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BETWEEN THE DELIBERATE AND THE EMERGENT
— CONSTRUCTING CORPORATE BRAND MEANING IN MNCs

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Where there is a will, there is a way.

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Kaarina, 25th of November, 2012

Riitta Birkstedt

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1 INTRODUCTION

1.1 Background

"*Corporate branding is one of those things that everyone believes is important, yet there is very little consensus as to what it means*", stated Nicholas Ind in 1997 (Ind 1997, 2). This still seems to be the case today. Although corporate branding is an issue of increasing interest among academic scholars and business practitioners (Mukherjee & Balmer 2008; Knox & Bickerton 2003; Schultz & de Chernatony 2002; see also Balmer & Gray 2003; de Chernatony 2002), it is still unclear how to effectively develop and use corporate brands (Knox & Bickerton 2003; Kay 2006; Järventie-Thesleff 2011), and how to manage them in an international context (cf. Knox & Bickerton 2003; Wong & Merrilees 2007; Wallström, Karlsson & Salehi-Sangari 2008; Järventie-Thesleff et al. 2011). Even the concept lacks a commonly agreed definition (cf. Bergstrom, Blumenthal & Crothers 2002, 133).

In broad terms, corporate branding involves attaching certain desired meanings to an organization (cf. Davies & Chun 2002, 155; Urde 2003) so as to increase its perceived value to customers and other stakeholders (Bergstrom et al. 2002, 134; Urde 1999, 122), and communicating these values to its stakeholders through various activities (e.g., Urde 1999). It has been suggested that it provides an efficient, strategic tool for building and maintaining a coherent corporate image and a sustainable brand position in the mind of each individual stakeholder through the management of behavior, communication, and symbolism (e.g., Einwiller and Will 2002; Ind 1997; Knox & Bickerton 2003; Leitch & Davenport 2008). An organization establishing a corporate brand should be able to clearly differentiate itself in the minds of its stakeholders (e.g., Balmer & Gray 2003; Leitch & Richardson 2003; Aaker 1996; 2005; Kotler & Keller 2006), as well as to coherently communicate what it stands for and what it has to offer to different stakeholder groups (e.g., King 1991; Keller 2008; Urde 1999; 2003). However, the task of creating, maintaining and managing a corporate brand is by no means an easy one, especially in the case of large multinational corporations (MNCs) covering a wide variety of business activities within numerous, heterogeneous stakeholder networks around the globe (cf. Einwiller & Will 2002; de Chernatony 2002).

For a multinational company, corporate branding involves, for instance, consideration of the extent to which the brand essence (i.e. its core values) is 'exportable' (see Cayla & Arnoud, 2008; Kates & Goh 2003), the degree to which to standardize or adapt related activities, practices and processes (cf. Gabrielsson & Gabrielsson 2004; Van Raaij 1997), how to transfer brand knowledge (cf. Cohen & Levinthal 1990; Gupta & Govindarajan 2000; Minbaeva et al. 2003; van Wijk et al. 2008; Pérez-Nordvedt et al.

2008; Björkman et al. 2004) and practices (e.g., Kostova & Roth 2002; Reckwitz 2002; Geppert, Matten & Walgenback 2006) from one unit to another, as well as how to achieve integration (e.g., Hedlund 1986; Bartlett & Ghoshal 1988; Nohria & Ghoshal 1994; Björkman & Forsgren 2000; Forsgren 2008) and brand coherence (e.g., de Chernatony 2002, 114; van Riel & van Bruggen 2002) across cultural and national borders. Multinational corporations tend to be complex and multi-layered in structure, covering several business lines, time zones and cultures. There may be a variety of organizational cultures and identities as a result of growth through mergers and acquisitions, and interests may differ between the head office and subsidiary managers (e.g., Clark & Geppert 2011; Ghoshal & Bartlett 1990). However, the complexity of the task derives not only from issues related to MNC management and the attempt to manage meaning (see Holt 2002), but also from the fact that the corporate brand should be relevant to *all* stakeholders even though their interests and needs vary to a great extent, and may sometimes even conflict. Furthermore, managing all activities from planned communications and symbolism to the behavior of each employee (cf. Einwiller & Will 2002) would seem rather difficult in large, internationally operating organizations.

Nevertheless, internationally operating B2B companies all over the world are spending huge amounts of time and money in developing their corporate brands - often without a clear understanding of what the brand really is or what efficient brand management involves in practice (Morrison 2001, 32; 34; Kay 2006, 742–743). Hence there is an evident need for empirically grounded theoretical knowledge to support these processes (cf. Knox & Bickerton 2003; Mukherjee & Balmer 2008). This research focuses on *how the meaning of a corporate brand is constructed in multinational corporations* (MNCs). Leaning on theoretically grounded notions of corporate branding, strategy as practice, MNC management and organizational learning, as well as empirical data concerning the construction of corporate brands in a large MNC, it gives an interdisciplinary perspective on the focal phenomenon. In particular, it offers a thorough examination of the constituents of corporate brand meaning in industrial organizations. It thereby represents a novel approach to the challenge of constructing brand meaning in MNCs that takes full account not only of the fact that it is an ongoing process enacted through the activities and interactions taking place within and across organizational borders, but also of the processes and mechanisms that enable the actors to develop a shared understanding, and hence a coherent enactment of, the essence of the brand. In revealing a novel set of managerial practices specifically aimed at supporting this emergent process of brand construction in internationally operating organizations, this research provides new theoretical insights into the dynamics involved for further examination in the academic community, as well as practical advice on how to tackle the complex challenge in MNCs.

1.2   The research gap

Corporate branding is an issue of growing interest among academic researchers (e.g., Mukherjee & Balmer 2008; Knox & Bickerton 2003; Schultz & de Chernatony 2002). B2B branding has also been attracting increasing attention among scholars since the 1990s, and there is a growing body of academic research on industrial branding (for a list see Blombäck & Axelsson 2007, 420). However, research on industrial brands and communication in B2B markets is still limited (Blombäck & Axelsson 2007; Saeed 2011), and B2B branding is considered to lack adequate theory (Saeed 2011, 818).

Several limitations in the extant literature on corporate branding have been pointed out. One of the most serious is the lack of empirical studies (Knox & Bickerton 2003; Kay 2006; see also Saeed 2011). The research conducted thus far tends to be conceptual in nature, the available models are difficult to apply, and they offer little guidance for practical, day-to-day brand construction work in organizations (Knox & Bickerton 2003, 998; Järventie-Thesleff 2011, 156; Järventie-Thesleff, Moisander & Laine 2011, 197). The challenges inherent in corporate brand management have largely been ignored by academic scholars, and there has been limited empirical investigation into the specific tasks and processes that enable an organization to develop and manage its corporate brand successfully (Balmer & Gray 2003, 976; Knox & Bickerton 2003, 998; Järventie-Thesleff et al. 2011, 196; Wallström, Karlsson & Salehi-Sangari 2008, 40). The literature on brand management is primarily based on analogies with strong brands (such as Coca Cola and Starbucks), all of which follow different management principles and different courses of action (Kay 2006, 743). In addition, recommendations to practitioners lack solid empirical support (Mukherjee & Balmer 2008, 3–5). Relatively few empirical studies focus on the specific activities, practices and processes involved in the construction of corporate brands (Järventie-Thesleff et al. 2011, 196), thus the dynamics involved in the branding process remain unclear (Vallaster & Lindgreen 2011, 1133).

The body of research examining branding from an international perspective is also limited (Wong & Merrilees 2007, 384), and most of the existing empirical studies are quantitative in nature (Whitelock & Fastoso 2007, 266). Furthermore, much of the extant research takes a very narrow approach focusing on whether to standardize or adapt the brand *name* in international markets (Wong & Merrilees 2007, 384–386). Although there have been detailed empirical investigations of the process of corporate branding in MNCs (e.g., Järventie-Thesleff 2011; Järventie-Thesleff et al. 2011), the studies do not explicitly build on specific MNC characteristics (Roth & Kostova 2003, 895). In addition, although prominent West European scholars such as Simon Knox, Mats Urde and Majken Schultz have carried out research on corporate branding, there are few empirical studies focusing on multinationals headquartered in small, open

economies such as Finland (exceptions include Järventie-Thesleff 2011; Järventie-Thesleff et al. 2011).

Despite the growing consensus acknowledging the benefits of corporate branding, there is still considerable uncertainty about what it means *in practice* (Kay 2006, 742–743), and how to achieve brand coherence (de Chernatony 2002, 114) in multinational corporations. Hence, there is a need for new theoretical structures that relate the constructs and dimensions to empirical phenomena (Mukherjee & Balmer 2008, 18), and for a new set of brand-management practices on the organizational level (Knox & Bickerton 2003, 1000) so that organizations will be better able to tackle the challenge of corporate brand management. In particular, theoretical frameworks drawing upon multiple disciplines should be developed in order to better account for everyday managerial concerns in corporate branding as well as the complexities of integrating action across diverse organizational units, functions and business areas (Schultz & Hatch 2005, 344).

This research integrates corporate branding into the practice approach to strategy, which enables close examination of brand construction in practice. It also draws on organizational learning theory, which, in turn, enables decomposing the process of brand-meaning construction within organizations. Finally, in order to take into account the specificities of the MNC context in terms of achieving a shared understanding and coherent action this research leans on literature on MNC management. It is hoped that this interdisciplinary theoretical framework, together with the empirical study conducted for this research, will give a thorough understanding of what the construction of brand meaning in internationally operating B2B companies involves. In drawing on diverse theoretical perspectives and incorporating new variables that are especially salient in the MNC context (Roth & Kostova 2003, 892) the aim is to develop a new theory of corporate branding in multinational corporations, thereby adding to the limited body of research. The objective is to provide solid constructs for use in future academic research on corporate branding, and to offer advice to practitioners tackling the challenge of corporate brand management in industrial, multinational corporations around the world.

1.3   The purpose of the study

According to Ghauri and Gronhaug (2002, 9), "Research in business studies is not much different from practical problem solving". Practical problem solving, in fact, gave the original impetus for this study. When I was working as a marketing manager in a multinational B2B company I became interested in finding an efficient way of integrating communications on a global level so that employees in every part of the organization would have a shared understanding of what the company was all about, and hence a

coherent core message to communicate to external stakeholders. I therefore entered the academic community with a clear objective in mind: *to find an efficient method, or tool, for integrating communications on a global scale*. The corporate brand is described as such a tool in the academic literature (e.g., Einwiller & Will 2002; Schultz & de Chernatony 2002). Its implementation is, however, a massive challenge for multinational corporations (cf. Schultz & de Chernatony 2002, 109) in that it requires all communications and the behaviors of all actors all around the world to be aligned with the brand essence (cf. Bergstrom et al. 2002, 135). The more I learned about corporate branding, the more convinced I became that it was practically a 'mission impossible' for multinational corporations. However, there are hundreds and thousands of internationally operating companies throughout the world that spend huge amounts of money on developing their corporate brands – currently without a solid body of empirically-grounded research to support them in this highly demanding task (see Chapter 1.2). Hence, in addition to the original, practical motivation for this study, there was an apparent gap in contemporary academic knowledge of corporate branding that needed to be addressed.

I believe that the best way of supporting the numerous individuals engaged in corporate branding as their assigned duty in B2B organizations around the world is to develop appropriate and useful conceptual frameworks and tools with a strong theoretical basis. First, however, it is necessary to thoroughly understand what the practitioners do on a day-to-day basis in order to help them in formulating more efficient strategies (Vallaster & Lindgreen 2011, 1134). An interdisciplinary perspective would seem to be a necessity in addressing such a complex phenomenon as corporate brand construction (Schultz & Hatch 2005, 341; Schultz & de Chernatony 2002, 110), especially with regard to multinational corporations. According to John Dunning, one of the key authors in international business (IB), generating interdisciplinary knowledge is what IB scholars should focus on (see Cheng et al. 2009, 1070). A primary motivation for conducting such research is "to escape from externally defined silos of narrow theoretical and empirical legitimacy" (Cheng et al. 2009, 1072). I would argue that few phenomena in the field of social sciences, and especially in international business, are thoroughly understood from a single disciplinary perspective, given that occurrences in 'real business life' seldom stay within disciplinary boundaries.

The purpose of this research is to enhance understanding of *how the meaning of a corporate brand is constructed within an MNC*. In addressing the task it is necessary, first of all, to thoroughly examine what elements constitute a corporate brand's meaning in B2B companies, and second, to identify the managerial activities and practices that focus on its construction. It is hoped that investigating both aspects will produce a better understanding of the process of corporate brand construction in multinational corporations from a managerial perspective, and will give theoretical insights that add to the

existing knowledge. In particular, the aim is to produce a more holistic understanding of the inherent complexities in the managerial task of trying to *manage* the process of brand construction by analyzing the practice against the interdisciplinary theoretical framework, drawing insights from practice theory, organizational learning theory and the literature on managing multinationals. A further objective is to support practitioners in their strategizing efforts by providing solid, theoretically and empirically grounded constructs and knowledge related to corporate branding in multinational corporations.

This research addresses two main questions:

1. *What constitutes the meaning of a corporate brand?*
2. *How do managerial strategizing practices contribute to the construction of brand meaning in a multinational corporation?*

The focus in the first research question is on formulating a basis on which to construct a corporate brand by identifying the key elements contributing to its meaning. A preliminary framework is proposed based on a thorough analysis of the literature, and against this the constituents of the brand meaning are analyzed from the perspectives of brand management and the individual organizational members. *The second research question* focuses on the managerial activities and practices that give meaning to the corporate brand within a multinational corporation. This question is addressed from a practice perspective, the aim being to analyze the managerial activities and practices of brand construction in the focal MNC. It is evidently an ongoing, goal-oriented and socially accomplished process within which the brand meaning is co-constructed in the various actions and interactions inside and across organizational borders. In addition, the research draws on organizational learning theory in examining the processes through which a coherent understanding of the brand essence is created and, subsequently, brand-aligned behavior is brought about. Finally, insights from the literature on MNC management help in contextualizing the construction process in the context of a multi-national corporation, and in capturing the specificities of this in the light of successful corporate brand construction. The aim is, in examining the interrelations between managerial sensegiving and organizational sensemaking, and incorporating various theoretical insights into the analysis, to offer a fresh perspective on as well as a thorough understanding of the construction of corporate brand meaning in MNCs.

Corporate brand construction is seen in this study as an *ongoing change process* (Järventie-Thesleff 2011, 52–53) in which new interpretations of an organization are constantly being constructed and disseminated within and across its boundaries (Sonenshein 2010; see also Rouleau 2005). As an attempt to provide a preferred redefinition of the organization (cf. Gioia & Chittipeddi 1991), it represents a particular

type of planned change initiative, which may attract different interpretations and responses in different parts of the organization (Stensaker & Falkenberg 2007; see also Morgan 1997), and among different stakeholders. How people make sense of and give sense to the corporate brand in this process is the key to the overall success of the branding endeavor.

This study focuses on the use of communication and language in constructing the meaning of the corporate brand. The empirical study illustrates how the brand meaning is constructed *within* the focal MNC on both an individual and an organizational level, and how the 'official' meaning is constructed and communicated within the organization's boundaries through planned communications and related practices. Consistently with the practice approach (see Jarzabkowski 2004, 544), the unit of analysis is *management practices-in-use*. However, given the research focus on what actually happens in the case organization in terms of constructing corporate brand meaning, the *activities of brand management* that do not yet have the status of practices[1], in other words that are creatively produced in a given situation and are not clear adaptations of any existing practices, are also examined. Over time, these activities may develop into practices.

1.4   The positioning of the study

The theoretical framework of this research is interdisciplinary. As such, it draws upon ideas from several disciplines in an attempt to produce a thorough understanding of corporate brand construction, which could not have been produced without crossing disciplinary boundaries (Cheng, Henisz, Roth & Swaminathan 2009, 1071). The extant literature on corporate branding in itself draws upon diverse theoretical perspectives, such as marketing, management, organizational theory, strategy, and corporate communications (Mukherjee & Balmer 2008, 11; Bick, Jacobsen & Abratt 2003, 842; Schultz & de Chernatony 2002, 105)[2]. Hence, various perspectives are brought together to characterize and analyze the specificities of corporate brands and corporate branding in different contexts. Bringing together insights from various theoretical disciplines facilitates the development of theoretical constructs that truly reflect the everyday managerial complexities and concerns involved (Schultz & Hatch 2005, 341; see also Cheng et al.

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[1]   Jarzabkowski (2004, 545) highlights the distinction between *practice* and *practices*, pointing out that the former refers to the actual activity, events, and work a strategy entails, whereas the latter point to the traditions, norms, rules and routines used in strategizing. In order to make a clearer distinction between the two concepts, the term '*activities*' (or '*activity*' as an aggregate of activities) is used in this study to refer to the former, and the latter is referred to in both the singular and the plural form of the word.

[2]   For a review of multidisciplinary approaches to corporate branding, see Järventie-Thesleff (2011).

2009, 1071). According to Schultz and Hatch (2005, 341), "no discipline alone provides the full spectrum of knowledge needed for successful corporate brand management". In addition, examining the process of corporate brand construction in an international context necessitates an understanding of the contextual processes that can either support or hinder managerial efforts (Cheng et al. 2009, 1072). Thus, adopting several theoretical approaches helps to give a more comprehensive understanding of the focal phenomenon. In particular, analyzing the construction of a corporate brand's meaning through an interdisciplinary lens facilitates further development of the theory of corporate branding, which is claimed to be inadequate in terms of offering solid guidance for the practical, day-to-day work of brand construction going on in MNCs (Knox & Bickerton 2003, 998; Järventie-Thesleff 2011, 156; Järventie-Thesleff et al. 2011, 197).

The main streams of literature utilized in this research include corporate branding, strategy as practice, MNC management and organizational learning (see Figure 1). The study also touches upon the literature on sensemaking in organizational change.
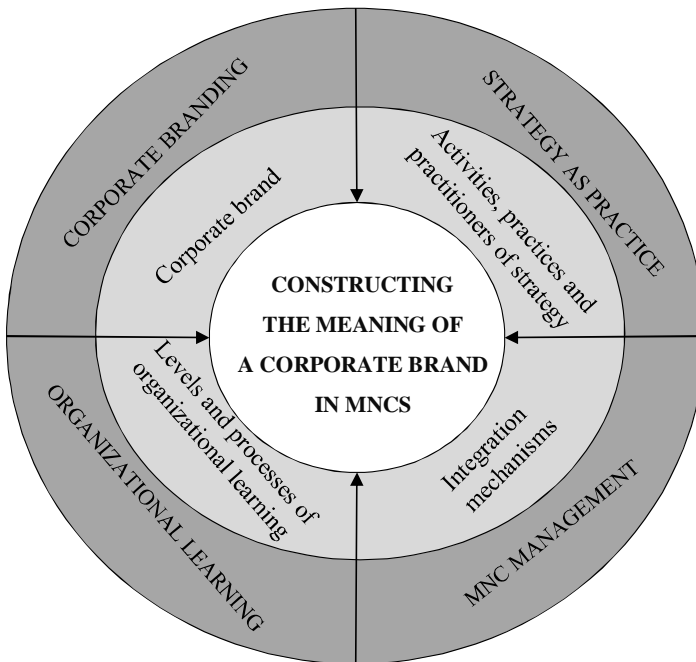
Figure 1   The theoretical positioning and the key constructs of the study

The four streams of literature and the related theoretical constructs presented in the above figure are brought together in order to create a more comprehensive understanding of *the process of constructing corporate brand meaning in the context of a multinational corporation*. In particular, it is assumed that examining the actual practices of

corporate brand construction through the theoretical lens of strategy-as-practice will enhance understanding of what the process involves, and of how to tackle the challenges inherent in such a complex endeavor in an international context. It is further believed that learning is required on various organizational levels in order to establish a coherent corporate brand in a multinational corporation, as well as to arrive at a shared understanding of the brand essence and brand-aligned organizational action. Finally, it is necessary to take the specificities of MNC management into account in order to shed light on the factors facilitating and inhibiting learning that influence corporate attempts to achieve coherence in understanding and integration in activities, and thereby contribute to the creation of context-sensitive knowledge (Whetten 2009, 32). Although taking into consideration both managerial and organizational (as constituted by its individual members) perspectives, this study primarily focuses on the *managerial point of view*: the objective is to create an understanding of the process of brand construction that would help MNC management to tackle the challenge of corporate branding more efficiently.

Hence, this research aims at advancing knowledge specifically in the field of corporate branding. It also contributes to the other three relevant streams of literature: MNC management, strategy-as-practice, and organizational learning. First of all, the thesis gives a thorough analysis of the determinants of corporate brand meaning, and puts forward a framework that is believed to provide a more comprehensive basis on which to construct brand identity than existing models, especially in business-to-business contexts. It also challenges the traditional conceptualization of corporate branding as a linear, top-down process of planning and implementation, and proposes a novel approach to corporate brand construction in multinational corporations that supports both deliberate and emergent construction efforts on an ongoing basis. Moreover, the findings contribute to the field of MNC management in suggesting a novel set of practices for managerial strategizing, specifically addressing the need to achieve greater alignment in the understanding and activities of organizational members on a global scale. Here, the research shifts the analytical focus from the mechanisms facilitating knowledge transfer to the practices fostering organizational learning, through which the MNC is better able to integrate its operations and align them with corporate objectives. Finally, the proposed integrative framework contributes in narrowing the apparent gaps between strategy and organizational learning (Crossan, Maurer & White 2011), and between leadership and organizational learning (Berson, Nemanich, Waldman, Galvin & Keller 2006), and thereby attempts to develop a more thorough understanding of the focal phenomenon, the construction of corporate brand meaning in multinational corporations.

In the following sub-sections each theoretical perspective is discussed briefly with regard to the study at hand.

1.4.1   *Corporate branding*

Corporate branding is a systematically planned and implemented process aimed at creating and maintaining coherent corporate images and a favorable reputation (e.g., Einwiller & Will 2002, 100) by communicating with stakeholders using the corporate brand (van Riel & van Bruggen 2002, 241). Branding is a pan-company activity cutting across all functional areas and business units (Schultz & de Chernatony 2002, 105). Apart from the formal system and the various forms of planned communication and symbolism, it involves all organization-stakeholder interaction (Balmer & Gray 2003, 990). The focus in corporate branding as opposed to product branding is on *all* stakeholders, both internal and external (Mukherjee & Balmer 2008, 11), upon which the organization's success depends (Cornelissen 2004, 27). Through the accumulation of interactions, experiences and communications stakeholders form their interpretations of what the company is all about (Davies & Chun 2002, 153). The more favorable these interpretations are, the more they encourage different stakeholders to get involved with the organization, which in turn is likely to have a positive influence on its competitive position in the market.

A strong corporate brand is believed to improve the overall competitive positioning of a company in diverse ways: 1) as a useful tool through which to communicate its values and aspirations (Hatch & Schultz 2001); 2) by increasing its visibility and recognition (de Chernatony 2001); 3) by differentiating it from other organizations, thereby attracting stakeholders (Hatch & Schultz 2003) and helping to build credibility, trust and loyalty among them (Balmer & Gray 2003; Mukherjee & Balmer 2008; Macrae 1999); 4) by influencing buying decisions (Einwiller & Will 2002; Mukherjee & Balmer 2008; Balmer & Gray 2003) and facilitating the recruitment and retention of talented people (Balmer & Gray 2003; Einwiller & Will 2002; Xie & Boggs 2006); 5) by fostering strategic or brand alliances (Xie & Boggs 2006); and 6) by enhancing the financial value and capitalization of the company (Balmer & Gray 2003). Not surprisingly, corporate branding has been an issue of growing interest among academic scholars and practitioners during the past two decades (cf. Mukherjee & Balmer 2008; Knox & Bickerton 2003; de Chernatony 1999; Schultz & de Chernatony 2002). However, despite the growing consensus about the benefits of corporate brand management, there is still considerable uncertainty about what it means in practice (Kay 2006, 742–743) and how it should be studied (Knox & Bickerton 2003, 1000).

Although B2B branding has also been the focus of increasing attention among academics since the 1990s, research on industrial brands and communication in B2B markets is still limited (Blombäck & Axelsson 2007). Furthermore, the relevance of branding in these markets has been questioned to some extent. It continues to be regarded predominantly as a consumer-marketing tool involving 'a name, logo, and tag

line', but there is no general understanding of what the brand truly is and how it could be used in a strategic way (Morrison 2001, 32). In addition, the perceptual, emotional and subjective nature of brands has been seen to contradict the principles of industrial buying behavior based on precise specifications and contracts, and the idea of rational, professional buyers. (Blombäck & Axelsson 2007, 419–420; Morrison 2001, 30–31; see also de Chernatony & McDonald 1992, 101; Mukherjee & Shivani 2011, 9–10; Saeed 2011, 816) Customers in B2B markets are believed to focus more on functionality and performance than on emotional and/or aesthetic factors (cf. Anderson & Narus 2004, 4).

However, branding is becoming increasingly important in industrial B2B companies (Morrison 2001, 32; Blombäck & Axelsson 2007; see also Cassia & Magno 2012; de Chernatony & McDonald 1992). Intensified competition, growing commodification in certain product categories, and the increasing magnitude of online buying have all fostered interest in corporate branding among industrial marketers (Mukherjee & Shivani 2011, 10). As competing brands are becoming increasingly similar in functional terms, the differentiation is becoming more emotion-based (Kunde 2000, 2; de Chernatony 2001a, 32). For instance, Blombäck and Axelsson (2007) show that evaluations of subcontractors are based not as much on the tangible goods as on the company's ability to deliver the product (i.e. company-level characteristics), and that the emphasis has moved to identifying the potential for reliable, long-term relationships (Blombäck & Axelsson 2007, 426). Chernatony and McDonald (1992) also found that emotions played an important role in industrial brand selection. In facilitating identification of the company and its offering as well as providing a certain guarantee of quality and performance, corporate brands can reduce the risk and complexity involved in industrial buying and thereby increase the perceived value to the customer (see Kotler & Pfoertsch 2007, 358; Mukherjee & Shivani 2011, 9; Saeed 2011, 815). They also help in building affective loyalty among customers, which would not be possible to the same extent if the focus were only on the utilitarian attributes of the offering (Cassia & Magno 2012). Furthermore, when it is acknowledged that *people* make the purchase decisions in industrial markets, too (Mukherjee & Shivani 2011, 12), and that there are other stakeholder groups beyond customers, such as investors, potential employees and the local community, which are key in terms of the company's success, it becomes even more evident that emotional attributes and perceptual factors are no less relevant to B2B organizations than to companies operating on consumer markets.

The most important group of stakeholders in corporate branding comprises the employees of the organization (cf. Ind 1997, 83). They interact and build relationships with other stakeholders, produce the products and services to be sold, and communicate the meaning of the brand to others (Ind 1997, 83; Hatch & Schultz 2003, 1043; see also de Chernatony 2001a; Harris & de Chernatony 2001; Hatch & Schultz 2001; Wilson 2001). They constitute the interface between the internal and the external environments

(Harris & de Chernatony 2001), and it is their values and understanding of what the organization is all about (Ind 1997, 83; see also Wilson 2001, 353), as well as their attitudes and behavior (Schultz & de Chernatony 2002, 106; Ind 2003, 394) that largely determine the brand's cohesion and meaning. Employees whose personal values are in line with those of the corporate brand are committed emotionally to delivering the brand promise (de Chernatony 2001a, 32). If there is a mismatch between personal and brand values however, the behavior of employees will most probably undermine the promotional promises (Harris & de Chernatony 2001; see also Morrison 2001). It follows that in order to develop a strong and credible corporate brand top managers have to get all employees to 'live the brand' (Ind 1997), in other words to internalize and enact the desired brand values (Harris & de Chernatony 2001) and thereby communicate a coherent essence through their actions. Organizational members demonstrating a common adherence to the values deliver on the promises and make the brand communication credible to external stakeholders (cf. Balmer 2012, 17).

Making sure that organizational members are properly aligned with the brand essence is referred to as *internal branding*[3] (Keller 2008, 125). Internal branding incorporates the activities and processes that assist in informing and inspiring employees to deliver the brand promise: management's vision of what the brand must represent to stakeholders (Kotler & Keller 2006, 278; 286). According to Bergstrom et al. (2002), internal branding constitutes three dimensions: communicating the brand effectively to the members of the organization, convincing them of its relevance and worth, and successfully linking all organizational activities to the delivery of the brand promise. In this sense it is a managerial process integrating all aspects of the business into the brand, hence enhancing the coherence of the overall operations (cf. Bergstrom et al. 2002, 135). Although numerous authors (Ind 1997; 2003; Morrison 2001; Hatch & Schultz 2003; 2001; de Chernatony 2001a; Harris & de Chernatony 2001; Wilson 2001; Balmer 2012) highlight its importance, the managerial challenge of achieving organizational buy-in with the proposed corporate brand identity tends to be neglected, and the building of brand value has largely relied on marketing communications (e.g., Ind 2003, 393; Morrison 2001, 34; see also Kunde 2000, 132). As a result, employees have been overlooked in the brand-building process (de Chernatony 2001a, 32), and ignored as communicators of the corporate brand (Ind 1997, 83). Failing to ensure that the internal

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[3]   This study clearly falls in the domain of internal branding, as it concentrates on the internal activities involved in the construction of corporate brand meaning in an MNC. However, given that the distinction between the internal and external dimensions of branding has become more blurred due to the intertwined roles of internal and external stakeholders (see Schultz & de Chernatony 2002, 108; Hatch & Schultz 2002, 990), and that organizational members always communicate their brand in their interactions with other stakeholders, intentionally or not (Bergstrom et al. 2002, 136), I have chosen to use the concept of corporate branding throughout this book. Following Bergstrom et al. (2002, 136), I believe that 'what is commonly called internal branding is actually branding itself'.

organization meets the expectations created through these marketing efforts easily results in problems with regard to delivering on the brand promises (Morrison 2001, 34), thereby weakening the credibility of the whole exercise (Ind & Bjerke 2007, 209).

It is therefore important to pay close attention to the practices and processes of corporate branding on the organizational level (Knox & Bickerton 2003, 1000; Balmer & Gray 2003, 976; Järventie-Thesleff et al. 2011, 196; Wallström et al. 2008, 40) that enable the brand management to develop and manage the corporate brand in a way that genuinely takes into consideration the strategic role of the employees as well as the need to align their interests, understandings and behaviors. At present, such empirical research is limited (Järventie-Thesleff et al. 2011, 196), especially with regard to multi-national corporations.

1.4.2 MNC management

This research was conducted in the context of a multinational corporation (MNC) operating in industrial, business-to-business (B2B) markets. Buckley and Casson (2009, 2) define an MNC as "a firm that owns and controls activities in two or more different countries". Rugman and Verbeke (2001, 238) give a similar definition, suggesting that an MNC has "*value-added* activities in at least two countries" (emphasis added). In this study the MNC is approached from two main perspectives, the (business) network and the institutionalization perspective.

In contrast to the more hierarchical and rational views of multinational companies, both business-network theory and the institutionalization approach regard an MNC as a loosely-coupled heterarchy[4] of an informal, human and complex character (Forsgren 2008, 148) consisting of several geographically dispersed and goal-disparate actors – headquarters and subsidiaries[5] (Ghoshal & Bartlett 1990, 603; see also Forsgren 2008, 108; 117). The loose-coupling metaphor suggests a heterogeneous unit, in which different subsidiaries control diverse resources, play different corporate roles, and represent differing interests (Björkman & Forsgren 2000, 9). Ghoshal and Bartlett (1990, 604) conceptualize such an entity as an inter-organizational network (rather than a unitary organization) embedded in its external network, which covers all linkages and relationships each unit of the MNC has with its external stakeholders. Within the internal network the subsidiaries are seen as semi-autonomous entities with some

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[4] See Hedlund (1986) for a thorough discussion on the characteristics of a heterarchical MNC.
[5] Birkinshaw and Hood (1998, 774) define a subsidiary as "a value-adding entity in a host country". It may be active in one or several parts, or in the entire value chain, and there may be several independent subsidiaries of the same parent in any particular host country (Birkinshaw & Hood 1998, 774).

control over their own actions, although at the same time being strongly influenced by headquarters (Ambos, Andersson & Birkinshaw 2010, 1101; see also Ambos & Ambos 2009, 2; Ambos & Birkinshaw 2010, 451).

