

**PERSPECTIVES OF CIMB AND TNB IN DEVELOPING AND MANAGING OF  
CORPORATE IDENTITY**

**by**

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## **LIST OF ABBREVIATION**

ASEAN	The Association of Southeast Asian Nations
CEO	Chief Executive Officer
CIMB	Commerce International Merchant Bankers
GLC	Government-linked Company
GLIC	Government-Linked Investment Companies
PCG	Putrajaya Committee on GLC High Performance
ROE	Returns on Equity
ROA	Returns of Assets
TNB	Tenaga Nasional Berhad

# **PERSPEKTIF CIMB DAN TNB DALAM MEMBANGUNKAN DAN MENGURUSKAN IDENTITI KORPORAT**

## **ABSTRAK**

Kajian identiti korporat telah dibincangkan secara meluas oleh penyelidik, terutamanya dari bidang komunikasi korporat, pemasaran, dan pengurusan strategik. Ianya merupakan satu bidang yang kompleks dimana pengurus perlu menimbang setiap aspek yang menyumbang kepada pemahaman identiti korporat dalam organisasi. Dengan mengambil kira sifat konteks tafsiran identiti korporat dan pengurusan, menggambarkan identiti korporat dekat dengan persekitaran operasi, dan pemikiran pengurusan adalah penting. Kajian membangunkan dan menguruskan identiti korporat dari persepsi pengurusan di Asia, khususnya di Malaysia adalah terhad. Oleh itu kajian ini cuba untuk mengisi jurang dan memperkayakan data pada pemahaman unsur identiti korporat di Malaysia. Kami memilih organisasi di Malaysia kerana syarikat berkaitan kerajaan memainkan peranan penting dalam pembangunan ekonomi, terutama di negara-negara membangun. Walau bagaimanapun, pengalaman banyak negara menunjukkan bahawa GLC biasanya kurang cekap daripada bukan GLC seperti yang diukur oleh prestasi ekonomi mereka. Setelah kerajaan memperkenalkan program transformasi GLC sejak 2004 untuk meningkatkan prestasi GLC, adalah sangat penting untuk menyiasat identiti korporat GLC ini dari perspektif pengurusan. Secara khusus, terdapat tiga persoalan utama kajian untuk membimbing kajian ini. Persepsi pengurusan atasan mengenai elemen identiti korporat akan dinilai dari tiga perspektif yang diperolehi dari literatur: unsur-unsur infrastruktur identiti, unsur-unsur strategi identiti dan unsur-unsur penyampaian identiti. Kajian ini menggunakan method kualitatif kaedah kajian kes di

mana dua GLC dikaji dan empat pengurus tertinggi syarikat (Pengerusi, Ketua Pegawai Eksekutif, Naib Presiden dan Pengurus Komunikasi Korporat) telah ditemubual. Dokumen Organisasi juga telah digunakan untuk melengkap data. Keputusan mengesahkan bahawa persepsi pengurusan atasan GLC menguruskan infrastruktur identiti dalam bentuk personaliti/realiti, dan budaya korporat. Selepas itu identity distrategikan dengan menggunakan strategu pemposisian, strategi ketuan, dan strategi kerajaan. Bentuk ekspresi identity pula adalah dalam bentuk komunikasi, tingkahlaku dan simbol. Situasi dan konteks komunikasi mempengaruhi secara tidak langsung proses ini. Kami juga memperkenalkan faktor baru, iaitu peranan kerajaan dalam mempengaruhi proses identiti korporat. Penemuan boleh digunakan untuk meningkatkan pengetahuan mengenai pemahaman unsur identiti korporat terutama pada konsep dan pengurusannya. Setelah membandingkan pemahaman yang berbeza dari Malaysia dan sorotan literatur antarabangsa, adalah diharapkan pemahaman yang terperinci dalam membangun dan mengurus identiti korporat akan dicapai dan diperjelaskan. Di samping itu, kajian ini akan menghasilkan pengetahuan baru dengan memperkenalkan konsep penting kepada budaya Asia dan cara menjalankan perniagaan .



# **PERSPECTIVES OF CIMB AND TNB IN DEVELOPING AND MANAGING OF CORPORATE IDENTITY**

## **ABSTRACT**

The study of corporate identity is a complex whereby managers have to consider the contextual nature of corporate identity interpretation and management, describing corporate identity close to the operating environment, and to the thinking of people in management. The study of corporate identity elements from the perception of management in Asia, particularly in Malaysia is limited. Therefore this study tries to fill the gap and enrich the data on the understanding of corporate identity elements in Malaysia. We choose to study government link in Malaysia because government linked company play an important role in economic development, and providing job opportunities. especially in developing nations. However, experience of many countries demonstrates that GLCs are usually less efficient than non-GLCs as measured by their economic performance. Since the government had introduced the GLC transformation programme since 2004 to improve GLC's performance, it is therefore very important to investigate GLC's corporate identity from the managerial perspective. Specifically, there are two main research questions to guide this study. Upper management's perception on the elements and management of corporate identity will be assessed from three steps derived from the literature: the foundation of identity infrastructure, the identity strategy and the identity expression. This study employs qualitative, case study method where two GLCs were approached and four higher level managers (the Chairman, the CEO, the Vice President, and the Corporate Communication Manager) were interviewed. Organisational documents were also used to triangulate the data.

