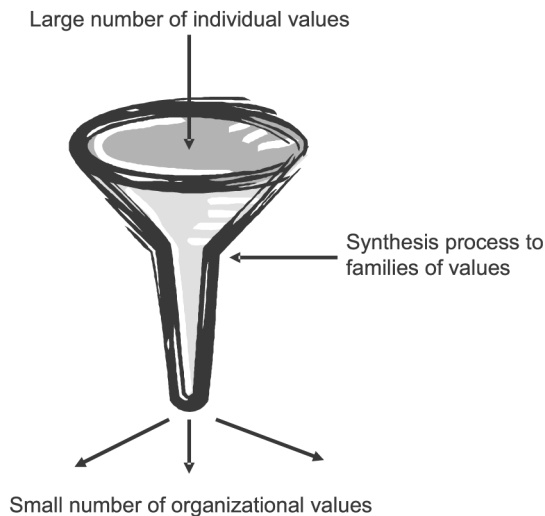


Figure 1.  
The value funnel

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would make the employees start reflecting on values, preparing them for the process to come. 134 different values resulted from the e-mails from Conecto's 60 employees.

The next part of the "value funnel" is a type of synthesis process and is where the real effort occurred. It consists of an exercise developed by existential psychotherapists Pia Hverven Axell from the University of Oslo and Tim Le Bon, a practitioner from the UK. The point of the exercise is to aid participants in revealing past, present and future individual values. It uses reflection of self in imagined situations in order to force basic assumptions and attitudes to the surface. It is based on experiments developed by American philosopher and liberalist Robert Nozick (1981) and Socratic dialogue as conceptualized by the German philosopher Leonard Nelson (see [www.sfc.org.uk/nelson.htm](http://www.sfc.org.uk/nelson.htm)) and physics Professor David Bohm (1996) (see [www.muc.de/~heuvcl/bohm/](http://www.muc.de/~heuvcl/bohm/)). The basic principles are explained below.

According to Nozick, "... an important part of the process of arriving at what Rawls calls 'reflective equilibrium' will consist of thought experiments in which we try out principles in hypothetical micro-situations". Central to Nozick's work is the concept of "closest continuer", determined by a person's own self-conception, that which they take to be most important to their identity. Nozick uses thought experiments in the form of philosophical puzzles whose solutions are determined by a person's own self-conception, that which a person finds most important to his/her identity.

In the neo-Kantian approach of Leonard Nelson, the task of the questioner is to generate insight through the analysis of a single realistic, concrete example. This method is called regressive abstraction. Starting from a concrete example the questioner inquires "backwards", investigating the presuppositions that the example is based upon (régression). By making these explicit, i.e. by analyzing what we have to presuppose to be able to make the judgments that we actually make, we discover the rules and principles on which these judgments are based. This makes it possible to examine, sharpen or justify them. Thus, we develop general insights (abstraction). Distinctive to this method, apart from the use of only one concrete example, is the less directive role of the questioner. In contrast to the Aristotelian variety of the method, here the relationship between the questioner and the respondents does not show the characteristics of a teacher-pupil relation. The questioner is primarily a facilitator and a process guard, while the answers carry out the actual inquiry (Nelson, 1970).

Other characteristics of Nelson's approach are full understanding between participants, adherence to a question until it is answered and striving for consensus. The group must be clear about the meaning of what is being said and they must not give up until they reach consensus. This requires inquiry into others' thinking and being honest about one's own thoughts. It is the process of dialogue that allows this to occur. As defined by Bohm *et al.* (1991) "In Dialogue, a group of people can explore the individual and collective presuppositions, ideas, beliefs, and feelings that subtly control their interactions." They view dialogue as a powerful way of understanding not only thoughts as products of our conscious intellect but also feelings, emotions, intentions and desires.

Bohm *et al.* outline methods for carrying out a dialogue. Key to Bohm's process is the suspension of thoughts, impulses, judgments, etc. through attention, listening and looking; all elements essential to exploration but with an emphasis on listening. Guidance, rather than leadership, is necessary in order not to hinder free play of thought and sharing of feelings and there should be few restrictions on time in carrying



out the process. In existing organizations it is necessary to be slightly more structured and that participants understand that the exercise is essential to the well being of the organization as well as to their own self-esteem.

Combining Nozick's "thought experiments" and the two forms of dialogue, a process evolved resulting in a large number of values that were "funneled" or synthesized into a manageable number of representative values that all could accept. Starting with an exercise in groups of six to eight persons, with limited interaction within the group, moderators read the different parts of the exercise and were available for questions, otherwise the participants worked alone. The participants took mental journeys to positive and negative experiences from the past and extracted the values that were either present or missing from these situations. They went into different aspects of the present, and into dreams, hopes and wishes for the future. All the while, the researchers noted the most influential values in all the situations. For example, one question asked the employees to try to remember something that happened to them when they were children that influenced a strong value that they had today. For example, a strong sense of fairness as an adult might be a result of one's being bullied as a child. Another question asked respondents how they would respond if they had to argue to be allowed to live – what was so special about them that they should survive and not others?