Each foreign subsidiary of an MNC is located in a particular institutional context. In the case of a large MNC there is usually a variety of institutional contexts in which the subsidiaries operate, which place various demands on the company as a whole. Because it is vital for the MNC to gain legitimacy[6] in all its environments, it is under pressure to adopt local practices. On the other hand, leveraging knowledge and capabilities worldwide is considered a major competitive advantage (e.g., Kostova & Roth 2002, 215; Pedersen, Petersen & Sharma 2003, 69; Ambos & Ambos 2009, 1). Operating under the dual pressure emanating from the demands of the local and the corporate environment, an individual subsidiary is pulled from two directions, being expected to conform to the values, norms and practices in the host country as well as to demands for consistency within the company (e.g., Rosenzweig and Singh 1991, 347; see also Geppert et al. 2006; Shimizu et al. 2004, 322; Slangen & Hennart 2007, 411). This tension between global integration and local adaptation requires careful scrutiny because if the local pressure gets too much power, the MNC is in danger of falling apart as an organization. On the other hand, if the corporate pressure is too intense it may lose its legitimacy in the different institutional contexts in which it operates. (Forsgren 2008, 134; see also Mayer, Mudambi & Narula 2011) The same applies on the level of practices. Unifying practices necessitates strong central leadership, but institutionalizing them and getting them enacted in diverse local settings require strong and autonomous local leadership and a sense of responsibility (Drucker 2006, 29), as well as active agency among the local actors embedding the practices in their daily work (Becker-Ritterspach et al. 2010; Saka-Helmhout 2010). From the point of view of MNC management, "this implies managing a portfolio of subsidiary level activities in multiple, heterogeneous, local contexts, whilst devising strategies to most efficiently embed themselves in each of these multiple contexts" (Meyer et al. 2011, 236).

According to network theory, the operations and interests of each subsidiary are affected most by the position it holds within its particular network (Forsgren 2008, 116), including both external (with external partners) and internal (with HQ and other subsidiaries) relationships. Furthermore, each unit's network is likely to be unique. In their efforts to support the development of their particular networks and/or improve their role within the overall corporation the subsidiaries will try to gain more power or

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[6] Legitimacy is about gaining credibility in a particular institutional context. It implies "gaining understanding of the explicit and implicit rules related to institutions such as governmental bodies, trade unions, the media, financial markets, and so on. These rules constitute the expectations of the firm by the society" to which the company has to adapt in order to succeed in establishing and maintaining a position in a given institutional setting. (Forsgren 2008, 128)

more autonomy in relation to the rest of the company (Forsgren 2008, 102; 108; see also Andersson et al. 2007, 802–803). In attempting to enhance their position within the MNC and to strengthen their decision-making power they also aim at exhibiting the behavior of a good corporate citizen (Ambos et al. 2010, 1100). Ambos and Birkinshaw (2010, 455) suggest that in terms of performance the ideal situation is one in which the subsidiary is highly connected to headquarters but maintains its local autonomy in decision-making. Given the influential role of the subunits in shaping the strategic behavior of the MNC as well as the existence of several differentiated business networks exerting diverse influences on the behavior of these subunits, the multinational corporation will always be pushed in multiple directions by various, goal-disparate forces (Forsgren 2008, 116).

From this perspective, the MNC could be regarded as a multicenter entity that is not fully controlled by any of its parts (Forsgren 2008, 149), but in which all units potentially have a significant influence on the strategic behavior of the whole group (Björkman & Forsgren 2000, 9; Ambos et al. 2010, 1101). It follows that a subsidiary should not be regarded as an instrument through which headquarters implements its strategy, but is rather a source of influence and power, in some cases holding an equal or even a superior position vis-à-vis the head office (Birkinshaw & Hood 1998, 778; see also Ambos & Schlegelmilch 2007, 476). Their control of the critical linkages with local actors (Ghoshal & Bartlett 1990, 607) as well as their first-hand knowledge of the local operating environment give the subsidiaries power in their negotiations with headquarters, which consequently have less control over their behavior (Forsgren 2008, 140; see also Andersson et al. 2007). Especially when the number of subsidiary units is high (Meyer et al. 2011, 244), the physical and cultural (Ghoshal & Bartlett 1990, 607; see also Ambos & Ambos 2009) and/or institutional distance between the headquarters and its subsidiaries is large (Forsgren 2008, 132), and headquarters lacks direct connections with the local networks of the subsidiaries (Nell et al. 2009; Andersson et al. 2007; Andersson et al. 2002; see also Andersson & Forsgren 2000), the effective coordination and control of activities may be difficult. This, in turn, will hamper attempts to align activities and practices to support the corporate brand in the international organization (cf. van Riel & van Bruggen 2002).

Thus, achieving integration and (brand) coherence in a heterogeneous MNC is a complex task, which cannot be controlled from above through hierarchical decision-making, but is rather "captured from below" (Andersson and Forsgren 2000, 346; see also Ambos et al. 2010, 1101) through indirect forms of control (Ambos & Schlegelmilch 2007, 477). Some researchers suggest that *normative control* is the main tool used by headquarters to integrate different units (e.g., Hedlund 1986). There are various mechanisms through which normative control is exercised in multinational companies: 1) shared values (Nohria & Ghoshal 1994); 2) shared norms and outlooks,

internal promotion and personnel transfers within different units (Hedlund 1993, 6 in Björkman & Forsgren 2000, 15); 3) the hiring of particular individuals for key positions (Ambos et al. 2010, 1101); 4) personal networks and the corporate culture (Björkman & Forsgren 2000, 15); 5) the linking of people by means of temporary assignments, joint teams and specific inter-unit decision forums in which to exchange views and resolve differences (Bartlett & Ghoshal 1988, 70; Ghoshal et al. 1994, 108); 6) clearly defined and tightly controlled operating systems (Bartlett & Ghoshal 1988, 70); and 7) inter-unit communication (e.g., Ghoshal et al. 1994, 96). All of these assist MNC management in implementing the corporate strategy and aligning the interests and behaviors of individual organizational members to support common objectives. However, the relative costs and benefits must be "carefully weighted against the costs and benefits of alternative coordination and control systems" other than the extensive use of socialization mechanisms to support corporate objectives (Rugman & Verbeke 2001, 247).

Although there has been empirical research on corporate branding in multinational corporations (e.g., Vallaster & Lindgreen 2011; Järventie-Thesleff 2011; Järventie-Thesleff et al. 2011), the specificities of the MNC context have not been explicitly incorporated into the analyses or the resulting theoretical constructs. The MNC organization imposes on the brand-construction process further complexities that must be thoroughly understood if the endeavor is to succeed. The achievement of coherence in interpretation, motivation and action on a global scale is particularly challenging, and necessitates careful consideration of the internal practices and processes that could either contribute to or inhibit the development of a strong corporate brand.

1.4.3   Strategy as practice

Drawing on the 'practice turn' in contemporary social sciences (see Golsorkhi, Rouleau, Seidl & Vaara 2010; Gherardi 2011), and building on the practice streams in studies on strategic management (e.g., Jarzabkowski 2005; Jarzabkowski et al. 2007; Whittington 2006, 2007) and marketing (e.g., Järventie-Thesleff 2011; Järventie-Thesleff et al. 2011; Skålén & Hackley 2011; Vallaster & Lindgreen 2011), this research applies a strategy-as-practice approach to the investigation of the focal phenomenon.

As an alternative to traditional models, the "strategy-as-practice" perspective has gained popularity in recent years (e.g., Whittington 2003; Johnson et al. 2003; Jarzabkowski 2005; Tsoukas 2010). It deviates from mainstream strategy research in attempting to draw attention away from mere performance effects to a more comprehensive analysis of what actually happens within strategic planning, strategy implementation, and other related activities (Golsorkhi et al. 2010, 1). Consequently, strategy is conceptualized as constituting micro-level social practices, in other words the actual,

everyday work that people do within the organizational processes (Whittington 2003, 118; Chia & MacKay 2007, 218). Accordingly, an organization's *strategy* is not just something it has (i.e. its property), but is essentially *something that people do* (e.g., Jarzabkowski 2004, 529; Whittington 2006, 613; Whittington & Cailluet 2008, 244), thus highlighting the influence of human agency in its construction and enactment (Jarzabkowski et al. 2007, 6). Although drawing on many insights from the process school, strategy-as-practice researchers focus on the managerial (rather than the organizational) level, on micro-level practices (instead of entire systems or processes), and on how strategists 'strategize' in practice (Whittington 1996, 732; Johnson & al. 2003, 12). Accordingly, the central elements in the practice approach comprise *the activities, practices and practitioners of strategy* (e.g., Jarzabkowski et al. 2007, 11).

The approach focuses on *the actual, situated activity of the practitioners of strategy* – how they really act and interact (Whittington 2003; 1996), how they think and talk, what tools and technologies they use in their work, and what implications the different activities have on strategizing as an organizational activity (Jarzabkowski 2005, 3; Jarzabkowski & Spee 2009, 69). The proposition behind this approach is that value lies increasingly in the *micro activities* of managers and other organizational members, in other words in what exactly is done and by whom (Johnson et al. 2003, 5). The people enacting the strategy, and the context that both shapes and is shaped by the organizational activity, are considered relevant (Venkateswaran & Prabhu 2010, 158). The setting provides the interpretative context from which the individuals derive codes of conduct and within which they interpret and enact meanings, and construct a shared view of reality on an ongoing basis (Jarzabkowski 2005, 21–25).

Taking a practice perspective on corporate brand strategizing implies that the process of corporate branding is an *ongoing, goal-oriented, and socially accomplished flow of organizational activity*, constructed through the activities of and interactions between multiple actors (cf. Jarzabkowski et al. 2007; Jarzabkowski 2005, 11). Within this process, brand meaning is constructed, maintained and reconstructed in people's relatedness with each other (Barrett et al. 1995) on an ongoing basis, in other words in their various interactions within and across organizational borders. The situated and distributed nature of brand construction implies that the brand (meaning) is in a continuous state of becoming (cf. Jarzabkowski 2005). At the same time, corporate branding represents a particular type of *planned change initiative* aimed at changing current modes of cognition and action to support the corporate brand (cf. Gioia & Chittipeddi 1991), but which may attract different interpretations and responses in different parts of the organization (Stensaker & Falkenberg 2007, 137–138). Perceiving change as ongoing rather than an episodic issue facilitates understanding of the micro-processes at work, and gives insights into how the change is accomplished in practice. It also directs attention beyond seemingly stable routines or patterns of behavior to the

human being, who in performing the routines always acts on the basis of his/her inter-pretation of the given situation, and may (usually unconsciously) choose not to comply exactly with the existing pattern. (Tsoukas & Chia 2002, 568–572) From this perspec-tive, corporate brand strategizing appears to exhibit both emergent and deliberate features. On the one hand the initiation and planning of the construction process are centrally taken measures, and on the other hand the implementation of the corporate brand through the everyday activities is a matter of emergent, continuous change. (Järventie-Thesleff 2011, 54)

Accordingly, the focus turns to the various activities, practices and procedures through which the meaning of the corporate brand is mediated within and across different cultural and institutional boundaries to the personnel of an MNC, as well as the practitioners of strategy such as managers, who deliberately seek to influence the organization's behavior in order to better support the communication of a coherent corporate brand essence. In addition, in order to better understand the sensemaking processes of the organizational members, and thereby the potential influence of the brand-communication efforts, it is important to examine the sub-processes of organiza-tional learning through which new interpretations are created and institutionalized. Moreover, insights from MNC management need to be incorporated into the analysis in order to situate the brand-construction activity in the specific context of an MNC, and to account for the contextual factors that influence the sensemaking and sensegiving activities of its members vis-à-vis the corporate brand.

There has been rapid growth in the strategy-as-practice research in recent years (Jarzabkowski, Balogun & Seidl 2007, 5; Jarzabkowksi & Spee 2009, 70; Järventie-Thesleff 2011, 45). It is considered a viable alternative to 'overly rationalistic and positivistically oriented strategic management literature' (Vaara 2007, 303). However, what top managers do in the process, and with what tools and techniques, remains largely ambiguous (Jarzabkowski 2008, 621; Johnson et al. 2003, 3; 12; Whittington 2003, 120–121). Rita Järventie-Thesleff (2011) applied the practice perspective in her recent dissertation on corporate branding in an MNC context. Her work concentrates on the unfolding of a collective understanding through trans-individual practices of change management, which both enable and constrain the praxis of building a corporate brand (Järventie-Thesleff 2011, 19–20; see Chapter 3.2.2). Integrating the practice approach in their study on corporate branding, Vallaster and Lindgreen (2011), in turn, examine the role of different actors and the impact of their interactions in the formation of a brand strategy. Their analysis highlights, among other things, the ongoing and co-constructed nature of the strategy as well as the influence of the situational context on its formation. Although drawing upon partly the same theories, neither of these recent empirical studies concentrates specifically on the construction of corporate brand *meaning* in multinational corporations, which is the focal point of interest in this study. In addition,

neither of them explicitly considers the processes of organizational learning or the specificities of the MNC context in the analysis and the resulting theoretical constructs. In combining insights from diverse theoretical streams as well as empirical case evidence on the construction of the focal corporate brand, this study attempts to move beyond a rich description to examining the implications of different forms of strategizing, which Jarzabkowksi and Spee (2009, 71; 87) urge strategy-as-practice researchers to do.

1.4.4   Organizational learning

Organizational learning is a concept with a variety of interpretations in the academic literature (e.g., Fiol & Lyles 1985, 805; Easterby-Smith & Araujo 1999, 1; Child 2005, 311). It refers not only to the process of acquiring or generating new knowledge but also to the outcome, a new competence (Child 2005, 310). Some scholars emphasize the *cognitive* dimension of learning, some focus more on the resulting *behavioral* development, and others give attention to both dimensions (for a review of perspectives, see Fiol & Lyles 1985). Additionally, whereas some authors view organizational learning as more of a *technical* process, i.e. "the effective processing, interpretation of and response to, information both inside and outside the organization", others take a *social* perspective, i.e. "the way people make sense of their experiences at work" (Easterby-Smith & Araujo 1999, 3–5). According to the latter view, organizational learning emerges from social interactions in the organizational context shaping "not only what we do, but also who we are and how we interpret what we do" (Wenger 1998, 4). Hence, learning involves the social construction of the meaning of surrounding events and data (Easterby-Smith & Araujo 1999, 3–5), and in this sense cannot be regarded as a separate activity (Wenger 1998, 8). Instead, it is part of daily organizational life and work (Brandi & Elkjaer 2011, 28). Organizations learn by "encoding inferences from history into routines that guide behavior", and the changes in organizational behavior depend on changed interpretations of the past, "particularly on the evaluation of outcomes in terms of targets" (Levitt & March 1988, 320). This is to say that when certain behavior is not seen to lead to a desired outcome, it leads to a change in organizational activity, and hence to organizational learning.

The cognitive/technical perspective dominates existing studies on organizational learning and the management of knowledge flows in MNCs (Hong, Snell & Easterby-Smith 2006, 409). Accordingly, the focus is on the mechanisms that facilitate or inhibit

knowledge transfer[7] or learning processes between the source and recipient units (see e.g., Cohen & Levinthal 1990; Gupta & Govindarajan 2000; Minbaeva et al. 2003; van Wijk et al. 2008; Forsgren 2008; Osterloh & Frey 2000; Pérez-Nordvedt et al. 2008; Björkman et al. 2004; Pedersen et al. 2003). Implicit in this approach is the idea that targeted actions such as the temporary transfer of key personnel (e.g., Forsgren 2008; Björkman et al. 2004), arranging joint training, committees and task forces (e.g., Björkman et al. 2004; Gupta & Govindarajan 2000), providing more information (e.g., Cohen & Levinthal 1990; Minbaeva et al. 2003), and using rich communication channels (e.g., Mudambi 2002) will solve the problem of leveraging learning in MNCs. Although these activities have been found helpful in facilitating knowledge transfer across borders, the emphasis on such universal techniques neglects the impact of culture on organizational learning in multinational corporations, on which there are very few empirical investigations (Hong, Snell & Easterby-Smith 2006, 409; Saka-Helmhout 2009, 259). In focusing on the outcome rather than the process, on organization-level rather than micro-level constructs, and favoring quantitative methods over qualitative, the existing research gives little attention to the transformational nature of knowledge processes, in other words how the knowledge transferred and integrated into different social environments affects and is affected by the context (Becker-Ritterspach 2006, 360; see also Nonaka 1994, 14). Conceptualizing learning as knowledge transfer also limits the role of human agency to a considerable extent, and does not reveal how the new knowledge is connected to changes in behavior in different MNC units (Saka-Helmhout 2009, 259; 270; 2011, 49).

In contrast to the mainstream IB literature (Hong et al. 2006, 409) and the widely used conceptualization of organizational learning as knowledge transfer (Saka-Helmhout 2010, 42; 2009, 259), this research draws on the theory of social learning and emphasizes the behavioral/social view of organizational learning. From this perspective the point of departure is the lived and living experience of the organization's members (Brandi & Elkjaer 2011, 24; see also Gherardi 2000, 214). It is believed that learning in organizations occurs only when the new knowledge is manifested in a perceivable change in the routines attached to a particular context (Saka-Helmhout 2010, 42; see also Levitt & March 1988; Brown & Duguid 1991). Accordingly, the process of learning is seen to consist of two dimensions: "knowledge flow and the reinforcement of or change in routines" (Saka-Helmhout 2007, 295). Thus, in line with the currently dominant view of organizational learning (Child 2005, 311), both cognitive and behavioral aspects are considered relevant.

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[7] Van Wijk, Jansen and Lyles (2008, 832) define organizational knowledge transfer as "the process through which organizational actors – teams, units, or organizations – exchange, receive and are influenced by the experience and knowledge of others".

From the behavioral perspective, organizational learning involves engaging in and contributing to practices and social processes in different organizational contexts (Wenger 1998, 7; see also Brandi & Elkjaer 2011, 24). These practices and processes develop incrementally in the course of organizational action as a result of the participants' evaluation of past behavior, as well as its appropriateness, legitimacy, and effectiveness (Levitt & March 1988, 320). Moreover, totally new practices may emerge as a result of new knowledge created by the participants (cf. Nonaka & Takeuchi 1995, 49). I should emphasize here that it is the participants within the local communities of practice who evaluate the effectiveness or appropriateness of individual practices, and who are hence crucial with regard to their adoption or rejection: it is not a distant managerial body from headquarters, for instance (see Wenger 1998, 85).

Organizational learning is perceived in this research as a social, participative and *situated*[8] activity that connects knowing with doing. Rather than extracting the process of learning from the individuals or the context, it places the practitioner, or the community of practitioners, in the center and does not draw distinctions between the subject, the object, the thought or the context of learning. (Gherardi 2000, 215–218; Lave & Wenger 1991; Wenger 1998) It follows that the learning subject is the whole person acting in the world in which knowledge is socially constituted and open-ended (Lave & Wenger 1991, 49–51). What is learned, i.e. the content is also context-specific (Brandi & Elkjaer 2011, 29): it is influenced by the cultural and institutional context in which the learning takes place (e.g., Forsgren 2008; Shimizu et al. 2004; Kostova & Roth 2002). The social setting also has an effect, determining the legitimate ways of knowing and acting, and allowing or restricting individuals' participation (Brandi & Elkjaer 2011, 28). Meaning, understanding and learning are all assumed to evolve relative to the actional contexts (Hanks 1991, 15; Michailova 2011, 132) as well as the historical development of the on-going activity. Furthermore, the language or discourse used as part of the practice (Lave & Wenger 1991, 51; 85; Brandi & Elkjaer 2011, 31) influences all these processes. Organizational learning is assumed not only to result in the acquisition of knowledge-in-action, but also to change such knowledge and to reproduce the learning context (Gherardi 2000, 215).

Existing organizational practices represent both a resource (Lave & Wenger 1991, 85) and an outcome of the learning process (Ghehardi 2000, 215; see also Levitt & March 1988). However, it should be noted that new knowledge does not always lead to a perceivable change in behavior (Fiol & Lyles 1985, 806; Saka-Helmhout 2009, 267). Hence, although the employees may become aware of the new corporate brand identity, they do not automatically start to enact it. Additionally, an individual's behavior may

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[8]   Placing emphasis on the situated nature of learning highlights not only the specific organizational context in which it takes place but also the surrounding society (Lave & Wenger 1991, 121).

change without any change in cognitive association (Fiol & Lyles 1985, 806; see also Kostova & Roth 2002): for instance, certain templates may be taken in use without an associated change in how an individual makes sense of the brand essence. There are several factors that could hinder the transfer of brand-related knowledge and practices across MNC units: 1) a lack of motivation (e.g., Minbaeva et al. 2003; Saka-Helmhout 2007; Nell et al. 2009; see also Vallaster & Lindgreen 2011); 2) a reactive orientation to parent-company ideas (Saka-Helmhout 2007); 3) a lack of knowledge and related experience (e.g., van Wijk et al. 2008; Cohen & Levinthal 1990; Minbaeva et al. 2003); 4) disbelief in the value of the practices (Kostova & Roth 2002; Pérez-Nordvedt et al. 2008); 5) a lack of proper consideration of the contextual factors in the design of the practice (Geppert 2005; Pérez-Nordvedt et al. 2008; Kostova & Roth 2002); and 6) the lack of a common language or insufficient skills in the official corporate language (Marschan-Piekkari, Welch & Welch 1999; Welch, Welch & Piekkari 2005; Harzing & Feely 2008). Hence, taking corporate brand construction seriously in an MNC requires thorough consideration of the processes through which an organization learns, and also the factors that complicate the leveraging of learning in the MNC context. In addition, adequate resources should be invested in developing mechanisms that facilitate and foster learning across borders (see Chapter 3.3.4 for a discussion).

Although the importance of organizational learning to the success of internationally operating companies has been widely acknowledged, there is an apparent lack of empirical research conducted in MNCs from a social/behavioral perspective[9] (e.g., Becker-Ritterspach et al. 2010, 9; Saka-Helmhout 2007, 294). In addition, few strategy-focused researchers have shown any interest in organizational learning, whereas scholars of organizational learning seem largely uninterested in strategy (Crossan, Maurer & White 2011, 449). There is also limited systematic research directly linking leadership and learning (Berson et al. 2006, 578). Integrative frameworks are thus needed to narrow the gaps between the disciplines (e.g., Crossan et al. 2011, 449) and to develop a more thorough understanding of key organizational phenomena.

In sum, in order to enhance understanding of how the meaning of a corporate brand is constructed in an MNC, this research draws on four main theoretical perspectives: corporate branding, MNC management, strategy as practice, and organizational learning. It is assumed that the adoption of an interdisciplinary perspective will facilitate the production of a comprehensive picture of the focal phenomena, and the finding of answers to the questions posed.

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[9] Exceptions include the studies of Hong et al. (2006), Saka-Helmhout (2010), and Becker-Ritterspach et al. (2010).

1.5   The structure of the study

This thesis is presented in the form of a monograph. The introductory chapter gives the background and justification, sets out the purpose of the research, and discusses the relevant streams of literature upon which the dissertation is built.

Chapter two focuses on the main concept of the study, the corporate brand. In order to create a thorough understanding of the concept it introduces and discusses the four main approaches to its definition proposed in the existing academic literature. An initial framework based on an analysis of the literature is proposed for the construction of corporate brand identity.

The third chapter focuses on the process of brand construction. It starts with a brief review of the traditional models of corporate branding, and argues for an alternative approach. Chapter 3.2 introduces the practice approach, which is used as a framework within which to analyze the process of brand construction from the managerial perspective. The focus in the subsequent subchapter turns to the sensemaking efforts of individual organizational members, described in the light of organizational learning theory. These two perspectives are contrasted in the final subchapter in order to provide an integrative framework for corporate brand construction in a multinational corporation.

The philosophical underpinnings of this research are discussed in Chapter four, which also introduces the chosen research approach and strategy, and describes the empirical process. The final subchapter focuses on the criteria against which the trustworthiness of the research can be assessed.

Chapter five is devoted to the empirical study. Following an introduction of the case company and the focal process of corporate brand construction on a fairly general level, it analyzes the constituents of the corporate brand from both the corporate and the individual organizational members' perspectives. This analysis addresses the first research question: *What constitutes the meaning of a corporate brand*? Chapters 5.3 and 5.4 focus on the efforts of brand management to give sense to the corporate brand, and hence address the second research question: *How do managerial strategizing practices contribute to the construction of brand meaning in a multinational corporation?* The final subchapter examines the interrelations between managerial and individual efforts at brand construction in order to enhance understanding of how the meaning of a corporate brand evolves in an MNC.

Finally, Chapter 6 presents the conclusions of the study. It begins with a discussion of the main findings in the light of prior knowledge, and then moves on to the theoretical contributions and recommendations for future research directions. The managerial implications are outlined in Chapter 6.3. However, let us start with the focal construct of this study, the corporate brand.

2   THE CORPORATE BRAND: MAKING SENSE OF THE CONCEPT

The English word 'brand' is believed to date back to the Middle Ages (476–1492) when it was used with reference to the branding of cattle. It was the industrial revolution (1830–1870) with the subsequent mass-production and improved infrastructure, the desire for pre-packaged goods and an increase in the number of shops and groceries that led to the development of branded *articles*. (Riezebos 2003, 2) Hence, the origins of the contemporary conceptualization of branding lie in product marketing, the purpose being primarily to differentiate and create a preference for an offering in a particular market by building layers of added value around the core functionality of the product or service (Knox & Bickerton 2003, 999).

In line with this tradition, corporate branding shares the same objective of *building differentiation and preference,* although on the level of the whole corporation (Knox & Bickerton 2003, 999) and in the minds of all stakeholders (Balmer & Gray 2003, 985). However, the *corporate brand* as a concept is much more recent, starting to appear in academic articles only around the mid-1990s. In contrast to the earlier concept of the company brand (e.g., King 1991), the corporate brand is not limited to the overall organization, and applies to a variety of corporate entities including MNCs and their subsidiaries, and even groups of companies. (Balmer & Gray 2003, 975) What makes it 'corporate' is its cohesion – the idea of people working together for a common goal (Ind 1997, 2).

In this chapter I first briefly discuss the corporate brand as a concept on a general level, and in relation to the associated concepts of organizational identity, corporate identity, corporate image, and corporate reputation. I then consider in more detail the four main approaches to defining the concept in the literature on corporate branding.

2.1   The corporate brand and related concepts

As a concept the corporate brand does not have a definition on which scholars commonly agree. In fact, there are a number of schools with varying perspectives on both corporate branding and branding in general. (Balmer & Gray 2003, 972–973)

Four main approaches to defining the corporate brand are to be found in the literature. First, some researchers define it as a strategic tool either for the organization to communicate its distinctiveness (e.g., Knox & Bickerton 2003; Bick et al. 2003), or for stakeholders to create a sense of belonging to the organization (e.g., Hatch & Schultz 2003; Balmer & Gray 2003). Second, the unique features of corporate brands are highlighted through comparison with product brands (e.g., Hatch & Schultz 2003;

Balmer & Gray 2003; Balmer 2008; Merrilees & Miller 2008), whereas the third approach is to list elements constituting the corporate brand (e.g., Aaker 2004; Hatch & Schultz 2001; 2003) or its identity (e.g., Harris & de Chernatony 2001; Kapferer 1997). Finally, corporate brands are seen as bundles of values (e.g., Urde 2003; 2009; de Chernatony 2009). It should be pointed out that the approaches identified in the literature and discussed in the following subchapters are not mutually exclusive, but are very much overlapping. In fact, each of them sheds light on important features of corporate brands, and helps to create a more thorough understanding of the concept.

Before going into each of these approaches in more depth I will briefly consider related concepts that are easily confused with the corporate brand, especially in common parlance but also, to some extent, in the academic literature. The concepts of organizational identity, the corporate image and the corporate reputation are all highly relevant in corporate branding (see Table 1). Organizational identity is the basis on which the corporate brand identity is developed (e.g., Balmer 2001; 2008c; Hatch & Schultz 2009), whereas the corporate image represents an individual stakeholder's perception of the corporate brand, and in a way its final form (de Chernatony & McDonald 1992). The individually held images, in turn, are combined in the corporate reputation, a good reputation being one of the key long-term objectives of corporate branding (cf. Ghauri & Cateora 2005, 256). In that it represents the sum total of corporate associations (Dacin & Brown 2002, 255; de Chernatony 1999, 159; Bergstrom et al. 2002, 134) as well as the evaluation of the organization against its stakeholders' values (Dowling 1994, 8; 14) and/or expectations (e.g., Kapferer 2008, 27), it could also be seen as a measure of the brand proposition's relevance from the stakeholders' perspective.

Table 1   Related concepts and their links to the corporate brand

Concept	Definition	Link to the corporate brand
Organizational identity	The organizational members' perceptions of the central attributes of the organization that distinguish it from other organizations (e.g., Albert & Whetten 1985; Whetten 2006; Balmer & Gray 2003)	The basis on which a corporate brand should be built (e.g., Balmer 2001; 2008c; Leitch & Richardson 2003; Hatch & Schultz 2009)
Corporate identity	The distinct and defining characteristics of the organization with regard to its external stakeholders and environment (e.g., He & Balmer 2007; Balmer 2008a; Topalian 2003; Dacin & Brown 2002)	The external articulation of the distinguishing features of the organization (British Standards Institution 1995 as quoted in Topalian 2003, 1119) that should be aligned with the corporate brand's identity
Corporate image	The immediate mental picture an individual stakeholder has of the organization (e.g., Souiden, Kassim & Hong 2006; Dowling 1994)	The 'final form' of the corporate brand as perceived by individual stakeholders (e.g., Hatch & Schultz 2009; de Chernatony & McDonald 1992)
Corporate reputation	The net perception of a company's ability to meet the expectations of its stakeholders (e.g., Dowling 1994; Fombrun 1996; Forman & Argenti 2005; Kapferer 2008)	The overall evaluation of the brand essence and a measure of its relevance from the external stakeholders' perspective[10]

Finally, there is the concept of corporate identity, defined by Balmer (2008a, 37) as "the distinct and defining characteristics of the organization", and by the British Standards Institution (1995) as "the articulation of what an organization is, what it stands for, what it does and how it goes about its business (especially the way it relates to its stakeholders and the environment" (Topalian 2003, 1119). This concept overlaps and is often used interchangeably with both organizational identity (Balmer 2008b; 880; 905; He & Balmer 2007) and the corporate brand (Balmer & Gray 2003, 979). However, compared to organizational identity, which focuses on the personnel, corporate identity is more externally oriented[11]. In addition, whereas the concept of corporate identity is more

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[10]   See Bergstrom et al. (2002) for a discussion on the overlaps and interrelations between the concepts of brand and reputation.
[11]   Although He and Balmer (2007, 767) note that more recently the focus has expanded from the external environment to include employees.

frequently utilized in the marketing literature, organizational identity has a richer theoretical base, grounded in the discipline of organizational behavior. (Balmer 2008b, 880–881; He & Balmer 2007) Taking into consideration the interdisciplinary roots of the literature on corporate branding (Mukherjee & Balmer 2008, 11; Bick et al. 2003, 842; Schultz & Hatch 2005, 341), the solid theoretical tradition of the research on organizational identity (He & Balmer 2007, 776) and the internal focus of this study, I use the concept of organizational identity here. In doing so I also highlight the importance of a commonly shared foundation for the branding endeavor, and avoid potential confusion between the concepts of corporate brand and corporate identity (see Balmer & Greyser 2003 for further discussion).