Result confirmed that the GLS's upper management perception on the elements of corporate identity is parallel to the literature. We also introduce newly emerging factor, which is the role of government in influencing corporate identity process. The findings could be used to increase the knowledge about the understanding of corporate identity elements especially on its conceptions and management. As noted earlier, despite the voluminous literature the corporate identity concepts remain unclear and ambiguous, and have been used with other terms interchangeably and imprecisely. After comparing different understanding from Malaysia and international literature, across countries, across time (modern versus traditional), and across job specifications (practitioners versus academicians), it is expected that a detailed understanding on the corporate identity elements will be achieved and clarified. In addition, this study will generate new knowledge by introducing conceptions significant to Asian culture and the way of doing business.

## CHAPTER ONE

### INTRODUCTION AND RESEARCH PROBLEM

#### 1.0 Introduction

The opening chapter of this thesis provides a general overview of the motivation for and background to the current research. In the following sections, first, we explained the research background that explains the overview of this research, and the problem statement. Second, we discussed the research questions, aim and objectives. Third, we explained the context and the respondent base of the study. Fourth, we discussed the research methodology, and fifth, on the findings, novelty and contribution.

#### 1.1 Research Background

##### 1.1.1 Overview

Identity is essential for any organisation because it is to do with differentiation (Fatma and Rahman, 2014; Green, 2010; Ingenhoff and Fuhrer, 2010, Caruana *et al.*, 2009). For example, identity has an advantage of sustainable differentiation and also can bring an exceptional financial result to the company via the excellent brand. According to Temporal (2006), 70% or more of the market capitalization is not represented by the net tangible asset value of the companies concerned but rather by the intangible value of the brand name. For instance, *Nestle* paid six times the net asset value to buy *Rowntree* and its amazing portfolio of brands, including *Kit Kat* and *Smarties*. While, *Ford* paid US\$2.4 billion to buy the *Jaguar* brand; Phillip *Morris* paid four times the net asset value of *Kraft Foods* when it bought that company, and *Procter & Gamble* paid US\$57 billion for the purchase of *Gillette*, an estimated premium of thirteen percent over

*Gillette's* market value. Therefore, the identity through brands brings multibillion values to the business, and it is a strategic element for a large organization.

Corporate identity has been defined as “the ways an organisation chooses to identify itself to all its public” (Zinkhan, Ganesh, Jaju, and Hayes, 2001. p., 154). Industry surveys reported that corporate identity had been among the main agendas for managers nowadays as strategic tools (Wilson and Hair, 2015; Hiller and Verdier, 2014). Currently, the accelerating rate of turbulent change, the volatility of economies and markets, increased market fragmentation, and the relentless progress of technology and innovations have caused the destruction of many companies that have failed to develop the lifeline of a strong identity. Furthermore, a stakeholder becomes more sophisticated and very demanding. Financial stakeholders and other stakeholders such as employees and community members also require information, primarily on accountability and other intangible's information to produce a positive corporate image of the organisation. Primarily the focus on the study of corporate identity and image dated back to the 1950s. Since the 1950s, various concepts about corporate communications have captured the imagination of scholars and practitioners. For instance, the crucial importance of corporate-level concepts was marked with the beginning of the concept of corporate image in the 1950s (Kennedy, 1977). In the 1970s to 1980s, the focused then has shifted to corporate identity and corporate communication and later in the 1990s, the focused has broadened to the concept of corporate brand communication and corporate reputation (Balmer, 1998).

It could be noted that the area of corporate identity has been researched broadly, and the different aspects in corporate identity have been largely investigated. Corporate identity, however, has been widely discussed by researchers from corporate communication, marketing and strategic management (Otubunjo, 2013; He, 2012; Balmer et al., 2009; He, 2008; Melewar and Karaosmanoglu, 2006). The discussions are found to be multifaceted and has been looked at and defined in many ways (Alessandri, 2001; van Rekom, 1998; van Riel, 1997; Balmer and Soenen, 1996; and Balmer, 1995,1997;). It is also at the same time very much related to other aspects of marketing communications such as corporate branding (Balmer and Gray. 2003; Balmer, 2001, Balmer, 1998); corporate image (Barnett *et. al.*, 2006; Davies and Chun, 2002); and corporate reputation (Barnett *et. al.*, 2006; Carter, 2006). The terms used to connote the corporate identity elements as described in the literature are varies: ‘dimensions’ (Maurya, Mishra, Anand, and Kumar, 201; ‘components’ (Melewar and Karaosmanoglu, 2006; Melewar and Jenkins, 2002; Balmer, 2002), ‘sub-constructs’ (Melewar and Akel, 2005), and ‘mix’ (van Riel, 1995).