Participants were given tools that enabled them to rate their values and choose the ones that were most important to them. As the new perspectives emerged, most of Conecto's employees changed their initial values to new ones, typically from job-related values to more personal and existential values. Most of the participants reported that they felt good after the exercise. The exercise had a therapeutic effect, as it served as an important reminder of what was most important to them in life. Others felt uncomfortable, and two persons were not able to complete the exercise. Most of the participants were delighted to have an opportunity to reflect upon existential questions during their working hours. Many of the employees revealed that they seldom found themselves in situations where such questions were discussed, so they appreciated being able to spend time on personal matters in their workplace. The fact that everyone at Conecto went through the same exercise also gave a sense of comfort, as they could discuss their experiences with their colleagues.

For many people at Conecto an important step was taken towards realizing the value of knowing what they do as a company, and why they do it. This was especially important given the nature of the business and raised the question: After the employees were encouraged to define what was really important to them as human beings, would it still be acceptable to them to work in an industry with an image of squeezing money out of people in trouble? The management of Conecto knew that once the process was started, some of the employees might demand a deeper sense of meaning behind their work. The integrity of the management was at stake if the proper steps towards a morally acceptable business were not taken.

### **Conecto's values**

The number of values was eventually reduced from 134 to 77. Additional criteria were then employed to reduce the number of words into a family of values. For example, words and expressions that were assumed to have similar meanings were united into one common expression. If different respondents had submitted values like "friendship", "spending time with friends" or "having friends", these were united in

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the term “friendship”. Using these criteria, the number of values was further reduced to 24.

In May 2003, all Conecto employees were invited to a two-day seminar at Tjøme, a beautiful island two hours south of Oslo, on the Oslo Fjord. Pia Hverven Axell held a talk about values and their impact on communication. The employees were divided into groups of six, and the 24 remaining value concepts were presented to them. Each group was asked to divide the value concepts into six families, and choose one of the words of each family to be the “mother” of this particular family. The meaning of each of the remaining 24 values was taken up in a communication exercise with an emphasis on dialogue as described earlier. Eventually, six value concepts stood out as the most frequently chosen among the employees. The values that remained were among the less personal and more existential or universal value concepts – responsibility, communication, happiness, commitment, compassion and learning.

The final value concepts were presented to the employees in a general meeting at Conecto the day before most of the staff went on summer holiday in early July. During and after the summer, in-depth interviews with representatives from each department were carried out. The interviewees talked about the values and their connection to their experiences with the company and its history. The one value concept that stood out in the interviewees’ stories about the company was “responsibility”. Some said that this word captured what they had felt when they first came in touch with the company. There seemed to be a general feeling that this value in particular had been key to Conecto from the start. Responsibility was therefore chosen as a “super-value”, the value to be emphasized and presented first whenever the company values were presented. The idea behind a super-value is that the word mentioned first in a series of words will make its mark on the words that follow. The other value concepts will be colored by the super-value “responsibility”.

### **Outcomes**

Having responsibility as a super-value also had specific implications for the way Conecto operates as a collection agency. The firm had always felt strongly about treating debtors with respect, but this had never been a key selling point for the company. Officially, Conecto has never taken a stand on the question of whether they focus on the relationship to their customers, on being hard on debtors, or on trying to become the debtors’ favorite collection agency. The company’s strategy concerning human resources (hiring people from social professions) had indicated a concern for the debtors, but Conecto had never made this policy official, possibly because they feared it might alienate traditional credit managers in the companies who buy their services. It is, of course, possible that Conecto’s respect for debtors has been one of the reasons for their success. By making responsibility an explicit company value, Conecto now had to make this official policy, i.e. put the actual identity into practice and communicate it.

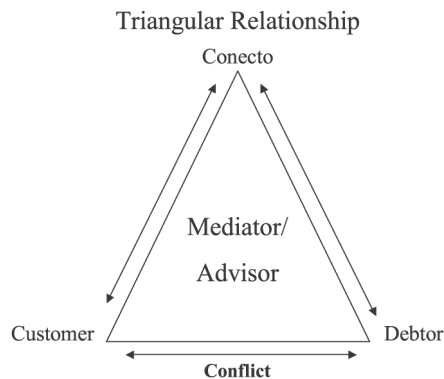
One of their first actions was to hire a public relations agency to help them with their communications. As noted below, his efforts have resulted in extensive media coverage for the firm, but the firm has concentrated on communication strategies that impact how the debtors interact with the firm, which has meant a drastic redesign of their web pages. One example is their new internet system where debtors can log in to their own home page and manage the payment of their outstanding debt. The firm believes this is working successfully because the debtor avoids the embarrassment of

communicating directly with the firm. They are currently the only collection agency to offer this service in the country.