Indeed, these two concepts have also been confused[12], although, according to Balmer and Gray (2003, 979) there are some fundamental differences between them. First, the notion of corporate identity is applicable to all organizations, whereas there are plenty that are not brands and may not even need to be branded, such as in a monopoly or a commodity-market situation. Moreover, it may be wise for some companies that have invested heavily in their product brands to keep their organizations more or less in the background. Another difference between the two concepts relates to values: corporate brand values are well defined, clearly articulated, and are likely to remain relatively constant over time, whereas an entire set of constantly evolving values is included in the corporate identity. (Balmer & Gray 2003, 979–981; see also Balmer & Greyser 2003, 247) In addition, corporate brands can attract significant financial goodwill and the desire to achieve a high profile, and are typically supported by advanced corporate communications as well as strong symbols and slogans. Hence, they "augment the identity of the organization through adding uniqueness in terms of values, style, or experiences". (Balmer & Greyser 2003, 247)

It is worth pointing out that it is a matter of deliberate choice, which elements of organizational identity are to be emphasized in corporate branding, and it is essentially the decision that actively engages the organization in developing its corporate brand (cf. Blombäck & Ramirez-Pasillas 2012, 10). Control of expression increases consistency in different forms of communication, and supports the delivery of the brand promise to stakeholders.

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[12]   For instance, Dacin and Brown (2002, 254) define corporate identity as the intended characteristics of an organization that marketers choose to promote among its stakeholders. In including intentionality in the concept they are able to use it in their work as a synonym for corporate *brand* identity.

2.2   The corporate brand as a strategic tool

Various scholars have defined the corporate brand as some sort of strategic, communicative tool (e.g., Knox & Bickerton 2003; Leitch & Davenport 2008; Ind 1997). Knox and Bickerton (2003, 1013) refer to it as *the visual, verbal and behavioral expression of an organization's unique business model*. In a similar vein, Bick et al. (2003, 842) argue that corporate branding involves *the manifestation of the features that distinguish an organization from its competitors*. In a more recent work, Leitch and Davenport (2008) suggest that the *corporate brand is a controlled representation of an organization's identity* (Mukherjee & Balmer 2008, 9). Some researchers take a stakeholder view, and describe it as *a powerful navigational tool* with which to seek opportunities for employment, investment or purchase (Balmer & Gray 2003), or to create a sense of belonging to an organization (Hatch & Schultz 2003). From this perspective, a brand is defined entirely in accordance with stakeholders' perceptions, and represents associations, images and ideas related to the organization (Blombäck & Axelsson 2007, 418; see also Aaker & Joachimsthaler 2000; de Chernatony & McDonald 1998).

The above conceptualizations clearly capture the purpose of corporate branding: to communicate the uniqueness of the organization in a way that distinguishes it from its competitors and attracts, orients and attaches stakeholders to it. However, it could be argued that putting the organization's business model in the center gives a fairly static definition. Further, an organization, especially a large MNC, may have several organizational identities (e.g., Gioia et al. 2000, 74) that are in a constant state of becoming rather than a stable aggregation of perceptions of an organization in people's heads (Hatch & Schultz 2002, 1004). One might also question the difference between the corporate image[13] and the corporate brand as concepts in the 'navigational tool' perspective. If the corporate brand is defined *entirely* in accordance with stakeholders' perceptions, should one not rather talk about the corporate image? In this light, the above definitions appear rather problematic.

There are definitions that take into account both the organization's and its stakeholders' points of view. For instance, Aaker (2004, 7) suggests that "the corporate brand defines the organization that will deliver and stand behind the offering", but at the same time the number, power, and credibility of organizational associations in the eyes of its stakeholders define the corporate brand. Further, according to Ind (1997), "the corporate brand is concerned with the combination of behavior and communications that results in

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[13]   *Corporate image* is defined as the "immediate mental picture" that stakeholders have of the organization (Souiden, Kassim & Hong 2006, 829), or as the sum of impressions (beliefs and feelings) and expectations of an organization built up in the minds of its stakeholders (cf. Dowling 1994, 8; Topalian 2003, 1120).

the image an organization has with its stakeholders", and "it is the combination of performance and image that defines the successful corporate brand" (Ind 1997, 2; 40). Hence, whereas marketers initiate the branding process (the *input* process), it is the stakeholder who forms a mental picture of the brand (the *output* process), which could be said to represent its final form (de Chernatony & McDonald 1992, 18). These associations largely determine the stakeholders' attitudinal and behavioral response to the organization's overall marketing efforts (Dacin & Brown 2002, 261). It follows that stakeholders could be regarded as "the true owners of the brand" (Hatch & Schultz 2009, 121; see also Morrison 2001, 34) in that its real value derives from the emotional attachment of customers and other stakeholders (Balmer 2012, 16). From this perspective, brands are more like discussions than monologues, as Kay (2006, 747) points out.

In that a corporate brand is the outcome of interaction with stakeholders (Leitch & Richardson 2003, 1074), and that the stakeholders give it its ultimate meaning (Hatch & Schultz 2009, 121), it could be regarded as a *relational construct* (Leitch & Motion 2007, 72) that is constantly being constructed in various interactions between the organization and its stakeholders. In addition to trying to establish its own meaning, a company may attempt to alter the perceptions of competing brands by challenging its competitors' positions. The competition for discursive power is never-ending and there are no permanent positions for any of the players, hence the brand position evolves continuously as competing brands struggle over meaning on the market. (Leitch & Richardson 2003, 1072; Leitch & Motion 2007, 73)

Understanding the relational nature of corporate brands outlined above is extremely important. On the one hand it implies that corporate brands are always 'under construction' as new ideas and associations about the organization are created as a result of ongoing interactions with stakeholders[14], and on the other hand it challenges the effectiveness of the corporate brand as a strategic tool. Given that the corporate image – the other half of a corporate brand according to the above definitions – may be unique for every individual stakeholder and may even vary with every contact (Topalian 2003, 1120; Dowling 1994, 7–9), how can it provide an organization with an efficient managerial tool? On this question the extant literature gives little advice (e.g., Knox & Bickerton 2003; Kay 2006; Mukherjee & Balmer 2008), especially in the MNC context. Hence, other perspectives are needed in order to develop a more complete view of this complex construct and to enhance understanding of how to use it strategically in internationally operating organizations.

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[14] It is worth noting that beyond the direct interactions between an organization and its stakeholders there are many other factors influencing corporate images, such as personal experiences and expectations, values and beliefs, as well as cultural and contextual factors (cf. Topalian 2003, 1120).

2.3   A corporate brand as opposed to product brands

Another frequently utilized approach focuses on the unique features of corporate brands in comparison with product brands (e.g., Hatch & Schultz 2003; Balmer & Gray 2003; Balmer 2008; Merrilees & Miller 2008). Like product brands, a corporate brand "makes the company and its espoused values easily identifiable and connotes a level of quality and consistency of performance in the minds of its target audiences" (Balmer & Gray 2003, 985). De Chernatony (2002, 114) even claims that, basically, the corporate brand is conceptually the same as the product or service brand. However, there are also major differences between corporate branding and product branding, which have been the subject of much discussion in the literature for two decades (see Balmer & Gray 2003, 978 for references).

Table 2 summarizes the key differences identified in the literature.

Table 2   Differences between corporate brands and product brands[15]
(Hatch & Schultz 2003; Balmer & Gray 2003; Balmer 2008c)

	Product brands	**Corporate brands**
Disciplinary roots in	marketing	multidisciplinary
Focus attention on	the product	the company
Managed by	middle managers	top management
Commitment/responsibility	brand manager/marketing	all personnel
Relevant stakeholders	customers	multiple stakeholders
Promotes values that are	contrived	real
Communication platform	marketing communications	corporate communications
Time horizon	short (life of the product)	long (life of the company)
Importance to the company	functional	strategic

As discussed above, the disciplinary roots of product branding are in marketing, whereas the literature on corporate branding also incorporates influences from research in management, organizational theory, strategy, economics and sociology, as well as design and graphic arts (Mukherjee & Balmer 2008, 11). Balmer and Gray (2003, 992) argue that to a significant degree the origins of corporate branding lie in the literature on corporate and organizational identity (see also Knox & Bickerton 2003, 1002).

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15   It should be noted that this table was drawn specifically to highlight the differences between product brands and corporate brands. For instance, the time horizon of a particular product brand may in some cases be even longer than that of its endorser, and for some companies certain product brands may have high strategic importance.

The focus in corporate branding is on the company as a whole, whereas product branding concentrates on a specific product or product line (Hatch & Schultz 2003, 1044). It follows that the organizational culture[16] and structure constitute a critical part of both the brand essence and the branding process in corporate branding (Merrilees & Miller 2008, 538). Consequently, the organization and its members are more exposed to external scrutiny than in product branding (Hatch & Schultz 2003, 1044), in which the image of the product is not as directly linked to the behavior of the employees. In some cases it may be a strategic choice of the company to distance the product brand names from the corporate brand, for instance when foreign companies promote 'local' brands in certain markets (see Kapferer 2008, 483).

As an important element of the corporate strategy, the corporate brand is clearly a senior-management issue (e.g., King 1991, 268; Balmer & Gray 2003, 979; Balmer 2012, 7; Schultz & de Chernatony 2002, 111). Hence, there is a shift in managerial responsibility compared to product brands, which tend to be the responsibility of middle managers (such as brand managers) within the marketing function (Balmer & Gray 2003, 979; Hatch & Schultz 2003, 1044–1045). Without this top-level authority it is very difficult to optimize the overall, corporate-wide effort (Topalian 2003, 1120). Hence, "strategic corporate brand management, maintenance, and development should be recognized as being critical, challenging, and ceaseless boardroom concerns", as Balmer (2012, 8) writes.

Further, whereas product brands are targeted at customers, corporate brands aim to attract a wider range of stakeholders, both internal and external (Hatch & Schultz 2003, 1045; Knox & Bickerton 2003, 999; Davies & Chun 2002, 144), on which the organization's success depends (Cornelissen 2004, 27). These include both current and potential employees, owners and investors, local communities, authorities, and media representatives. Given the diversity of contact, there is also a greater variety of media used in brand communications (King 1991, 266), and consequently 'there are more instances where the consistency of the brand promise is being tested' by stakeholders than in the case of product brands (de Chernatony 2002, 129). In addition, on account of the heterogeneity of the stakeholders and their interest in the focal organization, the values promoted by the corporate brand are likely to be more abstract than those attached to the more function-based product brands (de Chernatony 2002; Urde 2003; Merrilees & Miller 2008, 538), and are also likely to convey differing meanings to different stakeholders. Hence, corporate brands are highly complex in character (Knox

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[16]   Schein (1985, 9) defines the organizational culture as 'a pattern of basic assumptions - invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration - that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems'.

& Bickerton 2003, 999; see also Merrilees & Miller 2008, 538), and coordinating all the elements in a coherent and consistent presentation of the brand and the corporate images is equally complex (cf. King 1991, 266).

Whereas the corporate brand is strongly rooted in the organization's identity, a separate brand identity is built for each product (Xie & Boggs 2006, 348). Moreover, the values of the corporate brand reflect the organization's values, whereas marketing and advertising professionals tend to devise those of the product brand (Balmer & Gray 2003, 978–979). In the latter case the communication of values is also the responsibility of the marketing people, but the personnel as a whole plays a central role in building and maintaining the corporate brand and communicating the values to stakeholders (e.g., Balmer & Gray 2003, 979). Perceptions of a product brand usually derive from its advertising, distribution, and projected images, in other words from different forms of planned communication. Corporate brand images, on the other hand, typically emerge from the various interactions taking place among organizational members and external stakeholders, of which planned forms of communication are only a part. (cf. Xie & Boggs 2006, 355) In fact, the behavior of organizational members and the extent to which they succeed in delivering the brand promise through their interactions with stakeholders are much more influential than any promotional efforts. The tight inter-connection between organizational identity and corporate brand associations means that there is much less room for advertising hype than with product brands (Leitch & Motion 2007, 76). In Kapferer's (2008, 28) words: "Reality leaves fewer degrees of freedom". It follows that internal branding – implementing the brand within the organization, and gaining organization-wide support – is crucial for corporate branding (e.g., Bergström et al. 2002; Merrilees & Miller 2008, 538).

Product-brand communications can be highly specific and targeted at a certain segment, whereas communication of the corporate brand requires the integration of all internal and external activities and coordination of the whole range of communication channels and media in order to achieve coherence of expression (Hatch & Schultz 2003, 1045). This requires not only corporation-wide support but also cross-functional coordination (Xie & Boggs 2006, 350).

In many cases product brands are relatively short-term[17], and they strongly live in the present in terms of attracting customers and boosting sales. Corporate brands, in contrast, cover the whole life span of the organization from its foundation to the envisioned future. Given their greater coverage – not only spatial but also with respect to stakeholders and required organizational support – they are also strategically more important than product brands, the significance of which is related mainly to sales and

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[17]   However, as product brands can be bought and sold between companies, some of them may live even longer than their inceptors.

market-share targets. Corporate brands serve a purpose not only in positioning the organization in the marketplace but also in influencing internal structures and processes (e.g., the organizational structure and physical design), which should be fine-tuned to support the brand meaning. (Hatch & Schultz 2003, 1045–1046) Furthermore, a corporate brand is potentially a substantial asset and income generator (Schultz & de Chernatony 2002, 105), and in many cases the organization's biggest generator of value (Ghauri & Cateora 2005, 256).

To conclude, despite the common origins of the two concepts, corporate brands and product brands differ fundamentally in terms of disciplinary scope and management (Balmer & Gray 2003, 976). Nevertheless, due to the strong influence of product-brand thinking, corporate branding has focused strongly on the marketing function and the design of planned forms of corporate communication (see Blombäck & Axelsson 2007, 421). If the corporate-branding effort is confined within the boundaries of the marketing function there is a danger that it will become "trapped in a perspective that focuses only on customers" (Schultz & Hatch 2005, 341), and as a result all other key stakeholder groups will be neglected. In the worst case, the whole endeavor is an advertising-agency-led act of visual identity renewal, which focuses on getting new brand colors and symbols in place but fails to feed in any *real content*. Hence, the need to make a clear distinction between the two concepts is evident, as failure to recognize the special features of corporate brands may well result in rather superficial promotional activities. However, apart from pointing out a set of basic qualities, the comparison does not make it easier to define the concept of a corporate brand, nor does it give much insight into the process of constructing one.

2.4   The corporate brand as a set of elements

Another common way of defining the concept is to identify the set of elements consti-tuting the corporate brand (or its identity). Aaker (2004), Hatch and Schultz (2003) as well as Harris and de Chernatony (2001), for instance, approach the concept from this perspective.

Aaker (2004, 7–10) suggests that the building blocks of a corporate brand include the organization's heritage, citizenship, people, performance, assets and capabilities, values and priorities, as well as its local versus global orientation. Hatch and Schultz (2003 1047–1048), on the other hand, posit that its foundation rests on the interlinked elements of the strategic vision, the organizational culture, and corporate images. Having conducted a series of empirical studies, Knox and Bickerton (2003, 1006–1007) found these elements relevant, but add a fourth, the (future) competitive landscape. Harris and de Chernatony (2001, 443–445), in turn, conceptualize the process of brand

building as the management of brand identity[18], and describe a corporate brand identity as comprising vision, culture, positioning, personality, relationships and presentation. In a similar vein, according to Kapferer (2008) a brand identity comprises certain physical specificities and qualities ('physique'), personality, culture, self-image, relationships, and reflection. Hence, there seem to be a large number of elements comprising a corporate brand, or brand identity, some of which depict the basis upon which it is built (e.g., organizational heritage, culture and people, relationships and images, values and priorities), whereas others point to the different dimensions (personality, vision) and the communication (positioning and presentation) of that essence.

In order to ease the resulting complexity, one could divide the elements contributing to the construction of a brand (identity) into four broader groups (see Figure 2): 1) elements related to the identity of the organization (people, organizational culture, heritage, size, citizenship, values, and assets and capabilities); 2) essential elements of the corporate strategy ((brand) vision, global vs. local orientation, competitive landscape, priorities); 3) elements related to the strategic (brand) positioning (performance and size, competitive landscape as well as positioning, personality and presentation); and 4) elements related to stakeholder relationships (relationships, images and self-images). These elements form the initial framework of corporate brand construction proposed in this study. The categorization is very similar to the framework initially proposed by Hatch and Schultz (2001; 2003) and later complemented by Knox and Bickerton (2003), although the emphasis of the core dimensions differs to some extent, and each one is considered in more detail. It is posited in this study that too narrow an outlining of the elements contributing to the brand essence does not optimally serve the purpose, and that thorough consideration should be given to each of the key areas.

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[18]   Aaker (1996, 68) defines brand identity as "a unique set of brand associations that the brand strategist aspires to create or maintain".

Organizational culture Values and priorities Heritage Size Assets and capabilities Global vs. local ORGANIZATIONAL IDENTITY People Competitive	Strategic vision Citizenship CORPORATE STRATEGY
landscape Brand personality Presentation/reflection Performance Brand vision Brand's (target) position Global vs. local STRATEGIC (BRAND) POSITIONING	Self-images Relationships Images STAKEHOLDER RELATIONSHIPS

Figure 2   An initial framework for the construction of a corporate brand identity

As is evident in the above figure the categorization is by no means exhaustive, but some elements may belong to several categories. Furthermore, the elements within and across different squares influence each other strongly. However, in justification of this categorization, it makes the essential elements of corporate branding more easily recognizable, and highlights the core areas to be considered in its development and implementation.

The four main areas of the framework for constructing a brand identity are discussed below in the light of existing literature.

2.4.1   *Organizational identity*

It is proposed in the literature that the corporate brand should derive from the organization's identity (Balmer 2001, 281), and communicate a subset of its properties to stakeholders (Leitch & Richardson 2003, 1067). Its identity provides a basis on which the company can establish differentiation and competitive advantage through guiding the behavior of its employees (Brexendorf & Kernstock 2007, 32; 35; see also Blombäck & Ramirez-Pasillas 2012, 11), and thereby represent its unique features compared to its competitors. Balmer (2008c, 45) describes the corporate brand as a distillation of the

identity values that serve as an informal contract or promise between the organization and its stakeholders. It is further considered essential for the brand to *authentically* express the identity of the organization it supports (Hatch & Schultz 2009, 118). Building on the foundation of the corporate brand, i.e. brand heritage, enables the organization to add authentic value (Aaker 2004) as well as to convey a sense of stability and reliability through its communications (Hakala, Lätti & Sandberg 2011, 447).

The concept of organizational identity covers the central characteristics of an organization as perceived by its members[19] (Albert & Whetten 1985), and answers the questions "What we are?" and "Who we are?" It thereby encompasses issues concerning the business scope, as well as the organizational culture and the values the personnel share and use (Albert & Whetten 1985; Balmer & Gray 2003, 979–980). Thus, organizational identity is a social construct – a socially shared understanding of what the organization is all about (Helms Mills and Weatherbee 2006, 275), and of what is considered important within it (cf. Hatch 1997, 214). Self-conceptualization is also influenced by location and citizenship, the age and size of the organization (cf. Albert & Whetten 1985), as well as the degree to which its performance meets stakeholder expectations (Dutton & Dukerich 1991; Hatch & Schultz 2002).

Traditionally, the identity of an organization refers to its core, distinctive and *enduring* qualities, which are assumed to be resistant to alteration attempts due to their roots in its history and heritage (see Gioia, Schultz & Corley 2000, 63–64). Albert and Whetten (1985), for instance, define organizational identity as the central and enduring characteristics of an organization that distinguish it from others. More recently, researchers have challenged this conceptualization of a stable aggregation of perceptions in people's heads (e.g., Hatch & Schultz 2002; 2009; Gioia et al. 2000). It is claimed that organizational identity is a social, or relational, construct that is constantly being formed in the various interrelationships and interactions within and across organizational borders, in which its internal and external definitions, i.e. the organizational culture and stakeholder images, coincide (Hatch & Schultz 2002, 991; see also Ravasi & Schultz 2010). It is further argued that it is the *labels* used by the employees to express what it is all about that maintain the illusion of stability, although the interpretations of the meanings attached to those labels may change over time (Gioia et al. 2000, 64–65, 70) or across contexts. Juxtaposing the two perspectives, Ravasi and Schultz (2010), in turn, consider organizational identity to 'arise from the sensemaking and sensegiving processes through which members periodically reconstruct shared

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[19]   The concept of organizational identity has two functions: 1) scientists use it to define and characterize certain aspects of an organization, and 2) organizations use it to characterize aspects of themselves (Albert & Whetten 1985; see also Ravasi & Schultz 2010). This research approaches the concept from the perspective of the organizational members' self-reflection, in other words the second perspective.

understandings and revise formal claims of what their organization is and stands for'. From this perspective, both the identity claims summarizing the central characteristics of the organization and the dynamically evolving identity understandings as created by individual employees contribute to the development of organizational identity. (Ravasi & Schultz 2010, 436)

Multinational corporations, especially those that have grown through mergers and/or acquisitions, may have several organizational identities depending on the context, and the meanings stakeholders attach to different units may also differ (Gioia et al. 2000, 74; de Chernatony 2002). In such cases the corporate branding effort may be purposefully aimed at overshadowing the old brand names in order to foster integration. An organization may also foster several cultures (e.g., Morgan 1997, 129), and especially in large MNCs different subcultures are likely to emerge in different professional, functional and geographic areas (Dowling 1994, 89; de Chernatony 1999, 173). These subcultures may coexist in harmony, in conflict, or in disinterest (Wilson 2001; Morgan 1997), and the extent to which the values and assumptions[20] held by individual subcultures conform to the culture of senior management will vary (de Chernatony 1999, 163).

2.4.2 *Corporate strategy*

A corporate brand should reflect not only the organization's identity and values rooted in its culture, but also its strategic vision, and should promote the achievement of important strategic objectives. The corporate strategy, which Ansoff (1984, 53) defines as a combination of certain rules of decision-making that guide the organization's behavior, provides a sense of purpose as well as directions for the future (Lynch 2000, 5; 7). The rules relate to its major objectives, purposes and goals, the definition of its business scope (what products and/or services and for whom) and competitive positioning (e.g., global vs. local, high-end vs. low-end), its internal relationships as well as the operating policies guiding its daily activities (Ansoff 1984, 53–54). The strategy thus involves defining and clearly articulating what is to be done and how in order to get the desired results in the market place, taking into consideration not only customer needs but also market characteristics and the competitive situation (Levitt 1983, 137–139).

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[20] Values are defined as the social principles, goals and standards held within a culture that define, for instance, what the members of the organization care about, and what is considered appropriate or inappropriate. Serving as standards for making moral judgments, they are often associated with strong emotions. Assumptions, on the other hand, refer to the organizational members' taken-for-granted conceptualizations of the reality and truth, which influence their perceptions, thoughts and feelings below the level of consciousness. (Hatch 1997, 210; 214)

Strategic vision, in turn, is defined as the key idea that captures and communicates top management's aspirations of what the organization will achieve in the future (Hatch and Schultz 2003, 1047–1048). Essentially, the vision statement should reflect what the organization stands for in relation to its most important stakeholders (Dowling 1994, 43). On the *corporate* brand level the strategic vision is synonymous with the brand vision, which describes what the organization intends the corporate brand to accomplish (i.e. in the organization as a whole) over the coming years (e.g., Urde 2003, 1025; Urde 1994, 30).

Hatch and Schultz's (2003) corporate branding framework depicts strategic vision as one of the three main cornerstones of a corporate brand. However, the corporate strategy is more than a mere vision, although the vision usually clearly and in a condensed form expresses the long-term objective towards which the company is heading. It is precisely this condensed nature and the rather abstract form of many vision statements that, in my opinion, make them deficient in accounting for the whole strategy in the brand-construction process. There are other strategy-related elements that influence and drive organizational behavior, such as the selection and prioritizing of market segments, the division of operations into different businesses and regions, the product/service portfolio and its development, and the management mechanisms that steer the organization's activity towards its strategic goals. Hence, my assumption in this study is that building upon the whole of the corporate strategy (not just the vision statement) provides a more solid and comprehensive basis for the brand construction[21].

As opposed to the content-based view on strategy (i.e. what strategic decisions are taken), this research takes a practice approach, examining the activities and practices of brand strategizing (i.e. how the acts of strategizing are performed by various practitioners) (Chia & MacKay 2007, 220–222). Accordingly, strategy is regarded as something that people do (e.g., Jarzabkowski 2004; Whittington 2006; Whittington & Cailluiet 2008) within a given organizational context to pursue certain strategic objectives. These objectives are assumed to exist in the form of a written plan, however, which is often called 'the strategy'.

2.4.3   Strategic (brand) positioning

Strategic positioning, in turn, refers to the focal firm's position on the competitive landscape as well as its activities in establishing, maintaining and further developing its position on its chosen market(s). Communicating the brand to stakeholders through

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[21]   In the best case, however, the whole of the strategy is 'simple, clear and expressible in only a few written lines', as Levitt (1983, 139) proposes.

different kinds of activities is called *brand positioning[22]*. Brand positioning enables the organization to express and interpret the core values of its corporate brand to its stakeholders (Urde 1999, 127) and thereby to communicate what it has to offer (cf. King 1991, 269) and how it can provide unique value (cf. Keller 2008, 107). Different means of communication are utilized to attract stakeholders and to influence their behavior (Hatch & Schultz 2003, 1049–1050). In the process, the core values developed for the brand are translated into added value for the stakeholders (cf. Xie & Boggs 2006, 349; Urde 2003, 1036; the concepts of core value and added value are discussed in further detail in Chapter 3.4). Hence, (the desired) *brand position* reflects "the condensed core of the brand identity" (Burman, Hegner & Riley 2009, 116) that is to be actively communicated to the target audience (i.e. stakeholders), and which clearly demonstrates an advantage over competing brands (Aaker 1996, 176; see also Keller 2008). The choice of core values and the way they are expressed through action and communication give the corporate brand its personality (Urde 2003, 1031), and in this the key is to build a *meaningful difference* in relation to rivals in the same industry (cf. Kotler & Keller 2006, 276; Aaker 2005, 214–215). An organization differentiating itself from the competition is able to create distinctive associations and a sustainable brand position in stakeholders' minds (Dowling 1994, 14).

The various forms of planned communication help to project the desired position of the corporate brand (Dowling 1994, 102). The name, logo, and other visual elements have an important role in creating awareness and recognition, as well as in giving assurance that the brand promise is still valid (Balmer & Gray 2003, 983). What really counts, however, is *the actual behavior of the organization* (Dowling 1994, 102; see also Bergstrom et al. 2002, 135). It is through interaction between internal and external stakeholders that the positioning is enacted, and the expectations of external stakeholders raised by promotional activities are delivered (Wilson 2001, 353; Maio 2003, 236; see also Abimbola & Vallaster 2007, 343). Given that a 'brand contact' could be any information-bearing experience involving the organization and its stakeholders (Kotler & Keller 2006, 284), all company processes, activities, and elements should be aligned with the corporate brand (e.g., Merrilees & Miller 2008, 548). The more the external positioning is in line with the organizational identity and culture, the easier it is for the organization to consolidate its chosen market position (Kunde 2000, 4).

According to Porter's (1996, 62) definition of strategic positioning, a unique and valuable corporate brand position is best built by engaging in different activities than competitors, or in similar activities in different ways. Hence, differentiation can be achieved in two ways: (1) from the choice of activities and (2) in how the activities are

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[22] On the *corporate* brand level, strategic positioning and brand positioning could be regarded as synonyms; hence the use of the term 'strategic (brand) positioning' in this research.

performed (Porter 1996, 62). Developing a sustainable position requires an organization to deliberately choose a set of activities that deliver a unique mix of value to its stakeholders, and to integrate those activities in order to create the optimal fit (Porter 1996, 64; 68; 75). These interlinked activities contribute to the creation of the overall meaning of the brand. Moreover, their characteristics are key determinants of the nature and development of stakeholder relationships in B2B markets (Cheung & Turnbull 1998, 57).

It is important to acknowledge that although strategic-positioning / brand-communi-cation efforts are usually primarily directed at external stakeholders, especially customers, they also influence internal stakeholders, the individual members of the organization, and their interpretation of the company and/or brand. As part of the company/brand, and knowing the corporate ambitions and organizational reality in detail, they differ in perspective from external audiences. In order for them to accept the proposed corporate brand, it should therefore authentically express the true essence and the real values of the organization.

2.4.4 *Stakeholder relationships*

The fourth element of the framework depicted above comprises the organization's *stakeholder relationships*. Forman and Argenti (2005, 247) suggest that the corporate brand is focused on how the organization relates to its various stakeholders, whereas according to Urde (1999, 124), a brand with a personality and identity of its own provides a basis on which relationships can be built. Bergstrom et al. (2002, 134) point out that the purpose of brands is to build 'a unique and strong emotional bond between themselves and their audiences'. Harris and de Chernatony (2001), in turn, note that it is essential to create an understanding of what kind of relationships are appropriate with different stakeholders based on the brand's core values, and Michell (1999, 40) argues that there is an entire web of relationships underlying effective value creation, referring to their interlinked nature (see also Cheung & Turnbull 1998, 45). Many authors also point to the central role of internal stakeholders in communicating the essence of the corporate brand, delivering its promises (e.g., Ind 1997, 83; Hatch & Schultz 2003, 1043; Schultz & Hatch 2005, 339–340) and adding value for stakeholders through relationship building (de Chernatony 1999, 159; see also Payne, Storbacka & Frow 2008). The corporate *image*[23] has been acknowledged as an essential element in the

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[23]   Grunig (1993) suggests that images represent symbolic relationships between the organization and its stakeholders, unlike behavioral relationships, which correspond to the interactions taking place within them. These two types of relationship are seen as being tightly intertwined and mutually influential.

corporate-branding framework (e.g., Hatch & Schultz 2003; Knox & Bickerton 2003), even representing the final form of the brand according to Chernatony and McDonald (1992, 18). It is also suggested that the self-images of the organizational members form the basis of the corporate image (Davies & Chun 2002, 145), and that congruence between self-images and the proposed brand identity lead to more coherence in brand communications (e.g., Harris & de Chernatony 2001).

As Broom, Casey and Ritchey (2000) note, inter-organizational relationships are approached from two main perspectives in the literature: resource dependency and exchange theory. According to the former, relationships are formed in response to an organization's need for resources, and consist of transactions in which they are exchanged. Exchange theorists, on the other hand, posit that they are based on voluntary transactions leading to mutual benefit and goal achievement. (Broom et al. 2000, 91) Consequently, all interactions between the parties to the relationship contribute to building a shared understanding, and all behavior - whether intended or not - is potentially meaningful (Thomlison 2000, 182–183). The relational perspective has gained in popularity in the literature on corporate communications and marketing, to the extent that the planning and programming of communication activities - previously targeted mainly at persuasion (see Cutlip, Center & Broom 2006, 2) - now focus on relationship objectives (Cornelissen 2004, 17–18; see also Broom et al. 1997, 83; Bruning & Ledingham 1999, 157; Lindberg-Repo & Grönroos 2004, 229). Such objectives (including mutual commitment and trust, close cross-functional ties between organizations, reduced risk and flexibility in exchange operations[24] (e.g., Ballantyne 1998; Blombäck & Axelsson 2007; Kotler & Pfoertsch 2007; Mukherjee & Shivani 2011; Saeed 2011)) should thus also guide corporate branding, and could clearly be included in the brand's core values. Designing strategies and specific brand-communication activities that emphasize the dimensions of the relationship may be a useful source of added value in encouraging stakeholders to associate with the corporate brand, which in turn would help to strengthen its overall strategic positioning in the market.