### **1.1.2 Problem Statement**

The literature on corporate identity asserts that it is of strategic management importance that organisation ensure an excellent identity strategy for all its public. The most stakeholders benefitted from distinctive identity are the customers. Customers are among the most relevant external stakeholders for any organisation. They are the resource upon which the success of the business depends on. Van Riel (1995) noted that a strong corporate identity could inspire confidence among the company's external target groups and acknowledged the vital role of customers. Recent studies in corporate

identity introduce the notion of "relationship identity" in which corporate identity has a prominent role in informing and moulding continuous business-to-business relationship (Simoes and Mason, 2012). Allesandri (2001) stated that the consistent use and exposure of corporate identity in all forms of marketing are widely believed to aid customer's learning about the company. The effect is particularly strong when consumers cannot adequately gauge product attributes before the purchase decision, and they, therefore, draw inferences from the company that stands behind the product (Brown, 1998). High-reputation companies through strong corporate identity strategy are more likely to be credible to consumers, especially when they make extreme claims about their products in their promotional campaigns (Goldberg and Hartwick, 1990). As for the internal stakeholder, employee branding is the label given to the reputation-building tactics being used by a rising number of companies to make themselves more attractive to prospective and current employees (Fombrun and van Riel, 2003). Employee who identifies strongly with their organisations feels that they are expected to defend company's action in social situations (Fanning, 1990); to seek more contact with the organisation (Kunda, 1992); to produce more competitive behaviour between people in different groups (Tajfel et. al, 1971); and to focus on tasks that benefit the whole organisation rather than on purely self-interested ones (Organ, 1990). Identification also is a means for psychological attachment (O'Reilly and Chatman, 1986) and intragroup cohesion (Kramer, 1991). A detailed consideration of the importance of corporate identity is elaborated in Chapter 2 of this dissertation.

The literature, however, also reveals that for various reasons, despite the attention given over the past 65 years, the actual elements in the definition of corporate

identity is highly contentious, and many have opted not to define the terms precisely (Melewar and Jenkins, 2002). The practitioner literature in the past (since 1950s), as well as at present tends to focus on visual elements of identities such as the name, the logo, the tagline, and the corporate colour (Carls, 1989; Ackerman, 1988). Olins (1989) stated that the visual elements can increase short-term attachment to an organisation. However, there were also early writers like Lambert (1989) who speak of corporate identity as composed of visual elements, as well as management of communication, structure and behaviour. Birkigt and Stadler's (1986) mix elements of communication, behaviour and symbolisms was famous and widely referred to but is said to be no longer comprehensive in conceptualising corporate identity in the concept of recent discussion (Balmer and Soenen, 1999). It has been discussed narrowly and fails to encompass other key identity elements found in recent scholarship discussions such as industry identity (Balmer and Wilkinson, 1991), strategy (Melewar and Karaomanoglu, 2006), and product and services (Olins, 1995). As for the modern writers, Van Rekom, Van Riel and Wierenga (in Van Riel, 1995, p. 36) defined corporate identity in a broader and comprehensive concept as "the self-presentations of organisations; consists in the cues in which an organisation offers about itself via the behaviour, communication and symbolism which are its form of expression".

A stakeholder approach to corporate identity has acknowledged the social, cognitive orientation for corporate identity process and propose to substantiate corporate identity in a more cognitive ways (He and Balmer, 2007a) through representation in the minds of stakeholders. Management based on the internal interpretations of organisations utilizes findings by He and Balmer (2013) saying that senior

management's cognition of the corporate identity interface is multiple, interdependent, symbiotic, and dynamic in nature. In relation to this, Cornellison and Elving (2003) introduced a framework that links dimensions of corporate identity management to situational and contextual factors. This framework seeks managers to identify the broad range of issues to consider about corporate identity management. Their framework suggests many other parameters to be considered within corporate identity management. It discards the whole idea of a "fixed" solution towards corporate identity management and provides a more and balanced view which emphasizes the range of decisions and types of situations in which one corporate positioning strategy and associated corporate identity mix, or another may arise and become significant. Cornellsen and Elving (2003) articulated that while there might be a relationship between the original constructs of strategy, culture, and structure with corporate identity management; such relationship is modified by and hence subject to the managerial interpretation of the organisation, and how it should be represented through the corporate identity mix elements. This involves a choice of different types of positioning strategy, a specification of codes and conducts, that, in turn, influence communication plans and programs, which in turn influence and guide the media and message in corporate identity mix. In alignment with these observations, the efficacy of taking account of senior managements' perspectives of an institution's identity, this research focuses on senior managers.