The word “responsibility” has made it easier to visualize Conecto’s role in the marketplace, or its reason for existence. Bringing this value into the relationship with the debtor guides how employees should handle each case. Conecto has to take responsibility for the debtors’ well being. This increases the chance that the creditor keeps their customer and continues a profitable relationship. It is this relationship that is the source of Conecto’s competitive advantage. Conecto is the first collection agency in Norway to claim the role of mediator/advisor in the relationship between creditor and debtor. By mediating between the creditor and debtor, Conecto actually works to eliminate their own business; successful execution of their mediation will lead to fewer accounts receivable that go to the collection agency. Even so, Conecto will never totally eliminate their reason for existence, as they will be able to take a leading role in the shift towards more preventive work in the relationship between the creditor and the debtor. If successful, this will make them attractive service providers for creditors. This relationship is illustrated in Figure 2.

Being a responsible collection agency may also mean dropping customers that do not have high ethical standards concerning billing. A company with an aggressive sales force may bill customers that were not fully aware of what they agreed to when purchasing a product. Conecto may send mixed identity messages and lose integrity if they do business with irresponsible companies. The same goes for companies that market to people in weak positions, who “lure” people into buying things they can’t pay for. On the other hand, Conecto also has to try to improve the behavior of debtors who try to get out of contractual obligations. In order to be a mediator, Conecto must find ways to advise and help people who repeatedly find themselves in situations of late settlements. In order to become an effective mediator Conecto needs to engage in research as to why people end up as debtors.

Conecto has also involved their customers in their identity process. In an attempt to increase their customers’ understanding of the link between identity and reputation Conecto provided them with a seminar by a leading academic in the field of corporate communication. By engaging their customers in their efforts on identity, Conecto hopes they and their customers transmit brand equity to each other as companies with clear and sustainable corporate stories.