Hence, it is emphasized in this research that relationships, especially in B2B branding, play a much larger role in the construction of corporate brands than the mere inclusion of images (as in Hatch and Schultz's (2003) model, for instance) would suggest. According to Grunig's (1993) conceptualization, images account only for the *symbolic* dimension of the relationships an organization has with its stakeholders, in other words it can be reduced to the production of images, and the choice and use of symbols to communicate desired impressions. However, what is really essential in constructing a corporate brand on a solid basis is the interaction between the

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[24] As the corporate brand addresses all stakeholder groups and as the relevant relationship objectives are more or less specific to each of them, the discussion is not taken further here.

organization and its stakeholders, in other words the *behavioral* relationships (Grunig 1993, 206–220), which provide the very context within which the brand is constructed in B2B markets (Forman & Argenti 2005). Hence, "creating and sustaining mutually rewarding relationships between a company and its internal and external stakeholders" is what corporate branding is essentially all about (Schultz & Hatch 2005, 339). In achieving this it is not enough for an organization to 'talk the talk' unless it is also willing to 'walk the walk' (Ledingham & Bruning 2000, 66–67).

In sum, from the above analysis of the extant literature on corporate-brand variables it could be said that the four interrelated and mutually influential areas - organizational identity, corporate strategy, stakeholder relationships, and strategic (brand) positioning - form a framework within which to develop the corporate brand. The proposed framework also has support in the extant literature: a corporate brand should be built on and reflect the essence of the organization *(organizational identity)* (e.g., Balmer 2001, 281), as well as the aspirations concerning what it will achieve in the future *(corporate strategy)* (e.g., Hatch & Schultz 2003; Urde 1994). Aiming at *building differentiation and preference* (e.g., Knox & Bickerton 2003, 999), it is created and maintained through *communication* surrounding the organization (e.g., Blombäck & Axelsson 2007) within the context of various *stakeholder relationships* (Forman & Argenti 2005).

However, although the basic building blocks and an initial framework have now been established, the question of *how* the (proposed) essence of the corporate brand should be conceived remains largely unanswered. It is still unclear how the pieces of this puzzle should be put together to create a brand that would attract stakeholders and improve the competitive positioning of the organization. The final, dominant perspective emphasizing brand values goes a little further in this regard.

2.5   The corporate brand as a bundle of values

Fourth and finally, the corporate brand could be defined as *a cluster of values* (de Chernatony 2009, 104), or *the promise made by the company* (Dowling 2008, 183; de Chernatony 2002, 116) that serves as an informal contract between the organization and its stakeholders (Balmer 2008; 2012). It should encapsulate "the additional values that are inherent in or associated with the corporation and its products and services" (Balmer & Gray 2003, 973). These values are meant to arouse certain associations in the minds of stakeholders, which in turn assist the organization in reaching its desired brand position in the market. Successful brand values should comply with the values held by external stakeholders and by the staff who are at interface between its value-providing and value-seeking interactions (de Chernatony 2002, 116).

In the following discussion on brand-related values I follow Urde's (2003; 2009) proposed categorization into three types of values that are essential to the brand-construction process: 1) values related to the organization (i.e. organizational values) 2) values that summarize the brand (i.e. its core values), and 3) values as perceived by customers and other stakeholders (i.e. added values). The three types are closely inter-related, and should continuously interact. First, organizational values should be trans-lated into the brand's core values, which define its identity, and in guiding all organiza-tional activity hold a central position in supporting the brand's promise. Second, the brand's core values should be translated into added values for different stakeholder groups. (Urde 2003, 1019–1020) In combination, organizational values, core values and added values constitute the value aspect of a corporate brand (Urde 2009, 622).

2.5.1 Organizational values

Organizational values refer to 'the social principles, goals and standards held within a culture to have intrinsic worth' (Hatch 1997, 214). Contributing to the process of reality construction within the organization (cf. Morgan 1997, 138), they answer the question of what the organization (constituted by its members) stands for, and what it is that gives it its character (Urde 2003, 1025) and meaning (Morgan 1997, 138) as an entity. These are values that its members consider important (Hatch 1997, 214; Urde 2009, 620), and act as a "compass" guiding their daily activities (Dowling 1994, 42–43; Jaskyte 2010, 425) and defining the way the organization does business (Barney 1986, 656). Deeply rooted in shared experience and common learning (Schein 1985, 50), organizational values are pivotal in shaping the organization's culture (Dowling 1994, 42–43) and identity (Jaskyte 2010, 425), and in inducing coherence in individuals' behavior. Strengthening their sense of community they also effectively promote norma-tive control (cf. Branson 2008, 381). However, the values shared by the employees may vary by geographical and functional groupings within the organization (Wilson 2001, 356), supporting various subcultures in different parts of it (Morgan 1997, 129). In addition, they are generally slow to change and are tacit by nature (Wilson 2001), which makes them difficult to influence through managerial actions.

Value-aligned organizations use their values as tools to create meaning in employee endeavors. It is believed that providing employees with a meaningful working environ-ment positively influences their performance. It is also recognized that the better the organization's values reflect the values of its members, the more motivated the employ-ees are to contribute to the corporate objectives. (Branson 2008, 381) From the perspec-tive of corporate branding it is important to make a clear distinction between *desired values* and actual, *practiced values*. The desired essence of a corporate brand should be

built on the values that the organization's members share and use, and that truly reflect its culture, rather than on desired values that may, in the worst case, even be in conflict with the internal reality. Building on the cultural values that constitute the symbolic meaning of the organization provides a basis on which to develop an authentic and differentiated corporate brand. Given that the organizational culture is deeply embedded in the behavior of its members, a value proposition based on organizational values also enhances the coherence between the brand promise and the performance of the organization. (Hatch and Schultz 2003, 1048–1049) On the other hand, failing to distinguish between desired and practiced values will easily damage the credibility of the proposed brand (see e.g., Balmer 2012, 18).

Real organizational values provide the point of departure for creating the core values that constitute the brand's identity (Urde 2003, 1019). It should be pointed out that the brand's core values are *purposefully selected* to account for the main dimensions the corporate brand is intended to represent. Thus, they are not to be confused with core organizational values (see e.g., Barney 1986) – although they are preferably built upon them – or values that are 'core' for the organization's stakeholders.

2.5.2   Core values

The core values that summarize the corporate brand's identity and provide a basis for its positioning are often referred to as the *brand essence* (Kapferer 2008, 197; Urde 2009, 620). Expressing what the corporate brand stands for (Kapferer 2008, 197; Urde 2009, 621), and hence implying a certain promise to stakeholders (cf. Aaker 1996, 68; Balmer 2012, 7; de Chernatony 2002), core values are of prime importance with regard not only to the meaning of the brand but also to its success in the market place (cf. Aaker 1996, 86). Thus, they should incorporate the essential associations that are likely to remain relatively constant over time and regardless of changes in product and/or market portfolios (Aaker 1996, 68–69; de Chernatony 1999, 165). These values should also be aligned with the strategic vision, and closely connected to the values and culture of the organization in order to give the brand credibility and authenticity as a source of differentiation (cf. Aaker 1996, 87). Core values that are genuinely aligned with shared organizational values strengthen the coherence between the brand promise and employee performance, resulting in a stronger brand (Brexendorf & Kernstock 2007, 35; de Chernatony 2002, 115). The brand's core values should also resonate with the added values as perceived by stakeholders (Urde 2009, 621), and should guide the brand-building process both within and outside organizational borders (Urde 2003, 1035; see also Macrae 1999, 8).

A clearly defined set of core values is essential for all operations, and influences the organization's activities continuously on every level; in a way, these values form the hub around which the strategy and business revolve. They also provide a common basis for brand building, and as such influence the continuity, consistency and credibility of corporate branding. (Urde 2003) Ultimately, the 'acid test' of the brand is how well the operations of the organization (i.e. the behaviors of its members) are aligned with the brand essence (Macrae 1999, 8). Failing to create an understanding and appreciation of the brand values among the employees easily results in inconsistent activities and the dilution of the corporate brand's coherence (de Chernatony 2002, 115). On the other hand, achieving consistency and continuity in brand construction enhances the brand heritage, hence providing a strong basis for sustainable differentiation in the face of tightening competition (Hakala et al. 2011, 447–449).

An effective corporate-branding process relies on just a few core values (Urde 2003, 1035; de Chernatony & McDonald 1992, 213; de Chernatony 2002, 117; Bergstrom et al. 2002, 136). Urde (2003, 1035–1036), for instance, mentions three that reflect the functional, emotional and symbolic dimensions of the corporate brand. As he puts it (2003, 1036), the core values must persuade "through the use of logos (logical argument), ethos (character and personality) and pathos (feelings)". Together, they appeal to both reason and emotions, form a basis for relationships and evoke feelings (Urde 2009, 631; see also Aaker 1996, 95). At the same time they need to be relevant, believable and desirable in the eyes of the organization's stakeholders, and above all livable with for its employees (Bergstrom et al. 2002, 136). The choice of core values and their expression reflects the brand's personality[25], and forms the basis of its associations (Urde 2003, 1031). Hence, they should be carefully selected in order to support the promise of the corporate brand (Urde 2009, 631), as well as mutually integrated to form a coherent, holistic entity (de Chernatony 2002, 118). In addition, management should continuously monitor the evolution of the selected core values so that their meaning does not become diluted over time. Building a corporate brand on values that lack real substance undermines the whole effort and has the potential to harm the corporate reputation and important stakeholder relationships (see Urde 2009, 631–633).

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[25] Brand personality refers to the human traits attached to the corporate brand, which reflect its core values. Hence, the choice of core values and the way they are expressed through action and communication give the corporate brand its personality. (Urde, 2003 1031)

2.5.3   *Added values*

Urde (2003, 1036) further proposes that core values are realized through added values in the *external* brand-building process. Added values are defined here as the expectations (Balmer 2012, 6) or the advantages stakeholders, or a particular stakeholder group (e.g., customers), associate with the brand (Urde 2003, 1019)[26]. It is common in industrial markets for the corporate brand to cover the organization's whole range of products and services, in other words there are no separate brands for different business lines and products. From a stakeholder perspective, this means that the brand's added values result from two factors (de Chernatony & McDonald 1992, 101): the added values derived from dealing with the organization, and the functional benefits it offers. Whereas the functional values determine what the stakeholder receives, the added values result from how they receive it, adding emotional dimensions to the overall experience (de Chernatony 2002, 114). Combined, these functional and emotional benefits create 'something of value' for those who use the brand (Ind & Bjerke 2007, 131).

The functional benefits stakeholders seek vary by stakeholder group. For customers they imply benefits from the product or service, for investors they mean benefits from the investment, whereas for employees it is the benefits of the job that count (de Chernatony & McDonald 1992, 101). According to Levitt, these attributes only provide the entry ticket to the game, and hence the differentiation and stakeholder preference sought through branding inevitably move along other dimensions (Mitchell 1999, 29; see also Merrilees & Miller 2008, 547) such as beliefs, attitudes and added values (cf. Kunde 2000, 8). Added values, which are usually emotional values (de Chernatony & McDonald 1992, 10; see also Urde 1994, 27), should be unique, relevant to the targeted stakeholders and sustainable against competitive activity. These different types of associations, images and emotional attributes wrapped around the functional core (Michell 1999, 29) should satisfy both the rational and the emotional needs of stakeholders (de Chernatony & McDonald 1992, 20), and lead to the development of relationships with the organization (cf. Aaker 1996, 95). It is worth noting that it is not so much the individual emotional attributes but rather the total process of aligning the activities and processes of the organization with the needs of the stakeholders that truly adds value (Mitchell 1999, 30).

The creation of added values underlies brand positioning (cf. Urde 2009, 621–622). Hence, added values should not only reflect the brand essence (Urde 1999, 122; Burman, Hegner & Riley 2009, 116; de Chernatony, Harris & Dall'Olmo Riley 2000) but should also be developed relative to the competition (de Chernatony et al. 2000, 51;

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[26]   See de Chernatony, Harris and Dall'Olmo Riley (2000) for a discussion on different definitions of the concept.

53; Aaker 1996, 179). At the same time, they should be *distinctive* and *relevant* to different stakeholders[27] (Ind 1997, 75) in order for the brand to stand out in a meaningful way (Kay 2006, 745). Usually only a few key factors guide attention and preference, and finding the dimensions that define the brand in the individual stakeholders' minds enables the organization to communicate efficiently with them (de Chernatony & McDonald 1992, 213). It is especially important to identify the dimensions that reflect the stakeholders' values (Dowling 1994, 16). However, given that the brand's core identity is usually built around one or only a few key associations (e.g., Urde 2003, 1035–1036; Bergstrom et al. 2002, 136) there is not enough information to assist the organization in choosing the most efficient communication program, or to create interest among various stakeholder groups, for instance. The brand personality is an example of a vehicle that can add the necessary texture (Aaker 1996, 88).

It should be noted that the most important dimensions used to assess corporate brands are likely to vary significantly by stakeholder group, as different stakeholders have varying needs and thus seek different kinds of benefits or value (Dowling 2001, 31). Furthermore, when brands are introduced in different cultural contexts their meanings are reinterpreted and changed (Kay 2006, 747; Kates & Goh 2003, 60), even within the organization (see Merrilees & Miller 2010, 1130). Hence, it might turn out to be difficult, if not impossible, to conceive of a value proposition that is equally attractive to all stakeholder groups. Such a proposition is likely to be either a higher-level expression of the value provided to stakeholders, or targeted more closely to certain *key stakeholder groups*. Thus, it might be better to develop a certain number of stakeholder-specific added values around the brand core (cf. Urde 1994, 30), which would explain the relational value derived from the core values to particular key stakeholder groups, or to use common labels (Gioia et al. 2000, 74) but interpret them in different relational and cultural contexts in a way that is considered appropriate and relevant.

Although the added values need to be attractive to key stakeholders, they should originate in the core values, and the organization itself should deliberately and actively strive to manage the processes that give the corporate brand its value and meaning. This is not to ignore the wants and needs of the stakeholders, but to prevent them from unilaterally guiding the development of the brand. (Urde 1999, 122) In addition, it is necessary to ensure that the internal processes are aligned with the delivery of the added values (de Chernatony et al. 2000).

To recap, the fourth and final approach conceptualizes the corporate brand as a bundle of values different stakeholders (i.e. brand management, organizational members, and external stakeholders) attach to the brand. From this perspective, a brand

[27]   Nevertheless, very often corporate brand values are viewed from the perspective of the organization rather than of its stakeholders (Leitch & Richardsson 2003, 1072).

essentially comprises the *meanings* that people who interpret its objects, events and symbolism attach to it (Hatch & Schultz 2009, 118). In highlighting these different meanings as well as the three distinct perspectives on their construction, this approach gives additional insights into the nature of the corporate brand as a concept. However, there is an implicit assumption that its symbolic meaning can be managed (cf. Hatch & Schultz 2009) – with no advice on how to go about this in practice - and that it is possible to come up with core values that resonate with both organizational values and the values perceived and appreciated by a wide variety of stakeholders (Urde 2009). Taking into consideration not only the diversity of perspectives involved in constructing the brand meaning but also the challenges of managing multinational organizations (e.g., the influence of subcultures), as well as the varying needs and interests of the different stakeholder groups, the complexity of this task is not to be underestimated.

2.6   Synthesis: What constitutes corporate brand meaning?

On the basis of the perspectives outlined above, the corporate brand appears to be a multidimensional construct, the identity of which (its core values) is built on the organizational members' sense of self while reflecting the strategic vision of the organization. At the same time, the brand identity should reflect the interests and needs of the organization's important stakeholders (added values) in a way that differentiates it from its competitors. These elements together comprise the proposed framework for the construction of corporate brand meaning within an organization (see Figure 3 below).
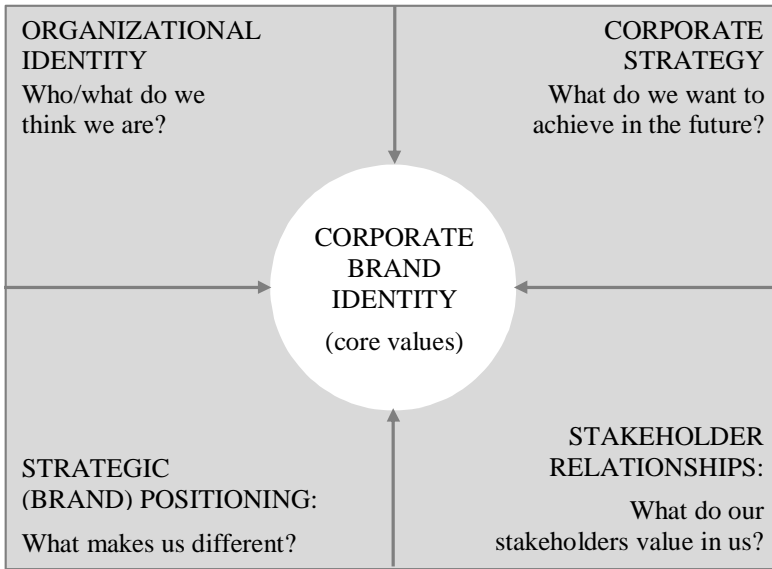
Figure 3   The proposed framework for the construction of a corporate brand
              identity

According to the framework depicted in Figure 3, the essence of the corporate brand derives from the interlinked elements of organizational identity (Who/what do we think we are?), corporate strategy (What do we want to achieve in the future?), competitive positioning (What makes us different?), and stakeholder relationships (What our stakeholders value in us?). In particular, the core values should authentically express the real organizational values, support the achievement of the strategic vision and objectives, differentiate the company from its rivals, and provide distinctive added value that attracts stakeholders and enables long-term relationships to be built on.

All the elements of the proposed framework are interlinked and mutually influential, and evolve dynamically, which brings dynamism into the entire process. Furthermore, varying aspects may be emphasized in the different divisions and different market areas of a large MNC (see e.g., Matanda & Ewing 2012). In other words, despite the common brand name the overall corporate images as well as the basis for differentiation may vary in different businesses and/or market areas, employees may perceive the organizational identity and values differently, and the heads of various units may have different perspectives on what the organization, or a part of it, should be like in the future (cf. Harris & de Chernatony 2001). At the same time, the brand identity should reflect the common core values through which the organization aims to distinguish itself and build up stakeholder preference in the long term. Thus, the construction of a corporate brand, from the managerial point of view, is an ongoing process of balancing not only the need

for a certain degree of stability and the dynamism inherent in the construct, but also the need to build a common core meaning as well as to stand out in a locally relevant way in each market and address the specific needs of different stakeholder groups (see Figure 4). It thus involves a dynamic process of negotiation (e.g., Matanda & Ewing 2012) between the institutionalized understandings and the pressures for change, and between the simultaneous need for global cohesion and local relevance.

change

common ← BRAND CONSTRUCTION → specific

stability
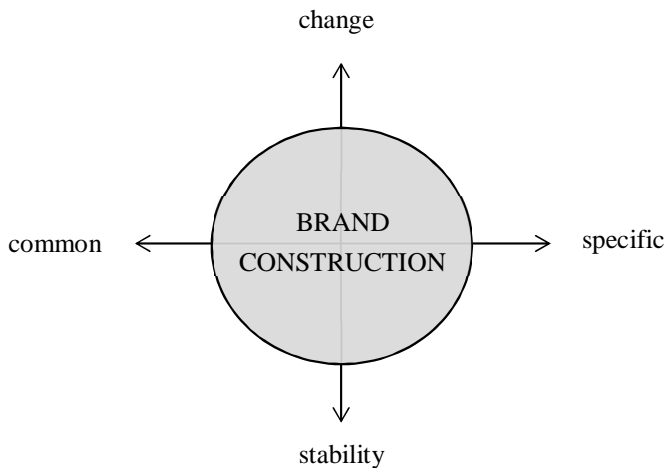
Figure 4   Balancing between reverse pressures in international corporate branding

According to Leitch and Motion (2007, 74), "the interplay between normalization[28] and differentiation is at the heart of the creation of corporate brand value". Accordingly, the better brand management succeeds in the task, the stronger the corporate brand, and the higher the expected return on investment. At the same time, the balancing act between stability and change as well as between the common and the specific (see Figure 4 above) makes the managerial challenge of developing a corporate brand in an MNC highly demanding. It requires ongoing analysis of the brand status and continuous discussion about the pressures and development potential within and across divisional and geographic borders. In addition, extensive coordination and follow-up are required in order to ensure overall coherence in global brand enactment (cf. Järventie-Thesleff 2011). It is also important to create a common understanding of the brand direction, and to make sure that the communication of its identity reflects and remains in touch with

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[28]   Normalization in this context refers to the work of Michel Foucault (1926-84), who regarded power and knowledge as mutually constitutive (Leitch & Motion 2007, 74). Hence, it is understood here as a synonym for the centrally imposed standardization of brand communications.

the organization's identity and images, enables the company to stand out in the competition, and supports the achievement of its strategic objectives and vision.

Whereas the elements of organizational identity, corporate strategy, strategic (brand) positioning and stakeholder relationships appear to form a framework for the purposeful construction of brand meaning within the organization, the meaning stakeholders attach to it is reflected in corporate brand associations, in other words corporate images (Aaker 1996). Hence, the concept of brand identity is not to be confused with that of brand, as the purposeful development of the *corporate brand identity* accounts for only one part of the input process in the construction of corporate brand meaning. Another, much more significant aspect is the communication of that identity through the organization's activities and interactions with its stakeholders, in other words *corporate brand enactment*. Brand enactment refers to the way in which members of the organization do (or do not) enact the core values of the corporate brand, thereby fulfilling (or discarding) the promise given by the brand identity (de Chernatony 2002, 116[29]). The activities and interactions between the staff and the external stakeholders result in *corporate (brand) associations* in the stakeholders' minds, which in turn are decisive in defining the final essence of the brand. Corporate brand associations refer to any thoughts, beliefs, emotions, images and evaluations about an organization that individuals associate with it, which may or may not be in line with the desired essence (Dacin & Brown 2002, 254).

CORPORATE BRAND IDENTITY	+ CORPORATE BRAND ENACTMENT	+ CORPORATE BRAND ASSOCIATIONS

Figure 5   The constituents of a corporate brand's meaning

Acknowledging the three different elements that together form the overall meaning of the corporate brand (see Figure 5 above) also highlights the fact that it comprises three different perspectives: brand management (corporate brand identity), organiza-

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[29]   De Chernatony (2002, 115) argues for a clear distinction between the concept and the enactment of a brand. However, in terms of constructing the *meaning* of a corporate brand through the everyday interactions going on within and across organizational boundaries, enactment is an important part of the equation, along with the desired brand essence (i.e. identity) and the actual essence as perceived by the stakeholders (i.e. brand associations).

tional members (corporate brand enactment), and stakeholders (corporate brand associ-
ations). In principle, the more closely these three perspectives coincide, the stronger the
brand. In particular, it can be assumed that the more closely the organizational
members' understanding of the brand correspond to the proposed brand identity, the
better they are able to enact the intended corporate brand position to external
stakeholders (e.g., Schultz & de Chernatony 2002; Ind 2003; Wilson 2001). In a similar
vein, the better the overall organizational action corresponds with the brand identity and
delivers on the promises made in planned brand communications, the more likely it is
that the associations created by the external stakeholders will coincide with the intended
brand essence. At the same time, it should be acknowledged that in the equation
presented in Figure 5 the ability of brand management to control or manage the brand is
rather limited. Although it is able to control the process of brand-identity creation, as
well as the planned forms of communication, it cannot control all the interaction taking
place within and across the organization's borders that communicate the brand meaning
to its stakeholders, nor does it have any control over the resulting interpretations of the
stakeholders (cf. Schultz & de Chernatony 2002, 108).

To summarize the above discussion, brand meaning appears to evolve as an outcome
of three diverse perspectives and related meaning-creation processes. From the brand-
management perspective it involves developing a compelling corporate brand identity
that captures and communicates the unique value the company is able to offer its
various stakeholders. From the employees' perspective, on the other hand, it involves
integrating the brand identity into everyday activities in a way that facilitates the
communication of the core values through the various interactions within and across
organizational borders. Finally, from the stakeholders' point of view it is about inter-
preting and creating associations about the communications and experiences with the
focal corporation, which may be more or less in line with the brand essence as defined
and/or expressed by the organization. All these perspectives interact dynamically, and
thus need continuous attention and follow-up on the part of corporate brand manage-
ment. Given its dynamic nature (Schultz & Hatch 2005, 343), as well as the distributed
approach to its meaning construction discussed above, corporate branding should be
conceptualized, in fact, as an *on-going process of meaning co-construction* that cannot
be fully controlled by brand management, nor divided into clear, consecutive phases.
This is something that traditional, linear frameworks of corporate branding fail to
capture.

In the next chapter I first review traditional models of corporate branding and offer
arguments pointing to their deficiencies in explaining the construction of a corporate
brand in an MNC. After that I suggest and discuss an alternative approach drawing on
insights from the literature on strategy-as-practice, organizational learning, and MNC
management.

3   GIVING SENSE TO A CORPORATE BRAND

As shown in the previous chapter, brands are essentially constituted of the *meanings* people attach to them. It follows that in attempting to manage a brand an organization is attempting to manage its symbolic meaning. (Hatch & Schultz 2009, 118; 121) As Kay (2006, 746) states, "managing the meaning of the brand has been increasingly identified as a critical management task that is essential to a successful 'strong brand' strategy". However, the extent to which the marketer is able to 'manage meaning' in the postmodern era can be strongly questioned (see e.g., Holt 2002; Schröder 2009).

Meaning exists within an individual person (Mezirow 1991; Henderson 2002, 201), and the way the individual makes sense of the projected brand identity is affected not only by the communication but also by a whole variety of other factors outside of brand management's control (Dacin & Brown 2002, 256). The brand meaning is always created within a certain context and in relation to various contextual and cultural factors, as well as to other people, activities, artifacts, and brands (cf. Eskola & Suoranta 1998, 50). Hence, rather than being a direct result of an intentional brand-communication campaign, the ascribed meanings are created within an *active negotiation process* between the organization and its stakeholders in a given cultural and social context (Schröder 2009, 124–125). Given that the processes of individual sensemaking are impossible for an outsider to control, the best managers can do is to engage in the sensemaking processes with the organization's stakeholders (Hatch & Schultz 2009, 121). Internally, this means providing employees with opportunities and platforms for brand-related interaction, and participating in the sensemaking on different organizational levels on an ongoing basis.

The concepts of sensemaking and sensegiving have featured in the strategy literature since Gioia and Chittipeddi's seminar article of 1991 (Rouleau 2005, 1413). *Sensemaking,* in this context, is defined as meaning construction and reconstruction by the involved parties as they attempt to develop a meaningful framework or an understanding of the nature of the intended change (Gioia & Chittipeddi 1991, 442). In corporate branding it involves the way strategists understand the prerequisites of a successful corporate brand, which forms the basis on which its identity is defined (Järventie-Thesleff 2011, 54). It also concerns how people understand, interpret, and make sense of the proposed identity on the basis of the information surrounding the brand and the construction process (cf. Rouleau 2005, 1415). *Sensegiving*, on the other hand, refers to the process of disseminating the predefined identity of the corporate brand (Järventie-Thesleff 2011, 54–55) and attempting to influence the sensemaking and meaning construction of others (Gioia & Chittipeddi 1991, 442). In an attempt to influence the outcome of the corporate branding process managers communicate their

views about the change as well as the preferred meaning of the brand to others, and try to obtain their support (cf. Rouleau 2005, 1415).

Sensemaking occurs in ongoing interplay between action and interpretation such that interpretation is both an antecedent and a result of action, and vice versa (Weick, Sutcliffe & Obstfeld 2005, 409; 412). In other words, how people interpret certain circumstances – the meaning they attach to them in their talk – influences their behavior in the given social context, such as an organization (Weick et al. 2005, 409). Hence, in order to enhance understanding of how a corporate brand is constructed within an MNC, it is essential to take into consideration not only the managerial activities and practices used to give sense to it, but also the sensemaking of the organizational members, how the two perspectives interrelate, and how these processes are connected to organizational learning, i.e. to producing a perceivable change in behavior.

In this study I adopt *a practice approach* as a framework within which to analyze the sensegiving process, in other words brand construction (or communication) from the managerial perspective (Chapter 3.2). Furthermore, in order to shed light on how employees make sense of the corporate brand on different organizational levels I revert to *organizational learning theory* (Chapter 3.3). First, however, I briefly review the traditional models of corporate branding, and highlight the need for an alternative approach.

3.1   Traditional models of corporate branding

Corporate branding is defined in the literature as a systematically planned and implemented communication process, the aim of which is to create and maintain a coherent corporate image and a favorable reputation among the organization's stakeholders (e.g., Einwiller & Will 2002, 100). The process is typically depicted as comprising a certain number of stages that follow more or less consecutively.

For instance, Knox and Bickerton (2003) identify six stages in the process of developing and managing corporate brands on the basis of an empirical study of over 75 interventions in different organizations: 1) analyzing the brand context (vision, culture, image and competitive landscape); 2) defining the key benefits or values that underlie the brand positioning (brand construction); 3) articulating the brand proposition to internal and external stakeholders in a series of agreed statements (brand confirmation); 4) developing consistent corporate communications (brand consistency); 5) aligning the relevant business processes with the corporate brand (brand continuity); and 6) monitoring the relevance and distinctiveness of the brand on a continuous basis (brand conditioning) (Knox & Bickerton 2003, 1006–1012). On the basis of experiences gained in Swedish service firms, Wallström et al. (2008) condense the stages into three: 1)

conducting a brand audit both within the organization and in its environment; 2) constructing the brand identity and defining its targeted associations and benefits; and 3) communicating the brand position in various statements.

De Chernatony (2001a; 2001b) proposes a very similar model for building and strengthening brands, and improving brand equity. This model consists of eight stages: 1) the senior management team develops a brand vision, which can be refined over time and involves envisioning the future environment, defining the purpose and establishing the values; 2) an audit of the organizational culture is undertaken, the visible artifacts, values and basic assumptions are evaluated against the brand vision, and the necessary changes are identified; 3) concrete brand objectives are set; 4) an audit of "the five forces of the brand sphere", i.e. the macro-environment, distributors, competitors, customers and corporation, is conducted; 5) the internal and external contexts of the organization are analyzed and the objectives set; 6) the brand core is conceived and summarized in a brief statement of promise; 7) the brand is implemented in the organization's value-delivery system, and the elements communicating its essence (name, symbol, etc.) decided upon; 8) finally, the internal supporting systems as well as the external brand image and satisfaction are evaluated in order to fine-tune the brand when necessary (de Chernatony 2001a; 2001b).