The key arguments for all these discussions appear to be that corporate identity conception is evolving and not universally consistent. Its conceptions can be identified through a detailed description of identity elements during a systematically planned and



implemented process of creating and maintaining favourable images and consequently a favourable reputation of the business (Melewar and Karaosmanoglu, 2006); Einwiller and Will, 2001). A stakeholder approach to corporate identity has acknowledged the social, cognitive orientation for corporate identity process and proposes to substantiate corporate identity in a more cognitive ways (He and Balmer, 2007a) through representation in the minds of stakeholders. Management based on the internal interpretations of organisations utilizes findings by He and Balmer (2013) saying that senior management's cognition of the corporate identity interface is multiple, interdependent, symbiotic, and dynamic in nature. In relation to this, Cornellison and Elving (2003) introduced a framework that links dimensions of corporate identity management to situational and contextual factors. This framework seeks managers to identify the broad range of issues to consider about corporate identity management. Their framework suggests many other parameters to be considered within corporate identity management. As Balmer (1994) also stressed the need for managers to tailor corporate identity to the specific requirements of the organisation and the internal and external dynamics, the researcher is therefore interested to explore the corporate identity management process as perceived by the top management, as there is a shortcoming in the available research into this issue in as much as what has been done fails to bring clarity and consistency. Understanding these dynamic and multiplicity of corporate identity conceptions among senior management is advantageous for the excellent corporate image. Hence, this provides the rationale for undertaking the research from the upper management perspectives.

Research focusing on corporate identity conceptions among management in the government-linked organisation is still lacking. Moreover, with regards to the elements of corporate identity to be practiced in such organisations, more studies are needed in this context as Bezuidenhout and van Heerden (2003) emphasized that corporate service and the behavior and dynamism of the government should be upgraded to engender a more positive perception of its public. It should be noted that the use of corporate communication strategy to improve the image is becoming widespread in the government organisations due to the fact that most organisations realize that they require positive image and trust from the public in order to ensure their survival in the arena. According to The Guardian on 1<sup>st</sup> July 2014, Nigeria signed \$1.2million public relations deal to improve image after the Boko Haram kidnap incidents (The Guardian, 2014). Referring to a report in The Hill on 26<sup>th</sup> June 2014, the Nigerian president is seeking to counter the perception that he has not done enough to combat terrorism (The Hill, 2014). Therefore, globally, there has been an increased recognition that government-related institutions need to build and manage a long-term relationship with their stakeholders. This is fundamental to the survival of any government institution, and its related organisation is not only derived from the services they offered but most importantly the relationship with their stakeholders. Developing trust and confidence among the public is highly desirable (PytlikZillig, Tomkins, Herian, Hamm and Abdel-Monem, 2012). As competition is becoming severe, strategic identity strategy is an asset for building understanding, credibility and support among a variety of stakeholders (Downey, 1986).

## **1.2. Research Questions (RQ), Aim and Objectives**

This thesis is in the disciplinary fields of corporate communication and corporate identity. It seeks to integrate human and social scientific approaches within the study of identity construction in an organisational context by addressing the top management negotiation as constitutive of identity and by asking how this approach may affect perceptions in the management of corporate identity process. The goal is not to replace existing views on corporate identity but rather to provide an additional, alternative approach to generating new insights. By changing the definition of what is being studied, we change what we see; and when different definitions are used to chart the same territory, the results will differ, as do topographical, political, and demographic maps, each revealing one aspect of reality by virtue of disregarding others (Martin, 1986).

### **1.2.1 Research Questions (RQ)**

- i. Corporate identity interpretation.

How do the top managements of Malaysian GLCs understand corporate identity, and what are the gaps in the understanding of corporate identity (i) between the top managements of Malaysian GLCs and their counterparts abroad, (ii) between the top managements of Malaysian GLCs and the international traditional as well as modern perspectives on corporate identity in the literature, and (iii) between the top managements of Malaysian GLCs and other practitioners as well as academics as elaborated in the corporate identity literature.

- ii. Management of the corporate identity process.

How do the top managements of Malaysia GLCs manage their organisational identity – in the sense that to what extent do these GLC managers consider the elements in (i) identity infrastructure, (ii) identity strategy, and (iii) identity expression - in the corporate identity process?

### **1.2.2 Research Aim**

This study focuses on the interpretation and the management of corporate identity process in selected Malaysian GLCs. The overarching aim of the study is:

To investigate how managers form the corporate identity interpretations that contribute to the management for corporate identity process. This steers the investigation towards three different natures of corporate identity interpretations, namely i) the different countries perspectives, ii) the traditional-modern perspectives, and iii) the practitioner-academician perspectives; and towards a consideration of these interpretations in the three stages of the corporate identity process, namely i) the identity infrastructure, ii) the identity strategy, and iii) the identity expression. From this investigation, it is intended to develop and validate a model of the corporate identity process.

### **1.2.3 Research Objectives**

The main purpose of this study is to explore the interpretations and the management of corporate identity elements in the corporate identity process among the top managements of Malaysian GLCs. Four objectives are developed to achieve the purpose of this research:

- i. To understand the nature of the corporate identity interpretations across multiple approaches via a review of the literature
- ii. To examine the extent to which the top managements of Malaysian GLCs have a clear understanding on the interpretation of corporate identity. In other words, what are the gaps between their understanding with the three dimensions of corporate identity interpretation approaches in the literature namely 1) the different countries perspective, 2) the traditional-modern perspective, and 3) the practitioner-academician perspective.
- iii. To investigate what are the elements in the management of corporate identity process as negotiated by the top management of Malaysian GLCs – from developing the infrastructure of identity to the formulation of identity strategy, and finally the expression of identity.
- iv. To develop a model of successful corporate identity process for Malaysian GLCs by defining corporate identity elements negotiated by their top management in the corporate identity process.