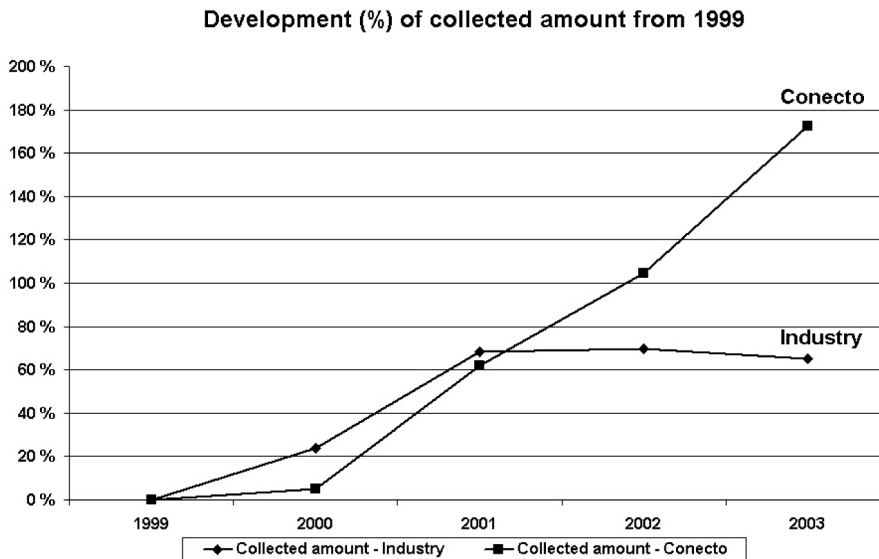


**Figure 2.**  
Conecto’s role in  
relationship to customers  
and debtors

**Results**

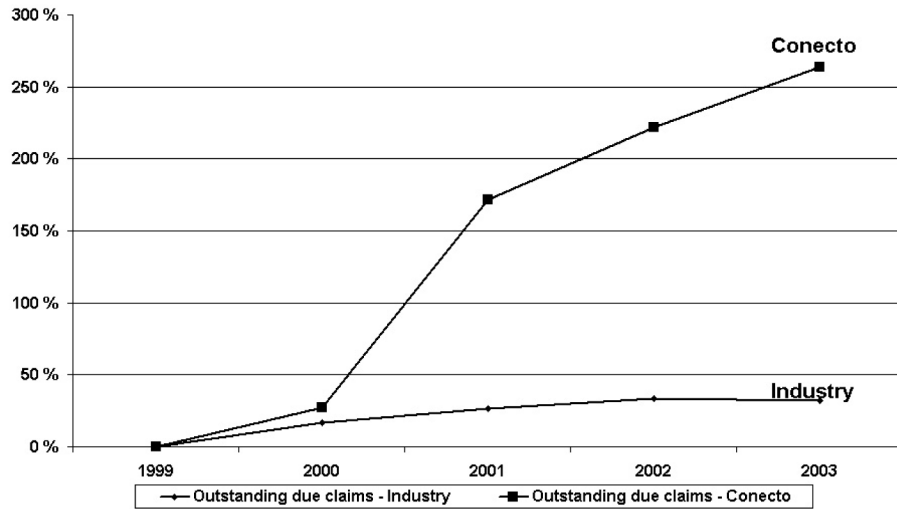
In early 2004, Conecto's largest competitor conducted an industry survey. The results revealed that, although new business development and collected debt had flattened out for the industry as a whole, Conecto continued to grow, far surpassing their rivals in both areas. Conecto's increase in outstanding due claims increased by more than ten-fold from 2000 to 2003 (Figure 3), and the rate of collection (see Figure 4) increased by a factor of 30, compared to the industry average of 3. The firm's share of business from two of their largest clients increased by 20-40 percent and both firms cited Conecto's reputation as reasons for giving them more business.

The head of Conecto believes that the increasing concern of his major clients with their own reputations and also their desire to keep their delinquent customers in the long run were the reasons for them trusting Conecto with larger shares of their business. Conecto is seen as a firm that cares about people and that will handle debt collection in a manner that is not damaging to their own clients. While it is not clear that the firm's success is directly attributed to the identity process described here, the Conecto sales force now finds it easier to know what to say when trying to attract new customers, and, internally, the process has had a positive effect on the working environment. There seems to be an increased sense of commitment among the employees due to the fact that their own values, feelings and personalities have made (and continue to make) a contribution to the identity of their company. Conecto has encouraged their employees to ask questions instead of jumping to conclusions, both at work and in private. In this sense, Conecto has taken a moral responsibility by offering their employees a gateway to philosophical questions, stimulating them to question the established, and to reflect on what is right for themselves as individuals and for society as a whole.



**Figure 3.**  
Conecto's percentage  
recovery rate versus  
industry performance

Development (%) of outstanding due claims from 1999



**Figure 4.**  
Conecto's increase in  
outstanding due claims  
from customers versus  
industry performance

Conecto has also been recognized by their identity-building efforts in the media. They were the subject of a feature article in the Norwegian Public Relations Society's membership magazine, their process was mentioned in the largest business newspaper in the country and a number of other business publications have referred to Conecto in articles on corporate values. The managing director is also asked to address business groups and share his company's experience with business and communication students.

### Conclusion

The purpose of this paper is to present a unique identity-building process employed in a Norwegian service firm. It is somewhat different from other papers as it maps a lengthy process and then provides some evidence for its success. The process is not without methodological weaknesses, some of which have been raised by other researchers' examination of identity research methodologies (Ravasi and van Rekom, 2003). However, any attempt by a firm to employ a deeper approach to identity analysis, we believe can only be seen as positive. And evidence from the marketplace suggests that it apparently has paid off for this firm.

Some researchers have begun to focus on the differences between branding of products versus services, and there is clear evidence that the branding of services has its own set of challenges (cf. McDonald *et al.*, 2001). The concept of consistency is a recurring theme, both in communication (De Chernatony and Segal-Horn, 2003) and between communication and behavior of employees (McDonald *et al.*, 2001). We have previously suggested that consistency can be increased through reliance on a "sustainable corporate story" based on the actual identity of the organization as manifested in its values. And further that the actual identity serves as the basis for the communicated identity. Davies and Chun (2002), support this notion as they assert that

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in services industries where employees and customer interaction is critical, it is particularly important that the gap between conceived identity (image) and actual identity are minimal. De Chernatony and Segal-Horn (2003) refer to research that indicates this gap can occur when expectations created by corporate communications are not met by employee behavior.

The firm described in this paper used great resources in uncovering the values of their employees as a basis for the actual identity. De Chernatony and Segal-Horn (2003) believe that successful service brands have a clear view of their values, particularly those focused on doing the right things for the customers. Their respondents referred to value-driven behavior as a “point of difference” (De Chernatony and Segal-Horn, 2003, p. 1109). Cynicism to how management handles this process was evident however, as some of the respondents saw the value concept as being manipulative. An emphasis on a process whereby employees would be more committed to delivering the promise inherent in the values was suggested. The process described in this paper is such a process.

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Uncovering  
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