Aaker (1996), in turn, proposes a brand-identity-planning model that starts with a strategic brand analysis and proceeds through the construction of the identity system to its implementation. The analysis covers customers, competitors, and the organization itself. The construction of the brand identity, in turn, involves deciding on the desired brand associations and the value propositions that are to assist the organization in establishing relationships with customers. Finally, in the implementation phase the organization should define and communicate the targeted brand position, and track performance. (Aaker 1996, 68; 79)

Although there are differences in the numbers and labeling of stages in the existing frameworks, they usually include at least the following: conducting an analysis, setting objectives, constructing the brand, communicating the brand position, and monitoring performance (see Figure 6). These models are based on a rational approach, according to which the process of constructing a strategy proceeds in a linear fashion from planning to implementation (see Vaara & Laine 2006, 157; Barrett, Thomas & Hocevar 1995, 352). Managers are regarded as the primary creators of strategy (Vaara & Laine 2006, 157), and are assumed to be capable of achieving rational adaptation to environmental demands for change (Barrett et al. 1995, 352) through 'a process of deliberate debate and decisive choice' (Sminia 2005, 267).
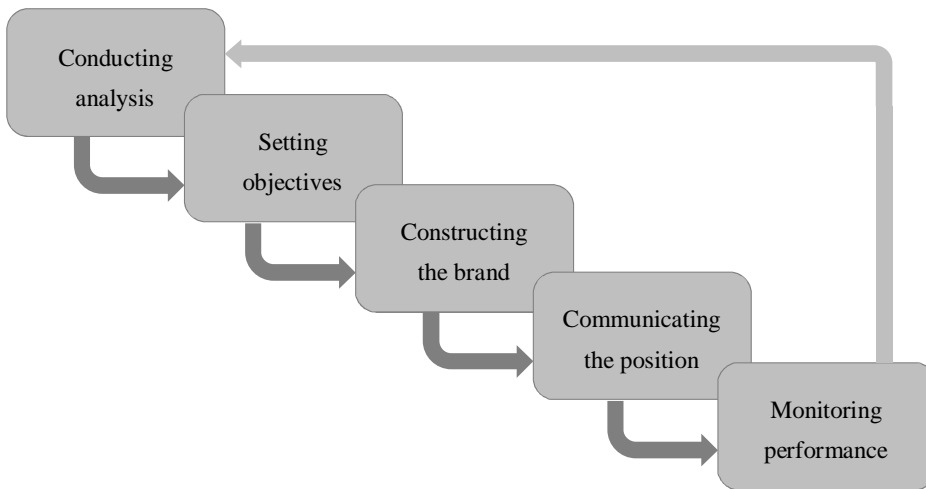
Figure 6   Linear models of corporate branding

This planning- and implementation-oriented view of 'strategy' has been criticized recently for neglecting the social, cultural and political aspects of strategizing, conceptualizing strategy work "as teleological activity where intentions guide organizational action", not being able to distinguish between the level of ideas and talk and the level of action and practice (i.e. organizational reality), and for reproducing managerial hegemony and Western domination in the theoretical and methodological perspectives[30] (Vaara et al. 2004, 2–3). Hence, these models fail to recognize that decisions do not lead to actions in all cases, that actions may also precede decisions (Sminia 2005, 268), and that patterns of organizational politics may lead to a breakdown in overall goal-oriented activity (Maitlis & Lawrence 2003, 112). They also fail to capture the emergent and ongoing nature of the process of constructing a corporate brand, i.e. the fact that such a brand is constantly constructed and reconstructed in everyday interactions between the organization's internal and external stakeholders (Järventie-Thesleff 2011, 51; 60). In conceptualizing corporate branding as a top-down process of planning and implementation, traditional models also "downplay the strategic role of employees and the intra-organizational complexities that brand alignment involves" (Järventie-Thesleff et al. 2011, 198). According to the current idea put forward in the literature on internal branding that employees should absorb a pre-determined and fixed brand essence, learning is the mere internalization of new knowledge and the individual is the non-problematic unit of analysis (Lave & Wenger 1991, 47). From this perspective, employee engagement is seen merely as a leadership question, "whereby top

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30   For a short review of problems in traditional approaches to strategy, see Vaara et al. (2004, 2-3).

management is responsible for formulating a brand vision and it either succeeds or fails in 'making' the personnel behave in a brand-aligned way". Much of this literature is normative in nature, presenting corporate brands as ready-made plans and discussing the measures management should take in order to get employees to act in line with the proposed brand identity (Järventie-Thesleff 2011, 32; 60). The organizational and social dynamics either supporting or slowing down corporate brand-building processes receive inadequate attention in existing models (Järventie-Thesleff et al. 2011, 198), thus falling short in fostering understanding of daily brand-construction activities as well as of the dynamic organizational interdependences influencing the process in practice (Järventie-Thesleff 2011, 60). In addition, these models give little attention to the specific requirements the MNC context imposes (Roth & Kostova 2003, 892).

This research proposes an alternative approach to corporate branding in multinational corporations, one that draws on the literature on practice research (e.g., Jarzabkowski 2005; Johnson et al. 2003; Whittington 2003), organizational learning (e.g., Levitt & March 1988; Gherardi 2000; Lave & Wenger 1991; Wenger 1991; Becker-Ritterspach, Saka-Helmhout & Hotho 2010; Saka-Helmhout 2010), and MNC management (e.g., Forsgren 2008; Ghoshal & Bartlett 1990; Cohen & Levinthan 1990; Gupta & Govindarajan 2000; Björkman et al. 2004; van Wijk et al. 2008). It is assumed that analyzing corporate branding from such an interdisciplinary perspective will give clearer insights into the critical issues within the branding process that influence the MNC's ability to construct its corporate brand internally and, subsequently, to coherently communicate the brand promise to external stakeholders. In particular, focusing on managerial activities and practices of corporate brand construction in an MNC, and analyzing their contributing and inhibiting features in terms of influencing behavior on different organizational levels and in various contexts, will make it possible to shed light on the organizational dynamics and complexities in a way that not only gives a thorough understanding of the challenges involved (cf. Järventie-Thesleff 2011, 18) but also suggests ways of overcoming them.

3.2   Sensegiving by management: a practice perspective

The practice approach briefly introduced in Chapter 1.4.3 builds on three interrelated core themes: the activities, practices and practitioners of strategy (e.g., Jarzabkowski 2010, 128–129; Jarzabkowski et al. 2007, 11; Whittington 2006, 614–619). Activities are deliberately performed in the formulation and implementation of strategy (Whittington 2006, 619). In carrying them out, practitioners have a tendency to rely on various organizational and extra-organizational practices (e.g., shared understandings, cultural rules, procedures and the use of language), which they do not always adopt or

reproduce passively. Depending on their experience and improvisatory skills, they are also able to adapt existing practices to better serve their needs, or introduce completely new ones for certain tasks. (Whittington 2006, 614–620) Thus, it is not only the activities *per se* that are of interest, but also how the practitioners go about them, how they incorporate the situated and person-specific knowledge, and how all that shapes the strategy (Jarzabkowski et al. 2007, 13).

The activities, practices and practitioners of corporate brand strategizing are introduced, in the following sub-sections, then the discussion turns to the limits of managerial agency in transferring brand-related knowledge and practices in an MNC context.

3.2.1   *Strategizing the corporate brand: activities and practices*

Activities are what strategy practitioners do 'in practice', in other words they are deliberately carried in order to formulate and implement the corporate brand (Whittington 2006, 614–615; 619). It is a question of "human action informed by theoretical knowledge and articulated through communication", as Skålén and Hackley (2011, 190) put it. The forms of communication may be formal in nature and/or planned beforehand (such as brand workshops, presentations, and marketing materials), or more informal and ad-hoc – in as far as the communicator (i.e. the strategy practitioner) is *deliberately* seeking to communicate the brand through their actions. 'Strategy praxis', on the other hand, refers to the work of strategy-making over time, in other words the aggregate of strategizing activities such as planning, decision-making and issue-selling, which may also be formal or informal in nature (see Jarzabkowski et al. 2007, 8–9; Whittington 2007, 1578; Jarzabkowski & Spee 2009, 73).

Practitioners carrying out various brand-strategizing activities are likely to draw on various established practices – either consciously or, in many cases, unconsciously (Jarzabkowski et al. 2007, 11). *Practices* refer to routinized shared behavior (Skålén & Hackley 2011, 190; Whittington 2006, 619). They comprise several interconnected elements such as bodily and mental activities, objects and their use, background understanding and know-how, as well as emotions and motivation. Hence, they represent certain *patterns of action* that depend on the existence of various elements and their interconnectedness. (Reckwitz 2002, 249–250) In providing "the behavioral, cognitive, procedural, discursive and physical resources through which multiple actors are able to interact in order to socially accomplish collective activity" (Jarzabkowski et al. 2007, 9), these routines and tools are indispensable in strategy work (Whittington 2007, 1579). Drawing on and contributing to culturally and historically embedded practices, practitioners bring the strategy into being through their actions, which may or

may not follow the desired course as expressed by management (Jarzabkowski 2010, 131).

In the same way as the meaning and structure of each organizational practice is influenced by the historical and social context, practices are always social in nature, and reflect a certain degree of mutual understanding among the actors involved (Wenger 1998, 47; 54; see also Whittington 2006, 614–615). However, comprising a complex bundle of social, material and embodied ways of acting they are not necessarily articulated or conscious (Jarzabkowski & Spee 2009, 82). Instead, these 'culturally and historically transmitted regularities' can be detached from the patterns of activities the practitioners actually carry out (Chia & MacKay 2007, 227).

Practices exist on multiple levels. On the group or community level (see e.g., Wenger 1998) they include various task-specific work tasks such as handling orders in the customer-service center or customer complaints in after-sales, whereas on the organizational level, various practices are embedded in organization-specific routines, operating procedures and cultures that shape the modes of strategizing in the local context (e.g., Jarzabkowski et al. 2007). Specific organizing practices serve to legitimate certain activities while inhibiting others in terms of defining the proper way of acting according to the brand, the ways in which different tasks and units are related to the brand-construction process, and who is obligated or allowed to perform certain activities, for instance (Mantere 2005, 166). On a higher level there are industry-specific and societal practices, such as routines, procedures and types of discourse, that are acknowledged as legitimate ways of strategizing in a given industry or societal context (Jarzabkowski et al. 2007). In addition, the norms, beliefs and values in diverse cultural and institutional contexts influence individuals' perceptions of what is appropriate and/or valuable in a particular setting (e.g., Kostova & Roth 2002; Forsgren 2008; Pérez-Nordvedt et al. 2008). Hence, multiple practices influence people's behavior simultaneously in a given context (Whittington 2006, 614–615; Reckwitz 2002, 250). They reproduce the existing social order, and to break or shift these structures requires a clear indication that the underlying interpretive scheme supporting them no longer applies, forcing the local actors to make sense of the changed situation (Reckwitz 2002, 255).

In terms of constructing a corporate brand in an MNC, it could be concluded from the above that in order to achieve a closer alignment between the organizational activities and the proposed brand identity the personnel should not only understand and accept the necessity of such a change but also institutionalize the new understanding in the organizational practices that guide their daily activities. The literature on strategy as practice refers to several types of strategizing practices on which managers may draw in order to guide the activity of corporate branding in the desired direction (see Table 3). Formal *administrative practices* refer to the plans, budgets, work groups, procedures and guidelines that are established to implement the brand in the organization

(Jarzabkowski 2005, 51; see also Di Milia & Birdi 2010; Child 2005; Gupta & Govindarajan 2000) and to support the desired types of action (Child 2005, 315; Gupta & Govindarajan 2000, 478). These practices guide and structure the deliberate brand-construction process, and create (or inhibit) opportunities to engage in and contribute to it (see Wenger 1998; Vera & Crossan 2004). *Structural practices*, on the other hand, include the routines, systems, hierarchies and roles related to the strategizing process, which guide organizational behavior with regard to the corporate brand. These include developing reporting structures (Wenger 1998, 169) and assigning responsibilities with regard to corporate branding (Balogun & Johnson 2005; see also Balmer & Gray 2003; Hatch & Schultz 2003; Topalian 2003; de Chernatony 2001a), designing and using resource-allocation processes and strategic-planning and reward systems (Crossan et al. 1999, 533) as well as various technology-based (Ipe 2003, 349) and specific diagnostic systems (Crossan et al. 1999, 531).

The stabilization of administrative and structural practices confers structural legitimacy on the strategy (Jarzabkowski 2005, 86; 90). For instance, the organization may establish procedures for producing or ordering brand-communication materials and approving changes in brand use, and appoint certain persons or even external actors such as advertising agencies to carry out specific activities. As a result, the routine practice in which the strategy is embedded becomes institutionalized and taken for granted within the organization (Jarzabkowski 2005, 86; 90), and starts influencing organizational behavior 'from below'.

Table 3   Types of practices in corporate brand strategizing

Type of practice	Description and examples
Structural practices	The routines, hierarchies and roles of the brand-strategizing process guiding organizational behavior
Administrative practices	Plans, budgets, work groups and procedures through which the brand strategy is formally implemented in the organization
Interactive practices	Deliberate and goal-oriented face-to-face interactions in which the corporate brand strategy and/or meaning is communicated
Discursive practices	Ways of using language, metaphors and symbols to generate desired brand meanings and support brand-aligned activities and practices.

Interactive practices include different types of deliberate and purposeful face-to-face interaction between managers and other actors aimed at promoting the proposed brand meaning among the organization's personnel. Practitioners have a variety of symbols and discursive practices to draw on in order to attract managerial interest (Jarzabkowski 2005, 51; see also Vaara et al. 2004; Hardy et al. 2000), in other words to communicate

and justify the preferred essence of the corporate brand and influence the sensemaking of others. The purpose of interactive strategizing is to build common frameworks of meaning in order to guide organizational activity towards strategic goals, and to confer interpretative legitimacy on the proposed brand identity by framing it as desirable or necessary, for instance. At the same time, it provides top management with a tool for normative control with which to designate certain actions as legitimate and others as not contributing to the legitimized activity. (Jarzabkowski 2005, 92; 98)

Vaara et al. (2004, 5) define *discursive practices* as "ways of activating and utilizing specific discursive resources in particular contexts". Adopting specific practices, individuals ascribe certain meanings to certain objects in order to understand other objects and to enact that understanding (Reckwitz 2002, 255). In other words, managers have a variety of discourses[31] to draw on in order to generate meanings that either support or hinder certain organizational practices and activities (Hardy et al. 2000, 1228), or the positions of social actors in relation to an activity or process (Mantere & Vaara 2008, 343). The initiation of (or support for already initiated) change is facilitated by the introduction (or reinforcement) of a new discursive template, a new set of interpretive codes enabling the desired way of talking and acting (Tsoukas & Chia 2002, 579; see also Mantere & Vaara 2008, 356).

Discourses are embedded in specific social practices and contexts (Knights & Morgan 1991, 253; Vaara et al. 2004, 4), which in many cases are subtle and pass unnoticed (Mantere & Vaara 2008, 343). Within these contexts they have specific power over social actors (Vaara et al. 2004, 4) in structuring the way people conceive of the world, different events and people through the use of language and culture (Pietikäinen & Mäntynen 2009, 53; see also Mantere & Vaara 2008). They also have the capacity to depict and present events and people as the truth or as real, to label things and people and build hierarchies between them, as well as to highlight certain aspects while ignoring others (Pietikäinen & Mäntynen 2009, 53; 56). For instance, following the introduction of specific categories people come to think of and understand the world in these terms, and develop social practices that reproduce such perceptions as 'truth' (Knights & Morgan 1991, 253). These established interpretive schemes may hamper efforts to achieve change within an organization (Sminia 2005, 285). Further-more, discourses facilitate the building of identities (for oneself or a group of people), and help individuals to use certain concepts, expressions, tones and structures

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[31]   *Discourse* is a widely used concept in the literature on organization and management (see Alvesson & Karreman 2000, 1125-1126; Vaara et al. 2004, 3). Knights and Morgan (1991, 253) define discourse as "a set of ideas and practices which condition our ways of relating to, and acting upon, particular phenomena".

purposefully in order to influence other people's sensemaking (Pietikäinen & Mäntynen 2009, 63–64; 67; 77).

However, given that the creation of meaning is context-bound, discursive activities must be located in the larger context of the organization, or a particular subunit, if they are to influence organizational action (Hardy et al. 2000, 1228). The discursive context in large organizations such as MNCs tends to be complex and fragmented as different actors struggle and the activities of many individuals accumulate (Hardy et al. 2000, 1232), and not all discourses support managerial efforts to implement a certain meaning (see Leitch & Motion 2007, 73). The multiplicity of discourses allows actors to resist the power effects inherent in some of them (Knights & Morgan 1991, 253) in that they may choose which ones to draw on (Hardy et al. 2000, 1232). They also have the possibility to change discourses by adapting the process of their reproduction (Knights & Morgan 1991, 254). Thus, although individuals such as top managers may engage in discursive activity with certain intentions and preferred outcomes in mind, they are not able to fully control the discourse (Hardy et al. 2000, 1232) or the creation of meaning. In order to steer activities in the desired direction, MNC managers must be able to connect the elements of local and corporate discourses (cf. Sminia 2005, 287–288).

3.2.2   *Recursiveness and adaptation in brand-strategizing practices*

Taking a different perspective on the categorization of practices, Jarzabkowski (2004) identifies two further types, recursive and adaptive, which are to be found in each of the above categories. Thus, a particular interactive practice could be labeled recursive or adaptive. *Recursive practices* include path-dependent, routinized activities that remain stable over time, whereas *adaptive practices,* although established can be adapted for a specific purpose. Recursive practices take place on different contextual levels ranging from that of the individual to the institutional and competitive environment. (Jarzabkowski 2004, 538; Järventie-Thesleff 2011, 49) As practices institutionalize, in other words become sustained by the values, beliefs, norms, habits and discourses of the particular context (Gherardi 2011, 57), they gain legitimacy in the eyes of the surrounding society (e.g., Kostova & Roth 2002, 216). Legitimate practices may be adopted on account of their legitimacy rather than their effectiveness (e.g., Kostova & Roth 2002, 216). In other words, they become the 'normal' and approved way of working and thus enacted without their effectiveness being questioned. Hence, although they may enable the organization to capitalize on established routines and learned efficiencies, these persisting organizational routines may also restrict learning capability (Jarzabkowski 2004, 538; Järventie-Thesleff 2011, 49; see also Nonaka 1994, 21).

Adaptive practices, in turn, arise from the interaction between actors and contexts. In other words, local actors in different parts of the organization may adapt an existing practice, to better suite a specific need or to comply with changes in the operating environment, for instance. Such practices facilitate the creative interpretation of the brand, whereas the recursive approach would involve presenting a unified conception through the dissemination of information as well as planned and structuralized activities[32]. (Jarzabkowski 2004, 538; Järventie-Thesleff 2011, 49; Mantere 2005, 169) The way in which organizational members give sense to the corporate brand (see brand enactment in Chapter 2.6) could be considered an adaptive practice in that it allows individuals to interpret it creatively through their actions within a particular context (cf. Mantere 2005, 168). Enabling creativity and personal expression feeds an individual's sense of self-achievement and psychological ownership, and enhances understanding of the brand contents (Mantere 2005, 175). Thus it could be assumed that allowing for adaptive practices in corporate brand enactment increases the motivation and commitment to actively engage in the brand-construction process.

Jarzabkowski (2004) provides a synthesis of possible indicators promoting either recursive or adaptive practices. For instance, a strong organizational identity, unitary cultures, a hierarchical structure and strong operating routines promote recursiveness, whereas more heterogeneous organizations with a decentralized structure, fewer hierarchical levels and stronger processual mechanisms are more conducive to adaptive practice. Adaptive practice is assumed to create greater value in highly competitive, dynamic markets, whereas under stable competition recursive forms may be appropriate. Further, on the individual level an actor's broader experience base is assumed to imply a greater capacity to accommodate external events into his or her existing understanding and experience, as well as higher levels of competence, both of which promote adaptive tendencies in behavior. (Jarzabkowski 2004, 538–543) IB researchers refer to the ability to recognize and assimilate knowledge similar to existing knowledge structures as *absorptive capacity* (e.g., Cohen & Levinthal 1990; Rugman & Verbeke 2001). They also posit that a broader base of related knowledge and skills supports creativity in that it allows for the formation of various associations and linkages that may not have been thought of before (Cohen & Levinthal 1990, 130).

Building on the division between recursive and adaptive practices, and having examined the socio-culturally and socio-historically constructed practices that mediate the corporate branding process in an MNC setting, Järventie-Thesleff (2011) found three particular practices of brand management governing activities aimed at

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[32] Nevertheless, even recurrent practices are never identical, although they are based on contingent logic. Hence, they result in similar performance in spite of changes in operating conditions. (Gherardi 2011, 57)

implementing the corporate brand in the focal MNC, which she labeled steering, surveying, and simplifying practices. Another study from the same year (Järventie-Thesleff et al. 2011) presents a slightly modified version involving the practices of masterminding, calibrating and notifying. Together these categorizations result in four distinct yet strongly interrelated practices, which I briefly introduce below.

The practice of masterminding (or steering) is based on the understanding that corporate branding is first and foremost about the creation of a 'master plan' by the top management and their experts for the rest of the organization to implement. In this it could be seen as a deliberate process of strategy formulation involving systematic analysis and conscious decision-making based on available options. It follows typical project-management logic in terms of compiling and realizing strategic plans through rational problem solving, and assumes that top management is able to come up with optimal solutions and right decisions with regard to the content of the brand strategy. (Järventie-Thesleff 2011, 137–139; Järventie-Thesleff et al. 2011, 200–201) As such, it follows the traditional conceptualization of strategy described in Chapter 3.1, as does the practice of notifying.

Järventie-Thesleff et al. (2011) describe *notifying* as a separate managerial practice, although in Järventie-Thesleff's (2011) dissertation it is regarded as part of 'steering'. Here, effective top-down communication of the strategic plan is considered the key to successful brand management, and transferring a pre-conceived set of representations in cascading steps within the organization is expected to lead to the internalization and successful delivery of the brand promise. This practice relies on multiple instances of written and oral communication, such as giving orders and instructions, distributing information, and sending persuasive messages to influence attitudes and behavior in the lower ranks. It also involves training particular 'brand champions' - hand picked middle managers who are expected to take care of the local rollout of the brand strategy. (Järventie-Thesleff et al. 2011, 201; Järventie-Thesleff 2011, 139) Furthermore, it assumes a reasonable consistency of messaging, "almost as if the essence of the corporate brand could be injected into the organization" (Järventie-Theleff et al. 2011, 201).

The practice of calibrating (or surveying), in turn, involves a wide variety of monitoring and performance-assessment activities (e.g., tests, surveys, steering-group audits, and self-assessment exercises), rendering corporate brand management understandable as a process of controlling performance vis-à-vis strategic objectives through measurable outcomes. It is assumed that the process of corporate branding can be decomposed into a discrete set of functional units, which can then be analyzed, measured and manipulated through targeted managerial action. Hence, as with the practices of masterminding and notifying, corporate branding is seen as a carefully planned process, which can be translated into concrete and measurable improvement targets that are regularly monitored. Rather than focusing practitioners' attention on actual brand-building

activities, the practice of calibrating engages the staff in various data-collection duties aimed at updating the 'master plan'. (Järventie-Thesleff et al. 2011, 202–203; Järventie-Thesleff 2011, 140–141)

Finally, the *practice of simplifying* involves giving sense to the corporate brand in terms of condensing its contents into an 'iron wire' model of corporate brand identity, and defining its appearance, message, offering and behavior on a very high level of abstraction. It is assumed that the centrally defined brand essence, its unambiguous presentation and cascading down through the practice of notifying will eventually result in the delivery of the brand promise and the execution of top management's visions and strategic plans. This practice also relies on centrally produced communication material and emphasizes tangible communication-related changes with regard to the corporate brand. Moreover, consensus is pursued by avoiding "complex contemplation about the corporate-brand aligned behavior and by failing to open up the link between corporate values and the corporate brand". (Järventie-Thesleff 2011, 143–144)

These interlinked, trans-subjective practices were seen to mediate the corporate-brand-related change process in the focal MNC of Rita Järventie-Thesleff's dissertation, and to influence the inter-organizational dynamics related to the construction of the brand. They appeared to follow a predominantly recursive approach to corporate brand management, emphasizing the need for a central conceptualization, explicit top-down information flows, and pre-planned roles, responsibilities and activities, and at the same time inhibiting local adaptation and falling short in supporting learning and subsequent brand-aligned behavior (Järventie-Thesleff 2011, 145–147; Järventie-Thesleff et al. 2011, 203). In particular, although the practices appeared to support the *deliberate part* of brand-strategy construction, i.e. the formulation and internal launch of the brand, they seemed to constrain the *emergent part:* too little attention was given to the everyday activities and practices through which the brand promise is (or is not) delivered, and to the processes of learning through which the brand could be implemented and the desired organizational change brought about. (Järventie-Thesleff 2011, 137–139; 151; 154; Järventie-Thesleff et al. 2011, 200–201) In addition, in ignoring the strategically valuable knowledge possessed by employees and treating them as passive targets of readily-packed information, these practices fail to recognize the importance of the personnel's engagement, its taking of ownership and its creative adaptation in the brand-construction process. As a consequence, they also fall short of achieving brand-alignment in organizational activities. (Järventie-Thesleff et al. 2011, 203; Järventie-Thesleff 2011, 155) Clearly, the personnel in Järventie-Thesleff's case were not allowed the agency of 'real' strategy practitioners but were rather assumed to follow the ideas created and communicated by their superiors.

3.2.3 *Practitioners of the brand strategy*

Strategy practitioners are individuals or groups[33] of people "who do the making, shaping and executing of strategies". They work on different levels of an organization – not only the managerial level. Even outside consultants and/or agencies could be regarded as strategy practitioners contributing to the construction of the overall corporate brand meaning in an MNC. (Whittington 2006, 619; Jarzabkowski & Spee 2009, 71–72) The flows of the brand-strategizing activity are influenced not only by who these people are (i.e. their identity), but also by how they act and what resources they draw on (Jarzabkowski et al. 2007, 11), what role they (are enabled to) take in the brand-construction process (Wenger 1998, 169; Vera & Crossan 2004, 228), and the degree to which they are committed (Ind 2003, 397) and motivated (Vallaster & Lindgreen 2011, 1133; Macrae 1999, 11) to engage in it. In addition, their agency is strongly affected by the everyday social practices through which they act and interact spontaneously in order to overcome immediate problems or obstacles (Chia & Rasche 2010, 35).

Although it is recognized that certain practitioner groups such as employees (e.g., King 1991; Ind 1997; Hatch & Schultz 2003; Harris & de Chernatony 2001) and senior management (e.g., Balmer & Gray 2003, 979; Hatch & Schultz 2003, 1045; de Chernatony 2001a, 33) have a specific role in the brand-construction process, the only research specifically examining the role of various internal and external brand actors or the mechanisms governing their interactions is Vallaster and Lindgreen's (Vallaster & Lindgreen 2011, 1133) study. Drawing on the recent literature on branding, Vallaster and Lindgreen (2011, 1134) list three main types of actors: managers driving the strategy, customers who use, alter or reject brand meanings, and stakeholders such as employees, suppliers, shareholders, and local communities who create and develop the meaning. Interestingly, they categorize employees within a broad group of internal and external stakeholders with very diverse perspectives on the corporate brand. Not placing employees in a distinct actor category is interesting given that the recent literature very strongly emphasizes their focal role in the brand-construction process (e.g., Balmer 2012; Hatch & Schultz 2009; 2003; 2001; Brexendorf & Kernstock 2007; Ind 2003; Harris & de Chernatony 2001, Wilson 2001).

On the level of corporate branding it is evident that all employees of the organization should be regarded as strategy practitioners in that they all construct and communicate the meaning and values of the brand in various interactions within and across organizational borders (cf. Wilson 2001). Hence, from the brand-management perspective it is

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[33] A strategy practitioner is not necessarily an individual, and could also refer to an aggregate actor such as top management, middle management, analysts and regulators (Jarzabkowski & Spee 2009, 72).

essential to acknowledge their crucial role in living the brand and aligning their under-standings and activities with its identity (de Chernatony 2002; Harris & de Chernatony 2001; see also Brexendorf & Kernstock 2007, 34). It is through their understanding of the core that the enactment of the brand is aligned with its proposed identity, and the desired associations of the organization are constructed in the minds of external stake-holders (Ind 2003, 393–394). Moreover, their motivation (Vallaster & Lindgreen 2011) and commitment (Ind 2003) to the branding endeavor, as well as their emotional rapport with the values (Macrae 1999, 2) are decisive to the success of the overall process. If the employees do not understand and/or appreciate the desired brand meaning, incon-sistency in activities is very likely to result, leading to lower levels of coherence, and hence a weaker corporate brand (de Chernatony 2002, 115).

However, although the personnel have a key role in delivering the brand's promise, top management should carry the overall responsibility for corporate branding (e.g., Balmer & Gray 2003, 979; Hatch & Schultz 2003, 1045) and for implementing and leading desired change through top-down initiatives (Balogun & Johnson 2005, 1573; 1596). It is their responsibility to ensure that employee attitudes and behavior, which play a central role in enacting the brand (Schultz & de Chernatony 2002, 106), are aligned with its values and the general business goals (Ind 2003, 400). If top manage-ment do not take full responsibility for the corporate-wide strategic effort it is very difficult to achieve the necessary organizational alignment (Topalian 2003, 1120). Top managers are also the primary contacts among certain influential external stakeholder groups such as investors, analysts, and in many cases also the media. Hence they help to communicate the brand meaning not only internally but also externally, and have a strong influence on how the corporate brand is perceived (Brexendorf & Kernstock 2007, 36).

However, no matter how clearly brand management defines and communicates the identity of the corporate brand, it is still subject to interpretation among the personnel (de Chernatony 2002). Even if there is a fair level of consensus, the practices communi-cating the essence may be inconsistent (Skålén & Hackley 2011, 191), or may differ fundamentally from those preferred by management. Hence, the ability of individuals to interpret and utilize prevailing strategy practices has a profound influence on the effec-tiveness and cohesiveness of the activities of brand strategizing. In this sense, practi-tioners are 'crucial mediators between practices and praxis' and thus essential to the success (or failure) of the endeavor. (Whittington 2006, 626) At the same time, they are 'first of all people', as Whittington (2007, 1579) points out, and their actions may be subject to a variety of social, political and/or cultural factors that may or may not support the achieving of common corporate objectives. For instance, how an individual is predisposed to behave in a given organizational position, in the local community, or in a cultural context, and how he/she constructs his/her own identity therein, influence

the way he/she reacts to strategic initiatives. Hence, to a certain extent brand practition-ers and their activities could be seen as subordinate to the practices that attract their attention and shape their disposition. (Chia & MacKay 2007, 227–229; 232)

Clearly, then, there are certain limits on managerial efforts at strategizing corporate branding in MNCs, which I discuss in more detail next.

3.2.4 Limits on managerial agency in transferring brand-related knowledge and practices in an MNC

The brand strategy, or plan, has to be communicated and enacted in order to become 'real' (Whittington 2003, 121). Nevertheless, given that the construction of meaning is always context-bound (Michailova 2011, 132), its interpretation among the organiza-tional members is never secure (Whittington 2003, 121). Yet, consistency is considered an essential prerequisite for successful corporate branding (Ind 1997, 74). A consistent presentation of the organization is assumed to contribute to the development of distinc-tive and more favorable corporate images (Dowling 2001, 102), which in turn is seen as a necessary condition for gaining a good position and further success on the market (Van Riel 2003, 164).

The MNC context is challenging to the creation of a common understanding of the brand essence, as well as to the transfer and coordination of consistent practices across different organizational divisions and subsidiaries, and their specific stakeholder networks. First of all, a common language, which is essential for shared meanings and understandings to develop (Helms Mills & Weatherbee 2006, 276), may be missing. Even if there is a common, official corporate language, the lack of skills in using it may hinder both vertical and horizontal communication and networking processes, and disconnect people from important decision-making processes and information exchange (see Marschan-Piekkari, Welch & Welch 1999; Welch, Welch & Piekkari 2005; Harzing & Feely 2008; see also Taylor & Ostland 2011).

Linguistic differences may also hamper attempts to transfer knowledge and values from one MNC unit to another. On the subsidiary level, proficiency in the local language can promote autonomy in controlling local activities, and influence attempts to build corporate cohesion across units. (Welch et al. 2005, 17–21) On the other hand, subsidiary managers may interpret the inability of parent-company managers to communicate fluently in the official corporate language as a lack of leadership skills and confidence, and may choose to ignore the proposed direction (Harzing & Feely 2008, 54). In addition, a lack of intercultural sensitivity (Taylor & Ostland 2011, 594) may lead to misinterpretations and limited acceptance of the received knowledge. Producing accurate translations of essential brand messaging may also pose problems

(cf. Marschan-Piekkari et al. 1999, 426–427). Slogans, for instance, may sometimes have to be replaced because direct translations would not easily map onto the cultural categories associated with a particular context (Kates & Goh 2003, 64).