### **1.3 The Context and the Respondent Base of the Study**

The empirical context of this study is that of the government-linked companies in Malaysia. Other terms used by other countries referring to this legal entity that undertakes commercial activities on behalf of an owner government are state-owned enterprise (SOE), state-owned company, state-owned entity, state enterprise, publicly owned corporation, government business enterprise, crown corporation, government-owned corporation, commercial government agency, public sector undertaking, and

parastatal. Some of the terms were used throughout the discussion especially when elaborating GLCs practices in other countries. The rationale behind focusing on the Malaysian GLCs as the context for the study is as follows:

- a. According to the 2015 report on Malaysian economy outlook (Malaysian Institute of Economic Research, 2015), apart from ongoing commodity and currency declines, Malaysia is still nowhere near the previous crisis in 1997/98 as its FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI) remained well above 1,700, real growth domestic product (GDP) estimated at 5%, inflation below 2.5% and unemployment rate below the full employment threshold of 4%. Malaysia is certainly not a “failed state” as labeled by critics. Due to the very challenging world economic environment, protecting Malaysia’s good reputation local and abroad, and ensuring credibility and predictability are urgently needed.
- b. Malaysian GLCs are recognized as one of the important industries that support the country’s economy. The G20 spent RM153.9 billion in domestic investments from FY2004 to FY 2014 and provided employment to 225,050 Malaysian in 2014 (TMO media statement, May 2015).
- c. The overall perception of Malaysian GLCs however, has been tainted by poor performance and identity problems of key players in the past decade. Many received public criticisms. For example, numerous formal and informal discussions have been made on the Malaysian Airlines System’s (MAS) continuous cycles of losses and profits: 1997/1998 reported loss of RM 260 million; 2004 reported profit of RM 461 million; 2005 reported loss of RM 1.25 billion; 2011 reported loss despite the implementation of the Business

Turnaround Plan 1 in 2006 and the Business Transformation Plan 2 in 2008; and the worst. 2014, financial crisis ever with the lost of two aircrafts, exacerbating the airline's financial trouble (Shalini Rahul Tiwari and Jyoti Kainth, 2014). In the same vein, Proton, the national carmaker's shares dropped sharply in 2006 when international carmaker Volkswagon decided against investing in the company. Proton suffered losses of RM587 million in 2007 and RM339 million in 2009 and was criticised for being over protected by government policies and producing mediocre quality cars (Natsuda, Segawa and Thoburn, 2012). Similarly, the local media has also repeatedly reported the huge losses incurred by other GLCs and their involvement in activities not related to their core business. Some of these reports shocked the country, as the public perceives misuse of power and funds relating to the lack of governance by the Malaysian government. Criticisms by stakeholders also range from the National Economic Transformation Program to being ineffective to GLCs being too risk-averse and politically oriented rather than commercially motivated.

These have led to my interest in the research of GLCs in Malaysia and in understanding the elements of corporate identity as perceived and managed by the management that inhibits or enhance the reputation of these companies. Studying the subject in this context was considered to yield different perspectives than other developed market settings.

Interviews were conducted among GLCs senior managers in Kuala Lumpur as most GLCs are located there. Samples were determined by following the purposive sampling steps. CIMB and TNB were selected for the following reasons:

- a. CIMB and TNB were listed in the G20, the twenty GLCs that undergo transformation programme to improve performance.
- b. Two GLCs were chosen to reflect the presence of similar events at multiple sites but diverse social and economic conditions (Yin, 2010)
- c. These two companies are large enough to have a corporate communication department and are capable of investing in a wide range of corporate communication activities.
- d. These companies had strategic corporate communication plans in action.

#### **1.4 Research Methodology**

This study focuses on the senior managements' perception on the interpretation and management of corporate identity in the GLCs. It adopts a qualitative research methodology by employing the multiple (two) case study method. This methodology is relevant because the research objective is to understand phenomena or to interpret the uniqueness of an event (Meriam, 1998). It employed a case study method consisted of qualitative analysis of two Malaysian GLCs. Case study approach refers to a group of methods, which emphasizes qualitative analyses (Yin, 1984). It is used as a means to offer a clearer view through in-depth investigation within the respondents (Matopoulos, 2007) to understand complex phenomena (Yin, 2003). Thus, the methods chosen to gather the data include four in-depth interviews with the top-rank officials in CIMB and TNB; and annual reports content analysis. The interview samples were from two GLCs, and the four upper managements studied are the Chairman, the CEO, Director of the Group Marketing and Communication and Corporate Communication Manager. Annual report content analysis analyses 12 Chairman messages and 12 CEO reviews



from six years annual reports year 2006 to 2012 from 2 GLCs' annual reports. Case selection should include units that can give the broadest range of information and perspective on corporate identity management. This study also includes another GLC that is believed to offer contrary evidence or views. This can offer more perspectives as well as able to avoid biases in confirming preconceptions (Yin, 2011). CIMB was selected as an extreme and transparent case (Eisenhardt, 1989) because it faced challenges during expansion and rebranding practices, while TNB being a monopoly in its industry remain unchallenged.