Second, the knowledge that brand management aspires to transfer across MNC units is essentially tied to its own perspective, and influenced by its beliefs and commitments as well as the context in which they originate (Ipe 2003, 349; see also Nonaka 1994, 16; Michailova 2011, 132). Similarly, the practices to be transferred are intimately connected to the organizational and human context in which they are produced, and hence may be difficult to relocate without decreasing their original value (Forsgren 2008, 56–57; see also Geppert et al. 2006). On the other hand, interpretation of the proposed brand meaning and practices is affected by the local contexts of the different MNC units (Michailova 2011, 132), and the implicit assumptions guiding the sensemaking of local people therein (Kogut & Zander 1993). Hence, success in transferring practices across contexts would require local actors to absorb not only the behavioral pattern but also the mental pattern, or the interpretive perspective, underlying a particular practice (Reckwitz 2002, 252). In other words, people have to *understand* the new practices in order to implement them (Saka-Helmhout 2007, 301). The personal and context-specific nature of such tacit knowledge makes it very difficult to communicate and transfer from one setting to another (Child 2005, 262; Ipe 2003, 344; Nonaka & Takeuchi 1995, 59; Nonaka 1994, 30).

Third, given the differences in local contexts (e.g., Clark & Geppert 2011; DiMaggio & Powell 1983; Rosenzweig and Singh 1991), and the resulting institutional duality (see Chapter 1.4.2), the effectiveness and/or appropriateness of a particular practice may be perceived differently in different host countries (Kostova & Roth 2002, 216). A practice that is considered highly valid at headquarters may seem totally inappropriate or unsuitable in certain subsidiaries (cf. Pérez-Nordvedt et al. 2008, 734; see also Drucker 2006, 105), or there may simply be limited motivation to comply with orders from above (Nell et al. 2009, 14; see also Saka-Helmhout 2007, 304; Ambos et al. 2010, 1102). The value attributed to the knowledge as well the power dynamics in particular organizational settings influences the extent to which the transferred knowledge and practices are shared and used by the local actors (Ipe 2003, 344–346; see also Kostova & Roth 2002, 216). Established routines may hamper the diffusion of knowledge and discourage the materialization of new ideas (Saka-Helmhout 2009, 267). Furthermore, the varying interests of head office and subsidiary managers (e.g., Ghoshal & Bartlett 1990; Clark & Geppert 2011; Forsgren 2008, 116) and the differences in organizational cultures and identities between units (e.g., Wilson 2001) complicate the process of aligning practices throughout the MNC. The culture of the organization and its subunits largely determines "how and what knowledge is valued, what kinds of relationships and rewards it encourages in relation to knowledge sharing, and the formal and informal opportunities

that individuals have to share knowledge" (Ipe 2003, 353; see also Saka-Helmhout 2009). Moreover, differences in institutional and cultural rationalities between headquarters and individual subsidiaries may cause problems in achieving a common understanding, especially when a certain strategy is imposed on local units from above without proper consideration of context-specific factors (see Geppert 2005).

Finally, any practice is open to differing degrees of adoption, which Kostova and Roth (2002) break down into two components: a behavioral response and an attitudinal response. The former refers to the implementation of the practice, whereas the latter concerns the internalized belief in its value. The more positive the belief, the more likely it is that the practice will foster commitment among local actors. This belief is subject to influence from both the surrounding institutional environment (i.e., how well the regulations and rules, cognitive structures and social norms support the practice) and the relational context linking the subsidiary to its parent (i.e., the degree of dependence, trust and identification). The diverse configurations of behavioral and attitudinal components result in variations in the adoption response that determine how success-fully a given practice is transferred from the MNC headquarters to its subsidiaries, for instance. (Kostova & Roth 2002, 216–228) From this perspective, the wide adoption of branded communication material does not necessarily reflect the internalization of the brand essence, or the value of the whole exercise: instead, the brand may be *ceremonially adopted*[34] (Kostova & Roth 2002, 229).

The use of centralized control to achieve certain corporate ends is a delicate matter in MNCs (see, for instance, Geppert & Williams 2006; Ambos et al. 2010; Ambos & Schlegelmilch 2007), not least because it may impede local initiative taking and learning (Child 2005, 253). It is also quite difficult to imagine that, in real life, a certain, pre-defined corporate brand meaning could be absorbed and internalized by MNC employees around the world on the issuing of a head-office order. Thus, those responsi-ble for the internal construction of the meaning should give careful attention to the social and psychological processes through which individuals, groups of individuals and various subunits in the organization form and subsequently enact their understanding of the brand (see Järventie-Thesleff 2011; Järventie-Thesleff et al. 2011). They should also give serious consideration to the contextual factors that influence the sensemaking of the MNC's employees. It is necessary to understand the different levels and sub-processes through which learning takes place in organizations, as well as the different practices and mechanisms that foster (or inhibit) learning across organizational and cultural borders, in order to acquire the knowledge that would help MNCs to succeed in their corporate-branding efforts.

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[34] Ceremonial adoption involves "a relatively high level of implementation and a low level of internalization" (Kostova & Roth 2002, 229).

3.3   Sensemaking by the organization: a learning perspective

In as far as the employees are expected to internalize and enact the brand essence (e.g., Mitchell 1999, 31), they need to *learn to act* in a particular way. It is not enough to acquire abstract knowledge of the brand's core values, or to learn about branding practice: each individual needs to become *a brand practitioner* (cf. Brown & Duguid 1991, 40; 48). In other words, learning involves not only the creation (Nonaka 1994) or acquisition of knowledge (the 'what') but what impact the acquired knowledge has on individual and organizational, behavior (the 'how') (Saka-Helmhout 2010, 41).

Learning in organizations permeates multiple levels: of the individual, the group and the organization (e.g., Crossan et al. 1999). There can be no organizational learning without individuals who learn first (Argyris & Schön 1978, 20; see also Nonaka 1994, 17). On the individual level, learning entails making sense of the surrounding events and data (Easterby-Smith & Araujo 1999, 3–5), and enacting the new understanding in a way that is appropriate within the particular social, cultural and institutional context (see e.g., Levitt & March 1988; Forsgren 2008; Kostova & Roth 2002; Brandi & Elkjaer 2011). However, although learning starts with the individual's experiences, and is manifested in his/her changed behavior, organizational learning is not the simple aggregate of individual learning (Fiol & Lyles 1985, 804; Argyris & Schön 1978, 9). Indeed, individual learning does not even imply organizational learning, unless it is shared with others or embedded in routines or systems to which other members have access (Argote, Denomme & Fuchs 2011, 662; see also Levitt & March 1988). On the other hand, individuals may come and go, but the learning embedded in organizational practices, norms, mental maps and value systems remains (Daft & Weick 1984, 285; see also Crossan, Lane & White 1999, 529–530; Hong et al. 2006, 411; Levitt & March 1988).

Between the individual and the organizational level is the level of groups, or 'communities of practice'[35] (Wenger 1998; see also Nonaka 1994), which enable individuals to participate in the construction of brand meaning in their immediate social contexts. These small societies have their own behavioral worlds and task systems, which influence individual members' actions, and their capacity to learn (Argyris & Schön 1978, 28). They provide a shared context of engagement in action and interaction, foster the development of interpersonal relations and shared knowledge, facilitate negotiation (Wenger 1998, 85; Nonaka 1994, 14–15; Nonaka & Takeuchi 1995, 13), and consequently play a key role in supporting, or inhibiting, the development of a shared understanding of the corporate brand essence in the different MNC subunits.

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[35]   Communities of practice are informal and emergent social communities, which are defined in terms of the shared practice on which they focus (see Wenger 1998; Lave & Wenger 1991).

Hence, all three levels, the individual, the group, and the organization, are relevant to the process of constructing brand meaning in an organization. In addition, the MNC comprises several organizations (i.e. units, subsidiaries, divisions), which together constitute its overall learning structure. In the following I discuss the process of organizational learning in detail with regard to the objective of arriving at a coherent understanding of the corporate brand on different levels and in different MNC contexts.

3.3.1 Making sense of the corporate brand on the individual level

Making sense refers to developing an interpretation of an event or an experience. When the newly created understanding is used as a basis of subsequent activities the process of sensemaking turns into *learning* (Mezirow 1995, 17). Hence, "for learning to be claimed, knowledge on its transfer must be manifested in changed behavior" (Saka-Helmhout 2011, 49). The process involves critically reflecting on the underlying assumptions upon which the prior understanding was built (Mezirow 1995, 17).

According to Crossan et al. (1999), organizational learning starts with an individual's intuition and interpretation. Intuition is, to a large extent, a subconscious process that involves perceiving similarities and differences, or patterns and possibilities, in the surroundings (Crossan et al. 1999, 526). The process of interpretation, on the other hand, gives meaning to data (Daft & Weick 1984, 286). Interpreting has to do with explaining, through words and/or actions, intuitive insights or ideas to oneself or to others (Crossan et al. 1999, 525). Explicit sensemaking occurs when the perceived state of the world at present is different from the expected state (Weick & al. 2005, 409). In other words, there is a mismatch between the experience and the individual's expectation of it, which calls his/her prevailing theory-in-use[36] into question (Argyris & Schön 1978, 19). This may happen, for instance, when a renewed version of the corporate brand identity is proposed to the organizational members. The perceived gap between the two states (i.e. the old understanding of the brand essence and the proposed brand identity) gives rise to ambiguity, goes against the expectation of continuity, and disorganizes the organized collective action. Individuals attempt to make sense of what is happening and search for plausible explanations[37] (Weick et al. 2005, 414–415). In order to correct the 'error', the person needs to discover and critically examine its

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[36]   Theory-in-use refers to the understanding that governs an actor's activities as opposed to the espoused theory, which is the 'official' state of affairs (Argyris & Schön 1978, 11).
[37]   According to Weick (1995, 55), sensemaking is driven by *plausibility* rather than accuracy of perception. Plausibility refers to the sense that a specific meaning or explanation is more meaningful than others. It *feels right* to the sense maker in a given situation surrounded by a range of possible explanations. (Helms Mills & Thurlow 2009, 6) A plausible story is also one that is socially acceptable and credible (Mullen et al. 2006, 215).

sources, review existing strategies and the assumptions of existing theory-in-use, and create new strategies based on new assumptions (Argyris & Schön 1978, 19).

Individual sensemaking is guided by existing schemas and meaning perspectives (Mezirow 1995, 18–19; see also Nonaka 1994, 16), as well as stereotypes (Arnold, Robertson & Cooper 1991, 193), which limit and selectively structure everything that is learned (Mezirow 1995, 18–19). Thus, people make sense by interpreting meanings "through a lens of past experiences and understandings" (Helms Mills & Thurlow 2009, 5), extracting the common elements, and thereby producing organized structures of stereotypic knowledge (Eysenck 1984, 322). As a result, they notice what they expect to see, they hear what they are able to match with their understanding, and they behave according to their worldviews (Wenger 1998, 8; see also Arnold et al. 1991, 203). *Schemas,* in this context, are habitual, implicit rules of interpretation related to conceptual relations, various chains of events, and causal relationships. For instance, the activity of buying is expected to involve a seller, a purchaser, merchandise, and a medium of exchange (Eysenck 1984, 322), and stronger promotion is expected to lead to increased brand recognition, or sales. These rules of interpretation help people to assimilate new information, but at the same time may distort it if the pre-existing schema is not completely appropriate for the perceived phenomenon (Grunig 1993, 217). *Meaning perspectives*, on the other hand, refer to a collection and/or structure of assumptions that influence and are influenced by the interpretation of new experiences (Mezirow 1995, 18–19; see also Hatch 1997). These assumptions represent the individual's conceptualization of the reality, or truth, and for the most part are unconscious (Hatch 1997, 210). *Stereotypes* are generalizations about people in a particular group or community, which may be more or less favorable or accurate (Arnold et al. 1991, 193). Such constructs guiding and structuring the sensemaking processes of the organizational members result from individual learning within a certain cultural context, and include criteria and principles for developing specific value hierarchies and belief systems that people implicitly utilize in making sense of the surrounding world. The stronger the emotional framework for the process of learning, and the stronger the assumed perspective becomes during the personal history of the individual, the more influential the meaning perspectives become in guiding individual sensemaking. (Mezirow 1995, 18–20) For instance, a long history as an employee presumably influences the way the individual perceives and understands the organization and its activities.

Hence, organizational phenomena are not interpreted from a neutral position. On the contrary, the way in which an employee frames and reacts to an issue depends on pre-existing positions and resources, as well as organizational politics. (Maitlis & Lawrence 2003, 125; see also Geppert & Williams 2006, 53) In addition, interpreting takes place within and in relation to a specific context (Crossan et al. 1999, 528), hence the meaning the employees ascribe to the corporate brand is highly contextual in nature

(Bengtsson et al. 2010, 522). The local readings "culturally anchor the brand in a specific cultural, subcultural, or community context" (Kates & Goh 2003, 60), and this institutionalized understanding starts to influence the sensemaking of the local actors. Hence, in moderating the relationship between organizational experience and knowledge creation and transfer, the context also has a profound influence on what is learned (Argote, Denomme & Fuchs 2011, 666). In an attempt to make sense of the intended change related to the implementation of the corporate brand, the organizational members construct their understanding "out of the materials to hand and in relation to structuring resources of local conditions". The brand meaning as perceived by the local actors in diverse MNC units is therefore affected by their particular local contexts and the various elements, processes and events taking place therein (Michailova 2011, 130–132). For instance, established local understandings and routines may heavily guide the development of new interpretations and behaviors with regard to the brand in a given context (Crossan et al. 1999, 528). In fact, locally established community practices have much more influence on the behavior of individual members than official teams or work groups with the assigned responsibility to guide or control operations 'from above' (Brown & Duguid 1991, 47–49). Whether or not change takes place and is institution-alized in the different MNC subunits largely depends on the local actors' decision to deviate from established routines, and on the prevailing interpretive codes (i.e. the discursive template) that underline organizational practices (Tsoukas & Chia 2002, 579).

The extent to which the proposed brand meaning *feels right* to the personnel influences the chances of its being accepted. Specific cues such as symbols and imagery support the desired interpretations (cf. Mills & Helms Mills 2004), whereas inconsistency in or the absence of important cues may prevent 'correct' interpretations from evolving (Helms Mills 2003; Helms Mills & Thurlow 2009, 6). For instance, if there is no perceivable change in the organization's activity despite the launch of the new corporate brand, and the old, institutionalized learning continues to be enacted, its employees are unlikely to intuit the desired change (cf. Berends & Lammers 2010, 1048) or to develop the desired interpretations.

Critical reflection is needed in order to change established perspectives, and the critical examination of the premises underlying personal beliefs can lead to transformative learning[38] on the individual level (Mezirow 1995, 35; Henderson 2002, 202). Insofar as this reflection leads to a major change in the individual's mental models and becomes integrated into his/her daily activities, it results in a perceivable change in behavior (Henderson 2002, 203) and, thus, in learning. In this sense, change on an individual level is not "a matter of conforming to external changes and events but rather

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[38] According to Cranton (1994), transformative learning refers to the process of examining, questioning, validating, and revising perceptions of the world (Henderson 2002, 200).

an internal process of transforming perspectives and frames of reference through critical reflection" (Henderson 2002, 207). Hence, conceptualizing learning in 'agentic terms' "highlights actors' recognition, location and implementation of knowledge in their ongoing and situated transactions" (Saka-Helmhout 2007, 307). A transformed individual is empowered, self-motivated and autonomous (Henderson 2002, 207) – an ideal 'brand ambassador' or 'brand champion' who will foster the acceptance of the proposed interpretation in the organization (cf. Lawrence et al. 2005; 189–190) and assist in the local rollout of the brand strategy (Järventie-Thesleff 2011, 139; Järventie-Thesleff et al. 2011, 201).

However, learning on the individual level is insufficient to produce a *shared understanding* of the brand essence or *coherence* in the overall communications: the whole organization needs to learn. This requires the individual actors' new interpretations to be embedded in the theory-in-use of the organizational members, who will subsequently act on them (Argyris & Schön 1978, 19). Coordinated, brand-aligned action therefore necessitates the development of a shared meaning and understanding on higher levels (i.e. of the group and the organization) (Crossan et al. 1999, 528), as well as in the MNC as a whole. Given the subjective and context-specific nature of knowledge (e.g., Ipe 2003, 349; Michailova 2011, 132) as well as the challenges related to its transfer and associated MNC practices (see Chapters 1.4.2 and 3.2.4), this is not an easy task.

3.3.2   *Creating a shared understanding and coherent action*

As discussed above, learning is required from an organization attempting to construct a shared understanding and a coherent expression of its corporate brand. No organization can create such knowledge on its own "without the initiative of the individual and the interaction that takes place within the group" (Nonaka & Takeuchi 1995, 13). Hence, joint interpretation is needed at the group level (Crossan et al. 1999, 528). Daft and Weick (1984, 286) define organizational interpretation as "a process of translating events and developing shared understanding and conceptual schemes among members" of a certain group. The members negotiate a common understanding of what is essential in the proposed brand essence, evaluate its relevance in their particular local context, and adapt or change their practices to account for the changes in their understanding - assuming that the new knowledge is pervasive enough to cause changes. Within the community, members may have diverging interests, hold differing viewpoints, and make varying contributions to the meaning-construction process (Lave & Wenger 1991, 98). In fact, the interaction may involve considerable conflict and disagreement. However, "it is precisely such conflict that pushes employees to question existing premises and to make sense of their experience in a new way". (Nonaka & Takeuchi

1995, 14) Hence, in terms of learning, the central issue is to get involved in groups or communities of practice (Wenger 1998) that situate interpretations in their particular social contexts through the negotiation of meaning (Brown & Duguid 1991, 48).

Metaphors and analogies are useful tools for facilitating the development of shared interpretations of the brand. In enabling individuals to put together their ideas in new ways, and providing the means with which to express abstract knowledge for which there are not necessarily exact expressions, they help to foster commitment to the meaning-construction process (Nonaka & Takeuchi 1995, 13; Nonaka 1994, 20). Through the use of metaphors tacit knowledge may be converted into explicit knowledge (Nonaka 1994, 20), and diverse experiences and concepts interpreted in terms of a common denominator that allows discrepancies in meaning to be reconciled (Donellon et al. 1986, 48). They also make it possible to tap into different dimensions of a construct or a situation and show how different qualities can coexist, thereby encouraging people to think and act in new ways, and bring new insights into the focal phenomenon (Morgan 1997, 349; 351). Analogies, on the other hand, can make difficult constructs understandable with reference to more familiar concepts or objects, and thus may be helpful in easing the contradictions inherent in metaphors[39] (Nonaka & Takeuchi 1995, 67; Nonaka 1994, 21). As Nonaka (1994, 21) points out, analogies reduce ambiguity "by highlighting the commonness of two different things". The use of symbolism and metaphors therefore pushes the process of forming interpretations from the individual to the group level (Crossan et al. 1999, 527; Berson et al. 2006, 583), and the dynamic interaction within the group facilitates the transformation of individual-level knowledge into organizational knowledge (Nonaka & Takeuchi 1995, 14).

The process of meaning negotiation is shaped by multiple elements, including the context, the situation, the participants, and the pre-understandings developed in the course of earlier activities (Wenger 1998, 54). The cultural, institutional and social contexts structure, provide resources, and set boundaries for what is learned (e.g., Brown & Duguid 1991; Lave & Wenger 1991; Forsgren 2008; Kostova & Roth 2002; Michailova 2011; Brandi & Elkjaer 2011; Hanks 1991), and the participating individuals' experiences in their local contexts affect their sensemaking of the focal issue (Lave & Wenger 1991, 51–52). Moreover, the extent to which individuals are (or are not) allowed to participate in a certain practice influences their perceptions, understandings and commitment (Wenger 1998, 164–172).

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[39]   According to Nonaka and Takeuchi (1995), metaphor and analogy are often confused as concepts. However, whereas *metaphor* creates associations between two things mostly through intuition and holistic imagery, and does not focus on the differences between them, association through *analogy* is a result of rational thinking, which focuses on the similarities, and hence also on the differences. (Nonaka & Takeuchi 1995, 67)

Common pre-understanding is embedded in existing organizational practices (e.g., Gherardi 2000, 215; Wenger 1998, 61–64) and reified forms of organizational knowledge, such as abstractions, tools, symbols, stories, and concepts (Wenger 1998, 59). However, although a practice is a product of a specific historical evolution in a particular organizational context, in connecting 'knowing' with 'doing' it also provides the very site for instigating change (Gherardi 2000, 215). As Gherardi (2011, 57) points out, "organizational practices are recurrent but never identical". Although following contingent logic, their configuration changes each time they are performed because of the varying conditions (cf. Gherardi 2011, 57) and the participants' understanding of the situation and their joint enterprise (Wenger 1998, 72–83). Thus, it can be assumed that changes in the content of a practice, the context of practicing, the composition of the community, and/or the process of organizational interpretation are likely to bring about changes in the understanding and behavioral patterns of the community.

The interactive sensemaking efforts, i.e. discussing the brand and translating the symbols on the group level, should result in the development of a shared understanding and a common brand language. The latter is essential in that it not only assists individuals to learn, but at the same time preserves what has been learned. (Crossan et al. 1999, 528–529) The shared meaning and language could also allow the interacting individuals to make mutual adjustments to their actions, even spontaneously leading to more coherent action by the members of the group (Crossan et al. 1999, 528–529; see also Brown & Duguid 1991). Hence, "sustained engagement in shared practice is a dynamic form of coordination, one that generates "on the fly" the coordinated meanings that allow it to proceed" (Wenger 1998, 84). However, it should be noted that it is essentially the negotiation of meaning on behalf of the participants in the communities of practice that either sustains or brings about changes in the existing practice (Wenger 1998, 80). Hence, it is *their* interpretation that determines whether and to what degree the proposed brand identity becomes embedded in the actual practice - not an official, cross-functional 'implementation team' that is established for the purpose. Nevertheless, group-level sensemaking can be influenced by particular 'brand champions', who have the necessary resources, expertise and social skills to foster the acceptance of the proposed interpretation (cf. Lawrence et al. 2005, 185; 189–190).

Recurring, coordinated action taking leads to the institutionalization of the learned activities, and the shared routines start to influence the organizational activity (Crossan et al. 1999, 525). However, unless systems are in place to support the sharing and embedding of learning with the wider organization, the impact of group-level learning may be limited to local settings (Di Milia & Birdi 2010, 484). Hence, formalized relationships, established planning procedures and other formal systems and structures are needed to provide platforms for interaction, and to produce routines through which the learning of individual employees can be leveraged to the whole organization

(Crossan et al. 1999, 529–530; see also Berends & Lammers 2010, 1048). For instance, the physical layout of offices and plants, as well as information systems enabling interaction and providing predetermined decision paths, support patterns of practice - and learning - within a preconceived framework (Lawrence et al. 2005, 187). In addition, the alignment of performance criteria with overall learning objectives vis-à-vis the corporate brand effectively guides organizational activity in the right direction (cf. Björkman et al. 2004, 451).

Institutionalized behaviors and formalized rules and procedures help the organization to reap the benefits of what has been learned in the past, thus contributing to more efficient operations (Crossan et al. 1999, 534) and facilitating more coherent action. These systems, structures and routines are relatively stable, and changes take place relatively infrequently. Hence, the institutionalized learning embedded in routines, procedures and practices becomes a powerful source of influence on individuals' interpretations and actions, and subsequent learning. (Crossan et al. 1999, 529–530; see also Berends & Lammers 2010, 1048) On the other hand, resource-allocation processes emphasizing past successes, established reward systems, information systems, strategic-planning systems, and organizational structures that largely determine who talks to whom are examples of institutionalized learning that may inhibit the assimilation of new knowledge (Crossan et al. 1999, 533). Unless aligned with the preferred strategic direction, or the desired brand essence, they may thus severely hinder or at least slow down the achievement of strategic objectives.

Furthermore, specific processes and mechanisms should be built to support the leveraging of learning across the various MNC units. Fostering learning on the MNC level should focus not only on facilitating knowledge transfer from one unit to another, but also and perhaps more importantly on supporting participation in the practices and social processes that enable the local actors to 'learn the brand' and develop a supporting organizational structure, systems and culture. All this helps in aligning behaviors with the proposed brand essence - at the same time retaining sensitivity to variations in local cultures and institutions.

3.3.3 Fostering learning across borders

As noted above, senior management may use a wide variety of practices to initiate change in order to redirect understanding of the corporate brand, but the way the brand is implemented (or enacted) it is determined by the new behavioral routines that people on lower levels and different parts of the organization follow on the basis of their interpretations of and responses to the brand strategy or plan (cf. Balogun & Johnson 2005, 1596; see also Levitt & March 1988). As Saka-Helmhout (2007, 300) points out,

"it is not the exposure to ideas through a transfer but adjustment in routines that explain organizational learning". The international context adds complexity to the integration efforts on account of the differences between the cultural and institutional environments as well as the distributed nature of the MNC. In other words, its activities are distributed across different time zones, regions, cultures, and diverse product and stakeholder networks in the various units (Jarzabkowski 2005, 27; 29; see also Argote et al. 2011, 659). Such an environment, in which different units may have differing interests concerning the organization's operations, easily fosters ambiguity of strategic purpose and fragmentation of activity (Jarzabkowski 2005, 27; 29; see also the discussion in Chapter 1.4.2).

Empirical research on knowledge transfer in MNCs suggests various mechanisms that facilitate the flow of knowledge and practices between the various units. In terms of enabling coherent corporate branding and the integration of knowledge and practices, three main focus areas can be discerned: 1) developing an organizational culture, structures and systems that genuinely support corporate branding efforts; 2) supporting social interactions and the development of interpersonal relationships across unit borders; and 3) encouraging and enabling participation in the construction process.

The successful construction of a corporate brand rests on the development of a *supportive organizational culture* (Ind 2003, 398; Wilson 2001; Taylor & Ostland 2011, 594) *with a set of shared values* (Nohria & Ghoshal 1994) that contribute to the reality of the personnel (cf. Morgan 1997, 138; Schein 1985, 15), and thereby influence the actions and the informal messages through which they communicate with each other and external stakeholders (Wilson 2001; Dowling 1994; Jaskyte 2010). Developing a supportive culture also involves creating a common understanding of the key organizational goals to which the shared values are linked, and hence provides 'normative-cultural control' that strengthens the sense of community among the employees (Branson 2008, 381) and aligns their interests and behaviors with corporate objectives (Nohria & Ghoshal 1994, 494; de Chernatony 1999, 163–164; Branson 2008, 381). Hence, it necessitates moving beyond the communication of the core ideology to integrating it into the everyday activities of the organization (Ind 2003, 398). In an ideal, fully integrated situation the brand values would be consistent with the organization's practices, which in turn would comply with the informal beliefs, norms and attitudes of its members. However, the complexity of achieving full integration in this regard is not to be underestimated. (Wilson 2001)

In addition to ensuring a supportive organizational culture and a set of shared values that underlie activities, the organization's structures and systems should also support the brand construction. For instance, the specification of performance-evaluation criteria and procedures that highlight the importance of transferring brand-related knowledge and practices is indicative of shared values and assumptions, and facilitates the transfer

of knowledge within the multinational firm (Kogut & Zander 1993; Björkman et al. 2004, 451). Further, the clear communication of the objectives set by headquarters for the subsidiaries supports learning across borders (Björkman et al. 2004, 451). However, internal communications should be ongoing and continuous if they are to have any lasting effect on people's sensemaking and behavior (Wilson 2001). A shared vision and systems could also act as bonding mechanisms that facilitate knowledge transfer and integration among individuals (van Wijk et al. 2008, 835; 845). In particular, technology-based systems facilitate knowledge sharing through connecting a large number of individuals and allowing the rapid dissemination of knowledge (Ipe 2003, 349). Although these systems are not as efficient in transferring tacit knowledge, they provide a structured context and efficient tools for distributing more explicit information (Ipe 2003, 349) such as templates and imagery, visual guidelines, and information on approval processes with regard to external communications. However, it should be borne in mind that the relative ease of transferring such explicit knowledge does not automatically mean that it is shared across individuals and MNC units (Ipe 2003, 344–346; see also Kostova & Roth 2002, 216; Kogut & Zander 1993). On the other hand, the transfer of more sophisticated knowledge, such as that related to the proposed brand essence, can be facilitated by the use of rich media, in other words through close and active collaboration across the units (van Wijk et al. 2008, 844).

Supporting social interactions and developing interpersonal relationships across unit borders is also an efficient way of fostering learning. Personal relationships and social networks present informal opportunities for learning and sharing knowledge within organizations (Ipe 2003, 349). The development of such relationships is assumed to increase the openness and richness of communication between the interacting parties (Gupta & Govindarajan 2000, 479), and informal communication networks based on personal contacts to facilitate the transfer of knowledge, which increases the company's overall capacity to learn (Child 2005, 263). Moreover, given that units with closer ties are more likely to share knowledge, active cooperation could also help to decrease the perceived cultural distance[40], which has been found to hamper knowledge transfer across units (van Wijk et al. 2008, 845; see also Roloff et al. 2011, 251). Social interactions also helps to blur intra-organizational boundaries (Björkman et al. 2004, 447), and hence discourage the 'not invented here' syndrome. In addition, relationships involving frequent face-to-face interactions between the parties involved lead to the development of trust and a common language, which in turn further facilitate knowledge transfer (Pérez-Nordvendt 2008, 735; Ipe 2003, 349). Close and trusting relationships between units appear not only to facilitate comprehension of the transferred knowledge but also

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[40] Perceived cultural distance is defined here as the perceived differences between the national cultural characteristics of the countries in which the MNC units operate (cf. Hennart & Larimo 1998, 517).

to positively influence the effectiveness and efficiency of cross-border knowledge transfer and learning (Pérez-Nordtvedt et al. 2008, 735–736; Ipe 2003, 347). The biggest amounts of knowledge are shared in relational settings (see Ipe 2003, 349).

Formal opportunities such as training programs and structured work teams also facilitate knowledge sharing (Ipe 2003, 349). Moreover, promoting simultaneous participation in several teams increases intra-organizational connectivity, and enables learning across teams: as more members are shared, resource dependence between units increases, and more paths for information flow emerge (Roloff, Woolley & Edmondson 2011, 250). Björkman, Barner-Rasmussen and Li (2004, 451) found in their empirical study that the probability of knowledge sharing increases when visits across MNC units are encouraged, international training programs are arranged, and international cross-unit committees and task forces are established. These committees and task forces, as well as the use of expatriates and other personnel in specific liaison positions, represent formal integrative mechanisms that increase the amount and richness of communication between units on the structural level (see Gupta & Govindarajan 2000, 478). The temporary transfer of key personnel from headquarters to the subsidiaries (Forsgren 2008, 56) and the use of expatriates as subsidiary managers may also increase the probability that the subsidiary will act in line with headquarters' interests, and thus provide an MNC management-control mechanism (Björkman et al. 2004, 447). This also relates to the socialization aspect to some extent, as expatriate managers are more likely to identify with the parent company (rather than the subsidiary) than local managers (Björkman et al. 2004, 447), and could help in promoting and spreading the corporate culture and (brand) values to the subsidiaries (Child 2005, 253; van Riel & van Bruggen 2002, 247; see also Marschan-Piekkari et al. 1999, 428). However, expatriate staff need sufficient skills in the local language in order to efficiently facilitate communication and knowledge transfer between headquarters and the subsidiary, and in order not to be perceived as arrogant by the local employees (Welch et al. 2005, 19; 24).