For the purpose of increasing the reliability, the researcher followed a well-established methodological guideline, a case study protocol (Eisenhardt, 1989). This is divided into three phases and includes an overview of the project and interview questions (Rowley, 2002). In the first phase of the case study protocol, the researcher developed an initial conceptual model based on a thorough review of the literature and from the main gaps found from past studies. In the second phase of the case study protocol of this research, the conceptual model developed was examined through multiple sources of data, including unstructured interviews of four top managements and annual reports (12 Chairman messages and 12 CEO reviews from six years annual reports year 2006 to 2012), and data analysis. In the third phase of the case study protocol, the researcher validates and revises the proposed conceptual model based on the findings from the second phase. This stage is referred to as bringing the results and findings to closure.

### **1.5 Findings, Novelty and Contribution**

The primary findings of this study contribute to its novelty. The novelty of this study is vested in the model produced by the researcher, depicting excellent corporate identity management process as perceived by top management in the Malaysian GLCs. This study also has specifically made a contribution to knowledge by providing a detailed understanding of the corporate identity management process, a contribution to the literature on research method, and a contribution to the industry.

The common perspective of corporate identity is to view it as contribute to the public perception of corporate image (Barnett, Jermier, and Lafferty, 2006), a perspective shared by many scholars. The research found that the fourteen propositions put under three different categories (identity infrastructures, identity strategy, and identity expression) were perceived by upper management as significant in the corporate identity management process. The element of corporate personality/reality; corporate culture (values, mission and vision, history); brand structure; organisational structure; and government link were perceived as significant in the process of corporate identity infrastructure. The element of internal and external positioning strategy; leadership strategy and government strategy also was perceived as contributing to the corporate identity strategy management. Finally, corporate communication programmes, corporate behavior and symbolism express the corporate identity to organisational stakeholders. This management perception of corporate identity was current and parallel to that in the literature, despite the different nature of practices in their respective organisations. The focus of this study was the government-linked companies, which make corporate identity interpretation and management more challenging due to the involvement of the

government as the major shareholder, and the different mindset that they had. The role of government is a newly added theme to the revised model. Van Riel and Balmer, (1997), and Kennedy (1997) has confirmed the significant roles of government on corporate identity. Another important element discussed was on the role of corporate social responsibility in the corporate identity expression through corporate exemplary behavior to the stakeholders.

Theoretically, this research discussed on the interconnectedness between various relevant concepts in the area – corporate identity, corporate image, corporate reputation, corporate marketing, and branding -, and that all the concepts share the same area and scholars, and therefore should be used to supplement corporate communication views on identity. This research also discussed on the multiplicity of corporate identity narration, which embed the social, cultural and historical in its narratives. The concept of corporate identity also is dynamic, complex and contextual. These are important discussions that serve as a context for corporate identity process. Finally, we proposed that all these context influence identity management starting from the formation and negotiation of corporate identity infrastructure, to the formulation of strategy, and expression through communication, behavior and symbolism.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

To understand various discussion in the field, this chapter will discuss corporate identity based on various perspectives and approaches in the corporate identity literature according to these sub-topics: a) The corporate identity and other inter-related concepts; b) Corporate identities and corporate brand; c) Corporate identity: Why does it matter; d) Perspectives in corporate identity discussions; e) Researcher's review on the conception of corporate identity; f) Upper management consideration in the management of corporate identity process: few issues; g) Government-linked companies (GLCs) in Malaysia; and h) Economic, social, and political issues in GLCs performance . The comprehensive understanding of the conception and communication approaches of corporate identity will enable organisation to manipulate it's inner and outer environment and develop strategic corporate identity plan for building good reputation overtime.

#### 2.1 The Corporate Identity and Other Inter-related Concepts

*“It should come as no surprise to find that the concept of identity, which is so important to conceiving what it means to be human, also is central to the conceptualization of one of the most complex and fascinating of human creations, the work organization.”*

*(Gioia, 1998,17)*

Corporate identity has emerged in the literature of the last decade as a multifaceted phenomenon that has been looked at and defined from many perspectives.

Various academics in the field (Alessandri, 2001; van Rekom, 1998; van Riel, 1997; Balmer and Soenen, 1996; and Balmer, 1995,1997) hold that we are still at the beginning of our attempt to fathom the depth of the concept. Definitions on corporate identity were ranging from general definitions to elements-specific. General definitions described corporate identity as ‘about appearance’ (Olins, 1978); ‘all the sum of all ways to identify itself’ (Margulies, 1977); ‘total presentation of an organisation’ (Anspach, 1983); ‘articulate what the organisation is, what it stands for, and what it does’ (Topalian, 1984); ‘a firm’s unique capabilities’ (Ackerman, 1988); ‘the organisation’s presentation of itself to its various stakeholders and the means by which it distinguishes itself from all other organisations’ (Markwick and Fill, 1997); and ‘the ways an organisation chooses to identify itself to all its public, the ideal self-image that an organisation projects to its stakeholder, and represents the aspired image’ (Zinkhan, Ganesh, Jaju and Hayes, 2001), to quote few.

There are many authors also who include the term ‘*corporate personality*’ in their definitions of corporate identity (Van Riel and Balmer,1997; Lee, 1983; Lux, 1986; Downey, 1986; Markwick and Fill, 1997; Zinkhan et.al., 2001; Melewar, 2003). Corporate personality was described as the key determinants that construct an organisational’s corporate identity, and also as a total sum of the organisation’s characteristics from which its identity is generated. In further definitions, other authors tended to clarify elements that form corporate identity such as visual/tangible/physical (Selame and Selame, 1975, Henrion, 1980, Bernstein, 1984, Olins, 1989, Abratt, 1989; Blauw, 1994, Allesandri, 2001, Simoes, Dibb, and Fisk, 2005; Melewar and Karaosmanoglu, 2006; Otubanjo and T.C.Melewar, 2007; Maurya, Mishra, Anand, and

Kumar, 2013, 2015), behavioural (Henrion, 1980; Lux, 1986; Birkigt and Stadler, 1986; Abratt, 1989; Balmer, 1993; Allesandri 2001; Balmer, 2002;; Melewar and Karaosmanoglu, 2006; Maurya et.al., 2013, 2015); and communication (Lambert, 1989; Balmer and Soenen, 1997; Van Riel, 1997; Birkigt and Stadler, 1986; Melewar and Jenkins, 2002; Simoes, Dibb, and Fisk, 2005; Melewar and Karaosmanoglu, 2006; Otubanjo and T.C.Melewar, 2007; Maurya et.al 2013, 2015). In order to provide a clearer topology of the definition of corporate identity over the last two decades, the researcher has developed Table 2.1, which illuminated various definitions of corporate identity. The aim of this tabulation is to highlight the importance of the keywords of each concept and to show the breadth of the corporate identity interpretation.

Table 2.1: Definitions of Corporate Identity

<b>Author and Year</b>	<b>Definition</b>
Henrion, 1980	Corporate identity embodies, besides all visual expressions, also all non-visual expressions and behaviour in the social, economic and political field.
Birkigt and Stadler, 1986	Corporate identity is the strategically planned and operationally applied internal and external self-presentation and behaviour of a company. It is based on the agreed company philosophy, long term company goals, and a particular desired image, combined with the will to utilise all instruments of the company as one unit, both internally and externally
Balmer and Soenen, 1997	Corporate identity encompasses 3 core dimensions: the mind, the soul, and the voice. The mind is the product of conscious decisions. The soul results from subjective elements such as the firm's distinct corporate values and the sub-cultures present in the firm. The voice represents all of the ways the firm communicates.
Allesandri, 2001	Corporate identity is a firm's strategically planned and purposeful presentation of itself in order to gain a positive corporate image in the minds of the public. A corporate identity is established in order to gain a favorable corporate reputation over time.
Melewar and	Corporate identity is the presentation of an organisation to every stakeholder. It is what makes an organisation unique and it

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Karaosmanoglu, 2006	incorporates the organisation's communication, design, culture, behaviour, structure, industry identity and strategy.
Maurya, Mishra, Anand, and Kumar, 2013	Corporate identity as the symbolic or visual (V), communication (C) and behavioral self-expression (B) of the organisation's notion of self.
Researcher's Definition	Corporate identity is a firm's unique process of managing and developing its basic infrastructure (subjective foundations and physical structures), integrate into business strategies, and expressed attractively to different organisational stakeholders to secure favourable responses.

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Source: Developed by the researcher for the purpose of this research

The concept of corporate identity has very broad and deep intellectual roots (Balmer, 2008) and can be applied to various levels of individual group, different nature of organisations, and also nation. Therefore, it is not a surprise that corporate identity has been used interchangeably with other relevant terms in past research (Allessandri, 2001). Other concepts frequently related to corporate identity and used interchangeably were corporate communication, personality, corporate brand, corporate image and corporate reputation (Brown, Dacin, Pratt, & Whetten, 2006, Simoes, Dibb, and Fisk, 2005). However, even though these concepts are very much interrelated, they have at the same time their own intellectual roots and practice-based adherents (Balmer and Greyser, 2006).