Finally, given that prior experience and knowledge are positively related to knowledge transfer within organizations (e.g., van Wijk et al. 2008, 844, Cohen & Levinthal 1990, 128; Minbaeva et al. 2003, 597; Kogut & Zander 1993), *involving all units in an early phase of the corporate branding process* can be expected to contribute to acceptance of the related change. Previous related knowledge enhances the ability to recognize the value of new information, as well as to assimilate and apply it (Cohen & Levinthan 1990, 128; van Wijk et al. 2008, 846). Hence, early involvement may also enhance the learning intent of local actors (i.e. the degree to which they seek to learn), which contributes to better comprehension and quicker internalization of the new knowledge (Pérez-Nordtvedt et al. 2008, 736). Participation also allows experiential knowledge to accumulate over time (Kogut & Zander 1993), leading to a greater capacity to apply the knowledge efficiently in daily work routines. Together with the

subsequent development of personal relationships it also helps the actors to see themselves as part of the process, thereby fostering a team spirit that increases their intrinsic motivation (Osterloh & Frey 2000, 545). Intrinsic motivation is assumed to be tightly connected to knowledge transfer, and especially important in generating and transferring tacit knowledge (Osterloh & Frey 2000, 540; see also Minbaeva et al. 2003, 597). Accordingly, the more familiar individual employees are with the premises and practices upon which the brand-construction process is based, and the more motivated they are in participating in the process, the higher the chances of success with the implementation.

Furthermore, the perceived usefulness of new knowledge increases the recipients' interest in internalizing it (Pérez-Nordtvedt et al. 2008, 734). Hence, the better brand management succeeds in convincing the local actors of the value of the corporate branding endeavor, the higher the probability of their responding positively to the related change. In order to be accepted in a particular context, the activities and practices of brand communication need to conform with certain behavioral norms and locally accepted values (e.g., Forsgren 2008, 137; Shimizu et al. 2004, 322; see also Vaara & Tienari 2008, 985; Kostova & Roth 2002, 216) In addition, the institutionalization of a shared understanding of the brand essence requires its translation into the local languages and meaning systems (Becker-Ritterspach et al. 2010) through collective sensemaking (Holden & Von Kortzfleisch 2004, 130). Thus, although the principles behind brand-communication practices can be transferred, the way they are carried out may have to be adjusted to suit different organizational, cultural and institutional contexts (Child 2005, 263). Through local enactment the brand becomes integrated into the existing knowledge domains of the local actors (Holden & Von Kortzfleisch 2004, 135), and contextualized and embedded in different cultural and institutional MNC settings (cf. Saka-Helmhout 2010; Geppert et al. 2006). The institutionalization of brand-related practices gives them legitimacy in the eyes of the local actors, and they are more easily adopted in the local setting (Kostova & Roth 2002, 216).

Indeed, the empirical studies examining the cross-border transfer of practices reported in Saka-Helmhout (2010) and Becker-Ritterspach et al. (2010) suggest that the agency of individuals involved in the process is pivotal in shaping and embedding the acquired knowledge in the local context. It is not the acquisition of certain practices per se that reveals how knowledge is connected to changes in behavior, but the contextualization of that knowledge by acting upon it (Saka-Helmhout 2010, 46). Hence, successful organizational learning, in this case the transfer of brand-related knowledge and practices in an MNC, appears to depend on the socially embedded translation work of local actors, who are both enabled and constrained by their situatedness in a particular context. They need to be both enabled and empowered by the surrounding social

context in order to participate in the corporate branding process. (Becker-Ritterspach et al. 2010, 9; see also Brandi & Elkjaer 2011, 29). "Only under such conditions will local actors be able to relate to the transferred practices, engage in and perceive them as their own, and subsequently institutionalize them", as Becker-Ritterspach et al. (2010, 9) explain.

3.4   Combining the perspectives: How to give sense to a corporate brand in an MNC?

Returning to the managerial perspective, an essential question is how an understanding of the different levels and processes of organizational learning can serve strategic corporate aims with regard to corporate brand construction in MNCs. In what ways can brand management influence the learning of employees in different parts of the MNC in order to achieve a greater buy-in for the proposed corporate brand identity? How is it possible to get the employees to develop and apply practices that would contribute to the efficient and coherent communication of the proposed brand essence? How can the transfer of knowledge and practices be facilitated within the internal MNC network?

Järventie-Thesleff (2011, 171) proposes a 'deliberately emergent' approach to corporate branding and suggests that along with the formulation of the brand (identity), "the corporate center should aim at creating conditions under which the corporate brand strategy could continuously evolve and emerge". Building upon the deliberate-emergent dichotomy, I propose in this research that the construction of meaning involves two separate but strongly intertwined processes: the top-down process of *deliberate brand construction* and the bottom-up process of *emergent brand construction* (see Figure 7).
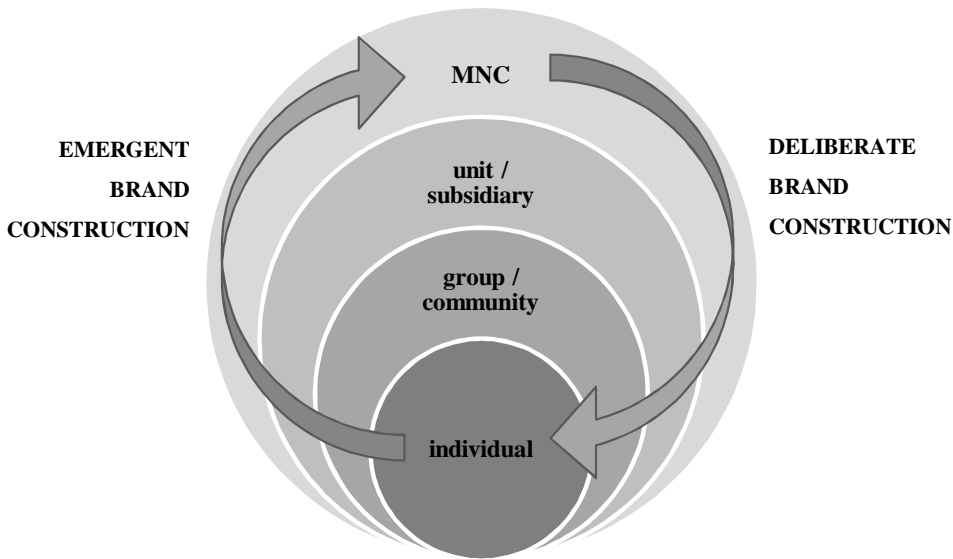
Figure 7   Corporate brand construction in MNCs

Management instigates the process of deliberate brand construction. The aim of this deliberate strategizing is to provide a common basis (i.e. the brand identity) for the diverse forms of brand communication with a view to fostering differentiation and preference among the organization's stakeholders (Knox & Bickerton 2003). It also serves to communicate and legitimize the proposed brand essence among the personnel, to ensure that the brand strategy is implemented, and to guide and structure organizational activities to better reflect the brand values (see Jarzabkowski 2005). On the other hand, the emergent process of brand construction originates in the sensemaking and sensegiving activities of the individual employees operating in different parts of the MNC. The way they make sense of the suggested corporate brand identity is influenced by management's deliberate strategizing efforts, but also by a variety of other factors that may be habitual (e.g., Mezirow 1995; Wenger 1998; Helms Mills & Thurlow 2009), contextual (e.g., de Chernatony 2002; Bengtsson et al. 2010; Michailova 2011; Ipe 2003; Crossan et al. 1999), and/or political (e.g., Maitlis & Lawrence 2003; Geppert & Williams 2006; Forsgren 2008; Andersson et al. 2007) in nature. Hence, from the brand-management perspective, it is of utmost importance to create conditions (Järventie-Thesleff 2011) and mechanisms through which the processes of meaning creation and enactment (i.e. organizational learning) can support a coherent conceptualization of the corporate brand, and thereby strengthen its position in different markets.

3.4.1 *Enabling the deliberate construction of the corporate brand*

Constituting the *deliberate part* of brand construction, the various strategizing practices - structural, administrative, interactive and discursive - assist MNC management in the development, communication and achievement of the strategic (brand) vision. In particular, the establishment and support of brand-related routines, organizational structures and systems help to legitimize and institutionalize desired ways of acting (Jarzabkowski 2005, 86; 90). These structural measures include assigning overall responsibility for brand construction to top management (Balmer & Gray 2003, 979; Hatch & Schultz 2003, 1045; Topalian 2003, 1120; see also Balogun & Johnson 2005), committing senior managers from different units and functions to the endeavor (de Chernatony 2001a, 33), and training 'brand champions' to foster the acceptance of the proposed interpretation (Järventie-Thesleff 2011; see also Lawrence et al. 2005; Berson et al. 2006). The establishment of cross-unit committees on an international scale and putting expatriates and middle managers in specific liaison positions to bridge different layers and units of the organization (Kalla 2005, 309; see also Child 2005, 225; Gupta & Govindarajan 2000, 478; Nonaka 1994, 32) could strengthen overall intra-organizational connectivity (Roloff et al. 2011, 250), and help to disseminate the corporate culture and brand values among the subsidiaries (Child 2005, 253; see also Brexendorf & Kernstock 2007, 36; Marschan-Piekkari et al. 1999, 428). In addition, implementing technology-based systems facilitates the distribution of brand-related information as well as the sharing of knowledge and ideas (Ipe 2003, 349). Moreover, the introduction of specific diagnostic systems (Crossan et al. 1999, 531) would enable brand management to monitor activities in different parts of the MNC, ensure that they are aligned with the strategic objectives, and suggest improvement measures in the local activities or updates in the overall brand plan (Järventie-Thesleff 2011, 140–141; Järventie-Thesleff et al. 2011, 202–203; see also Drucker 2006, 70).

Measures such as establishing specific procedures, guidelines, rules and task forces (Jarzabkowski 2005, 51) for planning, budgeting, implementing and coordinating the corporate brand, allocating financial and human resources in order to support the construction process (cf. Di Milia & Birdi 2010, 494), and aligning performance criteria with brand-related objectives (Björkman et al. 2004, 451) guide the organizational processes along the predetermined 'lines', and enhance coherence in terms of actions (Child 2005, 315). Involving people from different MNC functions and locations in the brand planning and related work groups facilitates not only the integration of different perspectives but also the emergence of more paths along which information can flow, and the leveraging of learning across borders (cf. Roloff et al. 2011, 250). Supporting a variety of communication channels - rich channels to foster direct interaction and more mechanistic channels to support the dissemination of codified knowledge (such as

visual identity guidelines and templates) - enables the efficient communication of brand-related issues (Mudambi 2002, 3; see also Ipe 2003, 249; van Wijk et al. 2008, 844; Pedersen et al. 2003). Finally, arranging regular training on brand-related issues gives the company the opportunity to familiarize employees with the objectives and principles of corporate branding, which might make them more willing to recognize the value of the endeavor, and subsequently to respond more positively to it (Cohen & Levinthan 1990, 128; van Wijk et al. 2008, 846; Pérez-Nordvedt et al. 2008, 736).

Hence, a wide variety of structural and administrative strategizing practices are available to support a predetermined course of action: at least, determining the range of alternative actions will help brand management to guide organizational activity – and learning – in the desired direction (Lawrence et al. 2005, 186). Not only do these practices give cues to individuals with regard to organizational priorities and the preferred way of behaving, they also provide platforms for co-constructing and aligning brand-related interpretations and activities within certain, predetermined coordinates (Arvidsson 2005). In addition, they contribute to embedding, or institutionalizing, brand-aligned ways of acting in diverse local contexts.

Interactive and discursive practices, in turn, are needed to support the development of common frameworks of meaning and a shared understanding of the brand essence that guide organizational activities towards the strategic goals set for the corporate brand (Jarzabkowski 2005, 92; 98). These deliberate and goal-oriented interactions between brand strategists and other employees focus on communicating the proposed brand essence as well as the strategy or plan of the whole branding endeavor to the organization in an attempt to ensure interpretive legitimacy (Jarzabkowski 2005) and commitment to the proposed brand identity. As such they also help in making the effort more understandable to the personnel, and hence also more acceptable (van Wijk et al. 2008, 544, Cohen & Levinthal 1990, 128; Minbaeva et al. 2003, 597, Pérez-Nordvedt et al. 2008, 736). The more familiar individual employees are with the premises and practices on which the brand construction is based, the better able they are to exploit that knowledge in their daily activities (Crossan et al. 1999, 526).

Using rich communication channels, in other words face-to-face communication and dialogue, informal interaction, and team-based mechanisms, supports interactive sensemaking processes, in which contextual considerations play an important role (e.g., Mudambi 2002, 3; Holden & Von Kortzfleisch 2004, 130; Crossan et al. 1999, 528; Michailova 2011, 130–132). Direct interaction decreases the perceived cultural distance (van Wijk et al. 2008, 845; Roloff et al. 2011, 251), improves intercultural sensitivity (Taylor & Ostland 2011, 594), and fosters the development of trust (Pérez-Nordvedt et al. 2008, 735; Ipe 2003, 349), which in turn facilitates the transfer of brand-related knowledge and learning across units. It also gives brand management insights into context-specific factors such as local institutions, values and priorities, cognitive

structures and social norms that may facilitate or hinder the acceptance of the proposed brand identity and related practices (cf. Geppert 2005; Kostova & Roth 2002). Further advantages include the avoidance of potential conflicts and political struggle that could arise from inconsistencies between corporate and subsidiary interests (Geppert & Williams 2006, 63), and the lowering of intra-organizational boundaries (Björkmann et al. 2004, 447) that could give rise to the 'not invented here' syndrome. In addition, regular direct contact with local employees allows for follow-up on context-specific understandings and activities, and ensures that the main dimensions on which the essence is built continues to be relevant in different contexts. Furthermore, regular reflection on how the brand could be made even more relevant to the local context, actively reinforcing the principles of what is acceptable, and openly communicating employee achievements in terms of 'on-brand behavior' promote brand alignment and engagement (de Chernatony 2002, 128).

The purposeful use of language gives brand management power in its attempts to get original ideas accepted by other organizational actors (cf. Lawrence et al. 2005, 185), and guides their sensemaking towards preferred interpretations (Berson et al. 2006, 583). Drawing on specific discursive resources supports the evolution of "right" interpretations (Hardy et al. 2000, 1228; see also Pietikäinen & Mäntynen 2009), and of the desired way of talking and acting (Tsoukas & Chia 2002, 579; Knigths & Morgan 1991). Using metaphors and analogies enables abstract knowledge to be expressed in a more concrete form, and discrepancies in understanding to be reconciled (Donellon et al. 1986, 48; Nonaka & Takeuchi 1995, 13; 67). Moreover, connecting elements of local and corporate discourse helps to ensure acceptance of the message in local contexts, and thus facilitates the steering of activities in the desired direction (cf. Sminia 2005, 287–288; Berson et al. 2006, 584). Communicating the corporate brand identity on a high abstraction level within the organization (Järventie-Thesleff 2011, 143–144) enables local actors to fill in the necessary details, thus allowing for creative interpretation (Jarzabkowski 2004, 538), and contextualized and more relevant communication with local stakeholders.

Interpreting the brand imagery, symbolism and metaphors through an interactive conversational process helps in communicating the brand identity to the personnel, and facilitates the formation of shared interpretations and results in the development of a brand language (Crossan et al. 1999, 525; 527; see also Berson et al. 2006, 583). The resulting language consolidates the learning arising from interaction, and starts to influence the sensemaking and activities not only of those involved, but also in the wider organization. As a result, more coherent overall action is likely. (Crossan et al. 1999, 528–530; see also Brown & Duguid 1991; Berends & Lammers 2010)

Complementing the deliberate part of corporate brand construction is the emergent part, which refers to attempts among the employees to make sense of the proposed

brand and the related changes in the organization. Structural, administrative, interactive, and discursive strategizing practices do not suffice for this purpose, thus there is a need for a separate set of managerial practices that specifically cover the processes of organizational learning in the particular context of an MNC.

3.4.2 *Supporting the emergent construction of the corporate brand*

The preceding sub-section describes a wide variety of practices that assist brand management in its deliberate strategizing efforts in internationally operating organizations. In shaping the internal reality of the organization to better support the communication of the brand promise, these strategizing practices enable the employees to 'walk the walk', and make this reality attractive to stakeholders (Mitchell 1999, 31). However, another set of practices is needed in order to support the *emergent* part of the construction effort and to better address the process of organizational learning, which is needed if the brand essence is to be truly internalized and enacted. These practices, which I call *participative, contextualized and integrative strategizing practices*, not only target the different levels and processes through which organizational learning in MNCs take place, but also account for the specific features that make such organizations highly complex and demanding in terms of integration and management (see Chapter 1.4.2).

In order to be able to truly internalize and subsequently enact the brand essence, organizational members need to become brand practitioners - rather than merely learning *about* branding practice (cf. Brown & Duguid 1991, 48). It is not enough to articulate the brand values to the staff: they should be actively involved in order to be able to convert the related tacit knowledge into explicit activities (Nonaka 1994, 20), and to appreciate their relevance and meaning within their local contexts (de Chernatony 2002, 119). Hence, it is an essential task of brand management to encourage and support participation throughout the organization. *Participative strategizing practices* thus comprise measures taken to foster the direct participation of individual employees in the process of constructing the corporate brand. Such practices enable management not only to offer guidance about the brand's core values but also to promote mechanisms that engage the organizational members in active sensemaking and negotiation with regard to the brand meaning (de Chernatony 2002, 119; Ind 2001). In addition, they facilitate the accumulation of shared experiences through which a common base for understanding can be built (Nonaka 1994, 24). Participative strategizing may involve interactive practices such as discussion forums and planning sessions in which individuals are encouraged to participate in open dialogue and the active construction of the brand meaning (Hong et al. 2006, 412), in administrative practices such as setting up specific work groups and teams as well as arranging hands-

on training to give direct experience of brand communication, and even in structural practices such as using technology-based systems (Ipe 2003, 349) as platforms that facilitate the participation of employees in distant locations, and institutionalizing the roles of local actors in the construction process (cf. Wenger 1998, 169; Vera & Crossan 2004, 228).

Acquiring expertise through direct experience appears to foster intuition (Lawrence et al. 2005, 187) as well as the internalization of new knowledge (Nonaka 1994, 25). The more expertise an individual actor has, the less he or she relies on conscious, deliberate and explicit thought to perform a certain activity (Crossan et al. 1999, 526). As a result, efficiency is enhanced. Acquiring knowledge through participation also supports creative interpretations and new expressions of the brand (Hatch & Schutz 2009, 122; Cohen & Levinthal 1990, 130), and thus paves the way for adaptive practices that enable individuals to adjust established, local practices to better reflect the brand essence (Jarzabkowski 2004, 538). Experience is also the key to acquiring intuitive information and tacit knowledge. In affecting the actions of interactive individuals, subconscious, personal intuitions also influence others (Nonaka & Takeuchi 1995, 63; Crossan et al. 1999, 525; see also Nonaka 1994, 19). Hence, participation also paves the way for brand championing (Mantere 2005, 175), i.e. promoting a brand-aligned way of thinking and acting in the organization, and thereby facilitating the desired change (Balogun & Johnson 2003).

Furthermore, participative practices also facilitate the negotiation of meanings (Wenger 1998), the development of shared interpretations and experiences (Daft & Weick 1984, 286; Crossan et al. 1999, 528; 533), the consideration and reconciliation of diverging viewpoints and interests (Lave & Wenger 1991, 98), and the creation of common knowledge (Nonaka & Takeuchi 1995, 13), all of which contribute to more coherent action (Crossan et al. 1999, 525; 528). Joint efforts also make it easier to break through organizational silos (cf. Björkman et al. 2004, 447) that hamper efforts to integrate all units behind a common corporate brand, increase mutual understanding among the interacting individuals (cf. van Wijk et al. 2008, 845; Roloff et al. 2011, 251), and enhance openness and frequency in informal communication across intra-organizational borders (Gupta & Govindarajan 2000, 479). This, in turn, contributes to the leveraging of learning (Ipe 2003, 349; Child 2005, 263). The mutual engagement of participants, the joint enterprise and the negotiated common understandings, and the shared repertoire of resources (e.g., routines, words, tools, ways of doing things, stories, brand symbols) also provide sources of community coherence and create relations of mutual accountability, which in turn influence participants' activities from below (Wenger 1998, 72–83). The development of relationships through joint efforts also facilitates the development of trust and a common brand language, the transfer of

knowledge (Pérez-Nordvedt et al. 2008, 735; Ipe 2003, 349), and learning (Crossan et al. 1999, 528–529).

Participation further enables local individuals to identify themselves vis-à-vis the headquarters-led strategic endeavor, which increases their intrinsic motivation (Osterloh & Frey 2000, 545; see also Wenger 1998, 149) and commitment (cf. Henderson 2002, 207), and thereby increases the likelihood that the brand values will be integrated into their day-to-day activities (cf. Ind 2003, 397). In addition, through direct experience the actors are able to experiment with interpretations and ideas and with how they fit in with their daily activities, and subsequently embed them in their local practices (cf. Hatch & Schultz 2009, 122).

Indeed, enabling and supporting the agency of local actors is essential in that it is through acting upon the acquired knowledge that it becomes contextualized in the diverse cultural and institutional settings in which MNCs operate (Saka-Helmhout 2009, 270; 2010, 46). These local actors are key in translating the proposed brand essence and related practices into local languages and meaning systems, which in turn enables the institutionalization of the brand-aligned way of talking and acting in their contexts (Becker-Ritterspach et al. 2010; see also Child 2005, 263). The institutionalization, in turn, confers legitimacy on the brand-aligned practices within the local community, and leads to their easier adoption in the local setting (Kostova & Roth 2002, 216).

The courses of action that specifically aim at adapting and embedding the proposed brand essence and related practices in the various organizational, cultural and/or institutional contexts of an MNC are what I call *contextualized strategizing practices*. They include translating brand messaging into local languages (Marschan-Piekkari et al. 1999), and making the necessary adaptations to symbols and imagery to fit with the values and meaning perspectives of local actors (Becker-Ritterspach et al. 2010; Kates & Goh 2003). Such practices also involve shaping the proposed brand-building activities and adjusting the specific mode of operations to suit different contexts (Child 2005, 263). Although the corporate principles according to which activities such as key customer events or roadshows are organized can be applied to all contexts (cf. Child 2005, 263), the specific approach should be adapted to meet local requirements.

Given that the creation of meaning and the understanding of the underlying organizational practices are situational and context-specific (e.g., Crossan et al. 1999, 528; Argote et al. 2011, 666; Brown & Duguid 1991, 48; Lave & Wenger 1991; Michailova 2011; Ipe 2003), and that institutional and cultural rationalities differ depending on the context (Geppert 2005), the brand meaning as perceived and enacted in different social and cultural MNC contexts necessarily always carries some 'local flavor' (cf. Kates & Goh 2003, 60; Michailova 2011, 132), no matter how hard brand management tries to transmit a single, unified conceptualization. Thus, there should be a certain degree of freedom in the construction and enactment of the brand essence in different cultural and

institutional settings, as opposed to enforcing a certain predetermined meaning and assuming that it fits all contexts equally well. I hence follow Bengtsson et al. (2010, 520) in arguing for the contextualized, co-constructed generation of brand meaning, even for a corporate brand covered by a global branding strategy across markets.

Local actors familiar with the local conditions hold a key position in defining the exact expression of the brand essence in the diverse settings of an MNC. Enabling and supporting local agency in the design of brand communications is likely to result in messaging and practices that local actors perceive to be more relevant (cf. Kostova & Roth 2002, 216; Pérez-Nordvedt et al. 2008, 734), which in turn is likely to lead to a stronger belief in the value of those practices, and to their wider adoption (Kostova & Roth 2002). Empowering locals to contribute to the planning (and not just to the implementation of a ready-made plan; see Järventie-Thesleff 2011; Järventie-Thesleff et al. 2011), and supporting the diversity of local brand-enacting activities (Brown & Duguid 1991, 53) reduces the possibility of conflict and political struggle, which a strictly centralized approach might encourage (Geppert & Williams 2006, 63). The direct involvement of local actors also enhances their understanding of the brand as well as of the construction process and its strategic aims. It also enables them to recognize the value of branding, strengthens their identification with and motivation to contribute to the endeavor, and allows for both formal and informal relationships to develop across intra-organizational borders. All this further facilitates the transfer of knowledge and the leveraging of learning, as explained earlier in this chapter.

Finally, *integrative strategizing practices* specifically address the need to achieve greater operational coherence throughout the MNC. They include establishing cross-organizational work groups and teams as well as using expatriates and other personnel in liaison positions to build bridges across internal boundaries (Gupta & Govindarajan 2000, 478; see also Child 2005, 315). Joint teams and specific inter-unit decision forums enable views to be exchanged and differences to be resolved (Bartlett & Ghoshal 1988, 70; Ghoshal et al. 1994, 108), hence enhancing the amount and richness of communication (Gupta & Govindarajan 2000, 478; see also Ipe 2003, 349). Participation in several teams enables learning across them, provides more paths along which information can flow, and strengthens intra-organizational connectivity (Roloff et al. 2011, 250). Having managers on different organizational levels or expatriates in different subsidiaries (e.g., Björkman et al. 2004, 447; Child 2005, 253) acting as brand champions (Lawrence et al. 2005; Berson et al. 2006; Järventie-Thesleff 2011), and bridging the different levels and units of the MNC contribute to the effective management of integrative processes (Child 2005, 225; Gupta & Govindarajan 2000, 478), and the institutionalization of the 'right type of' learning in diverse local contexts. The temporary transfer of key personnel also promotes the 'corporate way' of doing things, hence spreading the corporate culture to the subsidiaries (Child 2005, 253) and

facilitates normative management control (Bartlett & Ghoshal 1988, 70; Ghoshal et al. 1994, 108).

In addition, the routinization of corporate socialization practices (Gupta & Govindarajan 2000; Björkman et al. 2004) and the institutionalization of participation in the ongoing brand-construction process (cf. Vera & Crossan 2004, 228; see also Brown & Duguid 1991, 49) allow for the integration of construction practices into the overall organizational activity. Adjusting the institutional arrangements (e.g., reporting structures and functional silos) that mediate the relationship between participation and corporate processes enables individuals to contribute according to their personal interests and resources (Wenger 1998, 169), and supports the development of brand-aligned intuitions, understanding and behaviors (Crossan et al. 1999, 533). Establishing guidelines and procedures that support specific types of actions (Child 2005, 315; Gupta & Govindarajan 2000, 478) and aligning the performance criteria with the objectives set (Björkman et al. 2004, 451) helps in terms of achieving operational coherence. Moreover, developing diagnostic systems (Crossan et al. 1999, 531) enables brand management to monitor the coherence of activities in different parts of the MNC while maintaining an appropriate balance between local autonomy and corporate control (Child 2005, 315).

Figure 8 summarizes the discussion on the strategizing practices supporting the brand-construction process. In particular, the structural, administrative, interactive and discursive practices discerned in the strategy-as-practice literature appear to enhance deliberate brand-construction efforts. In contrast, the participative, contextualized, and integrative practices proposed in this research support learning on different organizational levels of the MNC, which is essential if its members are to truly internalize and subsequently enact the brand essence.

Practices supporting the emergent brand construction

Practices supporting the deliberate brand construction

MNC

unit / subsidiary

group / community

individual

Integrative strategizing practices

Contextualized strategizing practices

Participative strategizing practices

Structural strategizing practices

Administrative strategizing practices

Interactive & discursive strategizing practices

Figure 8   Supporting the deliberate and the emergent corporate brand construction

It is evident that many of the practices supporting deliberate brand construction can also be used to foster emergent construction. However, the difference in perspective is crucial. Focusing on deliberate actions aimed at implementing the corporate brand strategy or plan assigns the primary responsibility to brand management. Focusing on learning, on the other hand, means entrusting the active construction of the brand essence to the individual employees - who in any case would form and enact their own interpretations. It is assumed in this research that both deliberate and emergent construction efforts are necessary - either one without the other cannot produce a coherent representation of the corporate brand[41]. In particular, whereas deliberate efforts provide a common, corporate-level focus and aims, as well as processes, platforms, and discursive resources that guide and structure the construction process, emergent construction enables the employees to form a shared understanding of and commit themselves to the proposed brand values, to embed them in everyday organizational activity in different local contexts, and to integrate activities on the MNC level. Finding

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[41]   This thinking is in line with Wenger's (1998) conceptualization of meaning construction involving individual participation and organizational reification (i.e. giving substance to organizational understanding in the form of symbols, terms, and stories, for example). He claims that these two processes need to be balanced in order to foster continuity of meaning: if participation prevails it may be difficult to integrate diverging understandings, but if everything is reified and little room is left for shared experiences and interactive negotiations, a coordinated, relevant shared meaning may not be established (see Wenger 1998, 51–65).

a balance between the two processes requires extensive coordination and efficient communication throughout the corporation (Järventie-Thesleff 2011, 172).

On the basis of the above examination of the focal phenomenon of this research from the chosen theoretical perspectives and the analysis presented thus far, I make the following theoretical pre-assumptions, which underlie the execution of the empirical study:

1. The constituents of the meaning of a corporate brand include the interlinked elements of organizational identity, corporate strategy, strategic (brand) positioning, and stakeholder relationships. The brand identity and positioning should be developed based on this framework.

2. The traditional linear approach to corporate branding is not efficient in constructing a shared understanding of the brand's meaning in multinational corporations. Instead, its construction should be regarded as an ongoing, goal-oriented and dynamic process of interactive meaning construction, which necessitates learning on different levels and in different contexts.

3. Structural, administrative and interactive strategizing practices assist brand management in guiding and structuring deliberate brand construction. Supporting emergent brand construction, and facilitating the embedding of the proposed brand identity in actual organizational action require participative, contextualized and integrative practices.

These theoretical pre-assumptions guide and structure the empirical part of this study, on which I focus in Chapter 5, having discussed the research design in Chapter 4.

4 THE RESEARCH DESIGN

A thorough examination of the extant research, and the formulation of a preliminary theoretical framework and pre-assumptions preceded the empirical study reported here. Hence, in designing the study I had a clear idea of what to look for, what factors might be relevant, and what propositions to test against the empirical evidence (cf. Ghauri & Gronhaug 2002, 29). The guiding principle in the choice of method and research setting derived from the research questions and their focus (Eriksson & Kovalainen 2008, 27).

A research design is well formulated when the desired information is produced and the research questions are answered in the best possible way within the given constraints such as skills, time, and money. The choice of design influences subsequent research activities in terms of how and what kind of data to collect, for example. (Ghauri & Gronhaug 2002, 47; see also Eriksson & Kovalainen 2008, 27) Thus, the applied methods simultaneously provide both practical *tools* and *frameworks* for the analysis of empirical data (Eriksson & Kovalainen 28, 29–30; emphasis in the original).

The focal phenomenon is investigated from a constructionist perspective. The research is exploratory in design, and the case-study approach emphasizes qualitative methods. Exploratory research represents a 'detective's approach': collecting data, trying to develop understanding, and constructing explanations of something that is not very well understood from the outset (Ghauri & Gronhaug 2002, 49). The case study is a frequently utilized and relevant research strategy for explanatory studies, the research purpose of which is to analyze 'how' or 'why' something happens (Yin 1989, 18; Ghauri & Gronhaug 2002, 173; Eriksson & Koistinen 2005, 5). Qualitative methods are considered most useful in such contexts in that they can facilitate hypothesis testing and explanation (Ghauri & Gronhaug 2002, 88).

This chapter covers the philosophical and methodological background of this research, the research strategy, and the case selection. It also outlines the process of collecting and analyzing the data and discusses aspects of quality.