The relationship between corporate identity and *corporate image* for example, is straightforward and has been clarified by many scholars. Contrary to corporate identity, corporate image is defined as 'what organisational agents want their external stakeholders to understand is most central, enduring and distinctive about their organization (Whetten and Mackey, 2002: 401). It is an overall impression that an audience has of an organisation (Keller, 2002), the net result of the interaction of all

experience, impressions, beliefs, feelings and knowledge people have about a company (Worcester, 1997). Corporate image has been studied extensively (Hatch and Schultz, 1997). Scholars have examined corporate image for various reasons: i) to understand its formation process (Nguyen, 2006; Dowling, 2001; and Keaveny and Hunt, 1992), ii) to assess various scales and approaches to measuring the construct (Flavian *et al.*, 2004, Abratt, 1989), and iii) to investigate its impact on customer behaviour (Gurhan-Canli and Batra, 2004; Palacio *et al.*, 2002). Van Riel (1995) have divided the corporate image trends in the literature into three groups: a) the social critics groups that consider images from a sociological standpoint, describe and criticize the role of images in contemporary society, b) the analytic writers group that offer opinions as to what constitute image and how it may be measured, and c) the group of writers interested in utility aspects such as image formation processes and multi-step plans.

While corporate identity is the expression of what the firm is, and image is how the firm is perceived (Hawn, 1998), the terms corporate image and *corporate reputation*, however were quite confusing as both concepts discuss public perception towards an organisation. To differentiate the terms, reputation has been seen as the overall image developed overtime (Ind, 1997); as more stabil than image (Fombrun, 1996); and as a steady accumulation of overall image (Gioia, Schultz, and Corley, 2000). However, there were also other researchers who conceptualised the terms differently. Weiss, Anderson, and MacInnis (1999), for example, differentiate image as a set of associations linked to a brand or company name that summarises a brand or an organisation identity, while reputation as an overall judgment regarding the extent to which an organisation is held in high esteem or regard, not the specific identity it has. In an attempt to make an



advanced in the understanding of the concept corporate reputation by specifying its relationship with the construct of corporate image, Gotsi and Wilson (2001) has reviewed relevant literature and found that throughout the years definitions offered for the term corporate reputation by marketing academics and practitioners could be broadly merged into two dominant schools of thought, namely i) the analogous school of thought which views corporate reputation as synonymous with corporate image, and ii) the differentiated school of thought which considers the terms to be different and, according to the majority of authors, interrelated. To further elaborate, they arranged all the relevant literature into a table, which is re-presented in Figure 2.1.

Defining corporate reputation: The analogous and differentiated schools of thought	
Schools of thought	Relationship between corporate reputation and corporate image
<i>Analogous school of thought</i> (Bernays, 1977; Boorstin, 1961; Boulding, 1973; Budd, 1969; Crissy, 1971; Enis, 1967; Gates and McDanniel, 1972; Kennedy, 1977; Martineau, 1958; Schafhauser, 1967; Abratt, 1989; Alvesson, 1998; Bernstein, 1984; Dichter, 1985; Dowling, 1986, 1993; Dutton et.al., 1994)	Corporate reputation = corporate image
<i>Differentiated school of thought</i> 1 <sup>st</sup> view (Brown and Cox, 1997; Brown and Dacin, 1997; Grunig, 1993; O'Sullivan, 1983, Semons, 1998)	Corporate reputation ≠ corporate image
2 <sup>nd</sup> view (Mason, 1993)	Corporate reputation ⇨ corporate image
3 <sup>rd</sup> view (Balmer, 1997; Bromley, 1993; Fombrun and Shanley, 1990; Gray and Balmer, 1998; Rindova, 1997; Saxton, 1998)	Corporate reputation ⇐ corporate image

Figure 2.1: Relationship Between Corporate Image and Corporate Reputation  
Source: Gotsi and Wilson, 2001

Another terms, **corporate reputation capital** (Barnett, Jermier and Lafferty, 2006) was also introduced to highlight the economic gain. Corporate reputations were seen as magnet that helps a company attract resources, create differentiation and competitive advantage (Fombrun and vanRiel, 2004), and lead to capital, or economic assets (Barnett, Jermier and Lafferty, 2006; Fombrun and vanRiel, 2004). In relations to this conception on the interrelationship between corporate identity and financial performance, we can predict that companies underperformed financially would possibly suffer from identity problems and thus fail to secure positive image and reputation. The company's reputation is a mirror that reflects its relative success at convincing upstream, downstream and diagonal stakeholder about the current and future validity of its strategic direction (Fombrun and van Riel, 2004). Through reputation, investors will be attracted to invest more money, and the media and financial analysts will give favourable reports and coverage.

As for confusion in concepts hierarchy, there were few versions of the inter-relationship. Fombrun and van Riel (1997) sought to subsume image and identity within corporate reputation. Wei (2002: 270) argued that reputation should not subsume image, but rather image should subsume reputation. Among the famous hierarchy used by many authors is that corporate identity leads to corporate image (Davies et.al 2001; van Riel,1995; Dowling, 1986), and corporate image then leads to corporate reputation (Mason in Gotsi and William, 2001). Barnett, Jermier and Lafferty (2006) confirmed this hierarchy and add 'corporate reputation capital' as the end result of the process. The relationship is exhibited in Figure 2.2