4.1 The philosophical background and the research approach

The nature of the social phenomena to be explored is a key determinant of an appropriate research approach. The choice and adequacy of a method are dependent on the researcher's assumptions regarding the nature of knowledge (ontology), the methods through which knowledge can be obtained (epistemology), and human nature. (Morgan & Smircich 1980, 491; see also Burrell & Morgan 1979) The research approach must also be designed to suit the purpose of the research (Piekkari, Plakoyiannaki & Welch 2010, 114) and the type of questions posed (Morgan & Smircich 1980, 499).

The purpose of this research is *to enhance understanding of how the meaning of a corporate brand is constructed in a multinational corporation*. The corporate brand is a concept of which there is no commonly agreed definition among academics and practitioners, nor is it clear how such a brand should be constructed, in practice, in an MNC (see e.g., Knox & Bickerton 2003; Kay 2006; Järventie-Thesleff 2011: Järventie-Thesleff et al. 2011). Consequently, the main aim is to acquire a deeper understanding of the main elements that constitute the meaning of a corporate brand, as well as of the managerial activities and practices that may be used to give sense to the brand in practice within the MNC. The research approach and the methodological choices are based on the main research purpose.

The ontological assumption underlying this research is to view the world from an interpretive, social-constructionist perspective. Accordingly, the social world is seen as constructed in the ongoing interactions of everyday life, in which individuals actively create realities for themselves and for others through the use of "symbolic modes of being" such as language, labels, actions and routines, in an attempt to make sense of the surrounding world. The resulting social reality is embedded in the modes of symbolic action, and although it may be shared in a given context at a given point of time it is still "a subjective construction capable of disappearing the moment its members cease to sustain it as such". (Morgan & Smircich 1980, 494)

From a constructionist point of view it does not make sense to search for the essence of any reality (a strategy or a brand, for instance), and the focus is rather on how a given version of the reality is constructed (Czarniawska 2008, 6; Morgan & Smircich 1980, 497). Hence, the emphasis is on the process: how action and interaction take place in organizations over time, and how meanings and interpretations are constructed as a result. Theories built upon a constructionist world-view are characterized by a more interactive approach to explanation that emphasizes "reciprocal causation and multiple determinations of outcomes". Moreover, these theories usually rely on qualitative methodologies of investigation. (Pfeffer 1982, 209)

The interpretive research approach stresses the centrality of meaning in social actions. Essentially, the use of language and the enactment of meanings are seen to create and sustain social reality. (Tietze et al. 2003, 12) Accordingly, the focus in this research is not on discovering the very essence of a certain corporate brand, but rather on determining what constitutes the brand meaning in an MNC and how it is constructed through the use of diverse managerial strategizing practices. Although individuals are expected to attach varying meanings both to the focal corporate brand and to the process of corporate branding, it is believed that their interpretations are influenced by their respective roles in the brand-construction process, as well as by shared beliefs about and social definitions of the brand and the activities involved in its construction (cf. Pfeffer 1982, 209). Thus, although man is regarded as "a creator and

manager of meaning", the surrounding culture and the interactions within it arguably constrain the process of meaning creation (Pfeffer 1982, 210).

The interpretative paradigm[42] is about understanding and explaining the social world primarily from the perspective of the actors involved. Accordingly, *a priori* knowledge is assumed to precede any understanding of the sense data of empirical evidence, and the human consciousness to comprise certain organizing principles on which the sense data is structured, arranged and understood. This *a priori* knowledge is considered a product of the interpretive processes that go on in the human mind, and thus independent of the external reality and empirical sense data. (Burrell & Morgan 1979, 227) The construction of social reality is depicted as an emergent process within which meanings are created through the reflexive, retrospective evaluation of past experiences. The process of attributing meaning depends on the actor's identification of the purpose or goal he or she is supposedly seeking. (Burrell & Morgan 1979, 244; 253)

The interpretive approach is adopted in this study in order to examine the underlying sensemaking and sensegiving processes involved in the construction of a corporate brand through which individuals, groups, and the whole organization come to share – or by which they are inhibited from sharing – a common interpretation, which is a prerequisite for coordinated action. Thus, it is essential to examine the symbolic actions that develop, sustain, or weaken the collective activity that communicates the meaning of the corporate brand. (cf. Smircich 1983)

4.2   The research strategy

The main purpose of this research is to analyze and develop an understanding of how the meaning of the corporate brand is constructed within an MNC. In order to give a full picture of the activities, practices and actors involved in the construction process – i.e. of *how the meaning of the brand is constructed in practice within the overall change process* – the research draws on the practice approach to strategizing. This theoretical perspective enables in-depth analysis of corporate branding praxis in MNCs, and thus helps to create a detailed view of the specific management tasks and processes, and the coordinated action aimed at constructing a shared interpretation of the brand. In order to examine the process in a real-life context, a case-study approach and qualitative methods are adopted.

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[42]   The concept of a paradigm in organization theory refers to a shared understanding of ways of doing things and looking at the world (Pfeffer 1982, 227). Paradigms function as generally accepted lenses or perspectives through which to examine and explain certain phenomena (Whetten 2009, 33).

4.2.1 *Practice research*

In order to enhance understanding of the nature and effectiveness of managerial activity in constructing a corporate brand in a multinational corporation this research builds on the *strategy-as-practice approach*. Consequently, the empirical study is based on "go out and look" thinking so as to capture the activity as it occurs for close examination and analysis (Venkateswaran & Prabhu 2010, 156). Getting close to the practice should enable a more holistic understanding of this complex phenomenon (Venkateswaran & Prabhu 2010, 156), and reinforce the practical relevance of current research[43].

The aim of practice research is to gain an understanding of the complex realities strategy practitioners face in their efforts to construct a coherent 'thing' that the organization's stakeholders may perceive as a strategy (Jarzabkowski 2005, 3) – or a corporate brand. The approach is based on a social-constructionist world-view according to which social events and concepts, such as strategies, are socially constructed in a certain context at a given point of time (Vaara & Laine 2006, 157). Consequently, the focus is on *practices-in-use* as mediators of action, and on the *detailed aspects of doing the strategy work*, in other words how practitioners think and act, talk and interact, what tools and technologies they use in that work, and the implications of different forms of strategizing as an organizational activity (Jarzabkowski 2005, 3; 10). Hence, the emphasis is not on the mental process of meaning-making as such, it is on the embeddedness of knowing and understanding in the complex work of strategizing, as well as the interconnectedness of bodily and mental routines, and the use of objects in the ongoing stream of activities (Reckwitz 2002, 258).

The focus in the practice perspective is on top managers as intentional actors pursuing goal-directed activity within an ongoing stream of organizational activity (Jarzabkowski 2005, 28). Although it is acknowledged that strategy may well be a matter of emergence[44] rather than managerial intention, the outcomes in terms of content and the overall performance of the firm are regarded as essential aspects of managerial responsibility. (Jarzabkowski 2005, 4–5) Strategy is thus understood as partly emergent and partly management-derived. On the one hand, the initiation and planning of corporate brand construction are centrally taken measures, and on the other the implementation of the brand through everyday activities is a matter of emergent, continuous change. (Järventie-Thesleff 2011, 54)

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[43]   See Splitter & Seidl (2011) for a discussion on relevance: Splitter, V. & Seidl, D. (2011): Does practice-based research on strategy lead to practically relevant knowledge? Implications of a Bourdieusian Perspective. *Journal of Applied Behavioral Science*, Vol. 47, pp. 98 - 120.

[44]   The action school conceptualizes the strategy as emergent action, or 'a pattern in a stream of actions' (Mintzberg 1990), which may or may not follow managerial intentions, as they emerge in the organization in a bottom-up fashion (Jarzabkowski 2005, 4 - 5).

From this perspective, the construction of a corporate brand is understood as *an ongoing, goal-oriented and socially accomplished flow of organizational activity*, which is influenced by the actions and interactions of multiple actors (Järventie-Thesleff 2011, 51; Jarzabkowski 2005, 7; see also Jarzabkowski et al. 2007, 7) within and across the boundaries of an MNC. Within this process the brand meaning is constructed, maintained and reconstructed in people's relatedness with each other (Barrett et al. 1995, 353), through the social production of texts[45] in a given (socially constructed) context (Hardy et al. 2000, 1232–1233). The different contexts in which the company is operating according to diverse codes of conduct and various localized meanings both shape and are shaped by the organizational activity, as well as the brand. The situation provides the interpretative context within which individuals interpret and enact meanings, and construct a shared view of reality on an ongoing basis. (cf. Jarzabkowski 2005, 4–25; Järventie-Thesleff 2011, 100)

The strategy-as-practice stream of literature draws on the strategy process school of research (e.g., Vaara 2007, 303; Jarzabkowski 2005, 3–5; Tsoukas 2010, 47), although there are differences that are worth pointing out. Both streams depart from the content-based view on strategy, and introduce dynamic and processual aspects problematizing the role of the managerial actor. However, given that the level of explanation in process research is that of the firm, the studies do not go into detail about what people do within the ongoing stream of events, or how a desired change is brought about *in practice*. (Jarzabkowski 2005, 3–5) Practice research, in contrast, places the practitioner at the center, and emphasizes the agency of individuals as initiators of activities, processes, and practices (Chia & MacKay 2007, 225), thereby facilitating a more fine-grained analysis of the actions and interactions involved in strategy formation. In addition, compared to the process school, the practice perspective allows a more intimate approach to the situational context in which strategy is understood essentially as a situated activity, and thus refutes abstraction of the strategic and structural contexts from the situation. Finally, in contrast to the change process school of strategy, proponents of strategy-as-practice acknowledge that it is not all about change, and that the construction process involves a great deal of maintenance and reproduction: the focus is thus on how strategy is constructed rather than how companies change. (Jarzabkowski 2005, 3–5; see also Johnson et al. 2003; Whittington 2007; Chia & MacKay 2007; Tsoukas 2010)

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[45] Following Fairclough (2003, 3), the term 'text' is understood in a broad sense in this study. A 'text' may be written or printed (such as an article or a web page), it may be a transcription of a conversation or interview or a television program. Basically, any use of language is a 'text', but in the case of a television program, for instance, it also involves visual images and sound effects. Language, on the other hand, is understood in the usual sense to mean verbal language (words, sentences, etc.). (Fairclough 2003, 3)

Strategy-as-practice as an academic field is still in its infancy and is regarded as 'a nascent body seeking to establish itself'[46]. The approach has been criticized, for instance, for ambiguity in its unit of analysis, which could refer to a very narrow strategic episode (a strategy workshop) or the whole of the strategizing process. Deciding what to include, and what constitutes a 'practice' is an open-ended task, and hence the research may end up being labeled a 'study of everything'. In addition, the level of analysis merits careful attention, given that the process of strategizing spans several organizational and institutional levels (Venkateswaran & Prabhu 2010). The approach has also been criticized for failing to distinguish between activities, practices, and processes, and for reducing these phenomena to the actions and intentions of individual agents, thereby situating agents as initiators of practices rather than products of social practice (Chia & MacKay 2007, 219; see also Chia & Rasche 2010, 34–35). Connecting micro-level activities to macro-level outcomes is another challenge currently facing strategy-as-practice researchers (Venkateswaran & Prabhu 2010, 160). Thus, a more secure philosophical and methodological basis is needed in order to establish the practice perspective on the research agenda (Chia & MacKay 2007, 219). However, even though its proponents have not thus far been able to establish a 'grand theory' (Reckwitz 2002, 257), the approach is considered to have potential in terms of developing organizational perspectives on strategy (Vaara 2007, 303; Golsorkhi et al. 2010, 1), and it certainly provides a useful lens through which to analyze in detail the process of constructing corporate brand meaning given its focus on what actually happens instead of, for instance, the mere performance effects of the chosen strategy (cf. Golsorkhi et al. 2010). Most importantly, it facilitates analysis of the interrelations of the managerial practices of brand strategizing and the resulting corporate understanding and enactment of the brand, which has major implications for brand-management praxis in contemporary organizations. Having the potential to advance theoretical understanding in a way that has high practical relevance is an advantage of the practice approach that few other contemporary streams of management and organization research can offer (Golsorkhi et al. 2010, 1).

4.2.2   The case-study approach

This research represents the case-study approach, concentrating on a single case. A case study is an empirical inquiry into a phenomenon in a real-life context (Yin 2003; Koskinen, Alasuutari & Peltonen 2005) and focuses on the dynamics within the setting

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[46]   For a review of strategy-as-practice research, see Golsorkhi et al. (2010).

(Eisenhardt 1989, 534). In emphasizing the rich, real-world context (Eisenhardt & Graebner 2007, 25) qualitative case research provides a more holistic perspective on the research phenomenon (Marschan-Piekkari & Welch 2004, 8), which may be multi-dimensional and complex in nature (Eriksson & Kovalainen 2008). At the same time it allows the researcher to go into it more deeply in order to understand the meaning and beliefs that underlie the action (see Marschan-Piekkari & Welch 2004, 8). Hence, such research is more focused on social processes and understanding the respondents' point of view rather than on hard facts (Ghauri & Gronhaug 2002, 86). Given the complexity of the phenomenon under study, the time and resource constraints as well as the aim of producing specific rather than general explanations (cf. Ghauri 2004, 115), the single case design was considered appropriate here.

The purpose of conducting a case study is to confront theory with the empirical world (Piekkari, Welch & Paavilainen 2009, 569). Case studies are normally used to provide insights into an issue or a management situation on which there is relatively little prior information (Ghauri 2004, 109), or when current perspectives seem conflicting or inadequate due to a lack of empirical support (Eisenhardt 1989, 535). The approach is useful especially when 'how' and 'why' questions are addressed (Ghauri & Gronhaug 2002, 173; Yin 1989, 13; Eriksson & Koistinen 2005, 5), and is particularly well suited to research conducted in cross-cultural settings when the researcher really wants to understand the behavior of decision makers with different cultural backgrounds (Ghauri 2004, 111). The context and the case influence each other, thus the setting of the focal case should be clearly explicated to the reader (Eriksson & Koistinen 2005, 8). Case research is also recognized as especially useful when the aim is to deepen under-standing of longitudinal change processes (Ghauri 2004, 111). It allows the researcher to get closer to the theoretical constructs, which is highly relevant in the context of longitudinal research "that tries to unravel the underlying dynamics of phenomena that play out over time". Compared to broad empirical research, it also facilitates much more persuasive argumentation about causal forces, which nevertheless need to be backed up by solid theoretical discussion. (Siggelkow, 2007, 22–23)

As is typical of case research, this study relies on multiple sources of evidence and benefits from the prior development of theoretical propositions that guide the data collection and analysis (cf. Yin 2003). Multiple sources of data ranging from personal interviews to archival information are used to describe and explain the unique features of the case, as well as possible commonalities with other similar cases (see Ghauri 2004, 109–110). A case strategy may also be used to sharpen or falsify existing theories – a single counterexample is enough to justify a more refined conceptualization and to motivate further research – or to illustrate conceptual arguments by providing concrete examples of proposed constructs. This gives readers a much clearer understanding of

how the argument might be applied to empirical settings, and hence increases the trustworthiness of the propositions. (Siggelkow 2007, 21–22)

Triangulation "refers to the collection of data through different methods or even different kind of data on the same phenomenon" (Ghauri 2004, 115), and is inherent in case studies. It allows the weaknesses of one method, or type of data, to be compensated by the strengths of another, thereby providing a firmer basis on which to draw conclusions, and producing more valid results (Jick 1978, 603–604). It enables the researcher to produce a fuller, more holistic and contextual picture of the phenomenon under study (Jick 1978, 603; Ghauri 2004, 115). Not only does it facilitate examination of the focal phenomenon from multiple perspectives, it also enriches his/her understanding "by allowing for new or deeper dimensions to emerge (Jick 1978, 604). It also reduces the likelihood of misinterpretation given that information from one source can be checked and validated from other sources (Ghauri 2004, 115). In the context of this study, triangulation refers not only to the use of different methods and diverse sources of data, as described earlier, but also to the incorporation of different theoretical disciplines in an attempt to develop understanding and preliminary explanations of practices related to corporate brand strategizing in the focal multinational corporation.

4.2.3   Case selection

"Selection of cases is an important aspect of building theory from case studies" (Eisenhardt 1989, 536). Research aiming at theory development relies on theoretical (rather than statistical) sampling (Eisenhardt 1989, 537), the aim being to find particularly suitable case(s) for depicting and extending the relationships and logic among the constructs under scrutiny (Eisenhardt & Graebner 2007, 27). Hence, *theoretical reasons* guide the selection of cases. They may be chosen to replicate previous cases or extend the emergent theory, or to fill theoretical categories and provide examples of extreme situations and/or polar types. (Eisenhardt 1989, 537)

In principle, there is no upper or lower limit on the number of cases to be included in a study (Ghauri & Gronhaug 2002 177). A single-case design is appropriate under three alternative conditions depending on if it represents 1) a critical case used for testing an existing theory; 2) an extreme or unique case for analyzing a rare phenomenon; or 3) a revelatory case when the phenomenon is thus far inaccessible to scientific observation. In the third condition the rationale for choosing a single case stems from the possibility of gaining access to descriptive information, which alone is considered revelatory. Single case studies may also be used as exploratory devices to encourage further research in the area. (Yin 1989, 47–49) Here the uniqueness is not perceived as a problem (in terms of generalization), and it is rather a key issue of research interest that

justifies the approach (Eriksson & Kovalainen 2008, 121). A single-case design may even serve an explanatory purpose in providing conflicting explanations of "the same set of events and indicating how such explanations may apply to other situations" (Yin 1989, 16).

The overall objective behind the case selection was to find an organization that would align with the theoretical framework and variables of the study (cf. Ghauri & Gronhaug 2002, 176) – in this case a large B2B company operating in multiple countries and making explicit efforts to boost its single corporate brand. As the preliminary theoretical framework was fairly well thought-out before the researcher entered the empirical field, it was easy to take these theoretical considerations into account. The criteria for the case selection are summarized in Table 4. Although presented as a numbered list, they are not given in order of importance.

Table 4   The case criteria

	Criteria for a suitable case	Reasoning
1.	International corporate brand	To examine the brand-construction process in an international context in order to enhance understanding of corporate brand construction in multinational corporations.
2.	Recent process of explicit corporate brand strategizing	To gain access to relevant data with regard to the research objectives in order to contribute to the field of corporate branding; to enhance the accuracy of the data.
3.	Branded house strategy	To analyze a process aimed at constructing a shared understanding of what the organization and its corporate brand are all about.
4.	B2B/industrial MNC	To enhance understanding of corporate brand construction in B2B companies; to examine a similar context to those of which I had work and research experience.
5.	Large corporation	To find a suitable setting for examining the complex phenomenon of corporate branding; to find highly knowledgeable respondents.
6.	Access to key people and materials	To gain access to relevant data and multiple perspectives on the brand and the brand-building process.

The first criterion reflects my wish to investigate the process of corporate branding in *an international context*, in which building a coherent understanding of the corporate brand is very challenging, and there is only a limited amount of both theoretically and empirically grounded research to support practitioners in the process (cf. Wong & Merrilees 2007; Whitelock & Fastoso 2007). The chosen focus also relates to the theme

of MNC management, in which I have both an academic and a practical interest (Eriksson & Koistinen 2005, 23).

Second, I needed to find an organization in which the explicit process of building the corporate brand was quite *recent*. This was important not only in terms of gaining access to relevant data in line with the research objectives but also to enhance the accuracy of the data (cf. Eisenhardt & Graebner 2007, 28).

Given that the purpose of my research is to explore the construction of a common understanding of the corporate brand, the focal organization needed to have *a branded house strategy* and not a house of brands (see Aaker & Joachimsthaler 2000). Accordingly, the same corporate brand had to be used across the company's products, segments, and countries (Aaker & Joachimsthaler 2000, 119).

Throughout my work and research career I have been involved with and most interested in industrial, B2B companies. Hence, it was natural for me to select a case firm from the industrial field. Furthermore, the importance of brand-related issues is not as self-evident in industrial companies as in B2C companies, and I wanted to do my part in raising awareness and enhancing understanding of the construction of the corporate brand in industrial organizations.

Multinational corporations tend to be *large*, thus I could have incorporated this criterion into some of those mentioned above. However, I decided to keep it separate because I considered it important given the objectives of the study. Establishing a common corporate brand is particularly complex in large organizations, especially those operating on an international scale. A bigger firm is also considered a suitable context in which to study specific and complex issues in that large companies tend to experience complex problems and have expertise in-house, which may be a source of in-depth information (Ghauri & Gronhaug 2002, 176). In other words, the probability of finding several respondents who are highly knowledgeable with regard to the focal phenomenon is greater in big companies.

Finally, I needed to find a multinational corporation that would allow *access to relevant data* concerning the branding process, with a wealth of highly knowledgeable people representing diverse perspectives on the focal issue. These people would hold a key position in terms of the branding process not only at the "corporate end" of the organization, but also in the various divisions and geographical areas. (cf. Ghauri & Gronhaug 2002, 176) Triangulation among various perspectives and sources of data provides a more holistic picture of the focal phenomenon, and mitigates the bias resulting from retrospective sensemaking and potential impression management.

4.3 Conducting the study

"Sound empirical research begins with strong grounding in related literature, identifies a research gap, and proposes research questions that address the gap", as Eisenhardt and Graebner (2007, 26) suggest. In building theory from case studies one should enter the field with a well-defined, albeit preliminary, research question in order to assemble certain kinds of data *systematically* (Eisenhardt 1989, 536). Thus, well-defined research questions guide the data collection and analysis, and facilitate the refining of the results, the formulation of the conclusions and the writing of the research report (Eriksson & Koistinen 2005, 20). In addition, the a priori specification of constructs helps in shaping the initial design of the research, and enables the more accurate measuring of constructs. If there is no clear focus, the volume of data may overwhelm the researcher. (Eisenhardt 1989, 536)

In order to enhance understanding of how a corporate brand is constructed in a multinational corporation this research builds on a solid and interdisciplinary theoretical framework based on clear objectives and preliminary constructs. The phases of data collection and analysis overlapped to some extent, but are discussed in separate sub-sections below.

4.3.1 The data collection

Three main sources of data were used in this research with a view to gaining a thorough understanding of the construction of the corporate brand in the case firm: 1) corporate archives produced mainly by those responsible for communications and branding; 2) interviews with informants who had lived through the branding process; and 3) focus-group discussion with three key informants. Table 5 presents each of these sources and outlines their use in the data analysis, which is described in detail in Chapter 5.3.2.

Table 5   The research data

Source of data	Type of data	Use in the analysis
Interviews	15 interviews with highly knowledgeable informants with diverse perspectives. Interviews lasted between 44–108 minutes. All recorded and transcribed for a total of 194 pages	Gather data regarding the company, the strategic change process, the corporate brand and the corporate branding process as well as their origin and evolution
Corporate archive	Annual reports	Gather information on the company development, corporate strategy and long-term objectives, actors in the branding process, 'the official' interpretation of the corporate brand as well as how it had been communicated in the organization
	Webpages	
	Internal newsletters	
	PowerPoint presentations	
	Brand book	
	Visual-identity guidelines	
Focus-group discussion	Group discussion among 3 persons lasting approximately 80 minutes (including the presentation of preliminary results)	Verify the preliminary results as well as the emerging theoretical constructs

Interviews are considered well suited to exploratory and theory-building studies, in which the population of potential respondents is relatively small, as well as in research aimed at maintaining closer contact with the respondents in order to get more honest and accurate responses (Daniels & Cannice 2004, 186–187). They are also seen as a highly efficient way of gathering rich data, especially when the focal phenomenon is episodic and occurs infrequently (Eisenhardt & Graebner 2007, 28).

Interviews were used in this research, in order to obtain information and diverse perspectives on the corporate brand and the branding process, which were the major concerns. They also yielded data on the overall development of the company as well as on the process of strategic change that had been going on during the previous decade. They thus comprised the primary source of data in terms of developing an understanding of the construction of the corporate brand in the case company and in answering the research questions.

The interview guide was developed with the objectives of the study and the research questions in mind (cf. Ghauri & Gronhaug 2002, 102). It covered four main themes: questions related to the respondent, questions related to the company, the industry and their development, questions related to the concept of the corporate brand and the company's brand, and questions related to the branding process (see Appendix 1). The questions were designed to cover all key elements of the preliminary theoretical

framework. The fact that I had a fairly good understanding of what information I wanted to collect facilitated the question setting (cf. Ghauri & Gronhaug 2002, 102). The supervisors of my thesis reviewed the guide beforehand, on the basis of which and the insights gained in the first couple of (pilot) interviews the wording of certain questions was changed in order to ensure correct understanding (cf. Ghauri & Gronhaug 2002, 102–103).

The interviews had both semi-structured and thematic characteristics. In the case of semi-structured interviews all respondents are asked the same questions, which they answer in their own words rather than choosing from a list of alternatives. In thematic interviewing, on the other hand, the themes are defined in advance but the exact formulation and order of the questions may vary. The interviewer makes sure that all predefined themes are covered with each interviewee, but is not tied to a specific set of questions. (Eskola & Suoranta 1998, 87) As such, they represent a constructionist approach in which preplanned questions are used as initiators of conversation, but the discussion is allowed to flow in many directions depending on the interaction between the interviewer and the respondent (Eriksson & Kovalainen 2008, 80).

All the interviews covered all four themes, but the length of discussion around any one theme as well as the exact questions asked of each respondent varied to some extent. The chosen approach exploited both types of interviewing. The advantage of a semi-structured approach is that it results in fairly systematic and comprehensive material, although the tone in the interviews may be conversational and informal. The thematic approach enables the respondent to bring up topics of interest because the interviewer does not strictly follow a preplanned set of questions. (Eriksson & Kovalainen 2008, 82) There were also characteristics of narrative interviewing (see Eriksson & Kovalainen 2008, 216) in that the respondents were encouraged to produce their own stories about both the brand-construction process and the overall development of the firm. At times, the interviews proceeded in a fairly conversational manner with the interviewer sharing her own experiences with the interviewee.

The aim in the interviewee selection was to cover multiple, even potentially contradictory perspectives on the focal phenomenon. I therefore included, in addition to the key people responsible for the 'official brand essence' and the corporate-level branddevelopment process, those who were not directly involved but held influential positions in their respective functions/ divisions/ geographical areas. Having numerous and highly knowledgeable informants representing different hierarchical levels, functional groups and geographic areas, with diverse perspectives on corporate branding, helped to limit potential bias in the data resulting from retrospective sensemaking and/or impression management (cf. Eisenhardt & Graebner 2007, 28).

Of the 15 interviewees, eight had a permanent position in Finland, three in other European countries, two in Asia, and two in Americas. They all represented either top

(10 interviewees) or middle (5 interviewees) management in their respective functions, businesses, or geographical areas. Both corporate functions (HR, Corporate Communications & Branding) and the three businesses of the company were represented. The interviews were conducted in either Finnish (9 interviews) or English (6 interviews). Altogether there were six face-to-face interviews, five video-conference interviews and four telephone interviews, lasting between 44 and 108 minutes, with an average duration of 77 minutes. The interviewees were advised in the invitation letter to allow between 90 minutes and two hours for the interview. Only one of them set a one-hour limit, and with the others the discussion lasted as long as was necessary. All the interviews were recorded and transcribed in the original language, a process that yielded 194 pages of transcribed text.

Secondary data comprises information produced for purposes other than the research at hand (Ghauri & Gronhaug 2002, 76; Saunders et al. 2003). I used numerous sources of secondary data, such as annual reports, webpages, internal newsletters, presentation material, as well as various internal guidelines on communicating the corporate brand. The use of secondary data assists the researcher in formulating and understanding the research problem, and broadens the base from which conclusions can be drawn thereby enhancing their reliability. Secondary data could also facilitate understanding and the interpretation of the primary data. (Ghauri & Gronhaug 2002, 78–80) In addition, it constitutes a basis on which the primary data can be triangulated, brings to light unexpected discoveries, and provides a permanent source of data that is open to public scrutiny (Saunders et al. 2003, 200–201).

The research problem should guide the collection of secondary data – not the other way around (Ghauri & Gronhaug 2002). In this case, the focus of which is on the internal brand-building process, the main emphasis was on material communicating the brand internally, although there was plenty of material available related to the external brand communication. It is acknowledged that secondary data may be inaccurate in important dimensions, it may be difficult to classify consistently for research purposes, and especially with regard to marketing material may project a high degree of 'wishful thinking' instead of hard facts, (Ghauri & Gronhaug 2002, 78–80). Given my background in marketing and communications, I was able to take this into consideration.

At the end of the research process a group of three key informants assisted in verifying the preliminary results as well as the emerging theoretical constructs. These people represented the centralized corporate branding function, and had also been interviewed during the earlier phase of data collection. They not only found the suggested theoretical framework relevant to real brand-construction work in MNCs, they also agreed with the results of the empirical analysis, although it implied some criticism of the process.

The starting point of the research period was the year 2005, when the company hired its first Brand Manager. This was considered to be when purposeful and systematic

work to develop the corporate brand began. The period ended at the end of June 2011, when the last of the data was collected. Given that the case agreement with the company was signed in early 2011, the 'real-time' data collection spanned the final four or five months of the examination period. The analysis of events occurring before then is based on the interviewees' narrations and the secondary data.

4.3.2 The data analysis

The analysis of data in research aimed at building theory frequently overlaps with its collection (Eisenhardt 1989, 538), which was the case in this study, too. This allowed a flexible approach to the data collection, and facilitated the continuous development and review of preliminary understandings on the basis of which the process could be adjusted to emphasize significant emerging themes (cf. Eisenhardt 1989, 539; Eriksson & Koistinen 2005, 19). It is an approach that is considered to facilitate understanding the case in as much depth as possible (Eisenhardt 1989, 539).

The analysis of this research data reflects the overall objectives and the theoretical propositions of the study (cf. Yin 1989, 105–107). These propositions, which underlie the data-collection plan and the overall design of the case study, helped in terms of focusing attention on what was relevant, organizing the case study as a whole, and defining alternative explanations to be examined (Yin 1989, 105–107). The analysis consisted of iterative cycling back and forth between the data and the emerging theoretical constructs (e.g., Eriksson & Koistinen 2005, 19). For the sake of clarity, however, it is presented below as a sequence of six broad phases.

Phase 1. The first, or pre-analysis phase, involved organizing the gathered data. By that point the researcher had transcribed four of the interviews verbatim, and an external service provider transcribed the remaining 11. The researcher double-checked all the transcriptions for the purpose of validation. The initial codes were based on the interview questionnaire. The coding resulted in 23 codes (see Appendix 2), according to which the NVivo program organized the interview data. The use of software specifically developed for qualitative analysis is suggested to support the organizing and structuring of data (Ghauri & Gronhaug 2002, 137). No other material was brought into the NVivo program because it does not support all electronic formats and the trouble of converting the material into an NVivo-compatible form would have far exceeded the benefits of the exercise. This material, which included a variety of newsletters, brochures, releases, Power Point presentations and other brand-communication material was kept in separate folders on the researcher's computer (soft copies) and on her shelf (hard copies).

Phase 2. The second phase involved constructing a preliminary case description and explanation of the branding process. Constructing a story about a process in

chronological order enhances understanding of how things develop and why things occur the way they do (Ghauri 2004). Moreover, presenting the temporal order and sequence of events that unfold in the process as a narrative enables the researcher "to describe and explain both qualitative and quantitative aspects of development and change" and to point out the focal subjects (people, groups, organizations) in the change (Van de Ven & Engleman 2004). The narrative of the brand-construction process helped in explaining what happened overall. Such narratives can never be precise, and hence it is advisable to focus on theoretically significant propositions (Yin 1989, 113). The intertwining of empirical evidence and emergent theory demonstrates the close connection between the two (Eisenhardt & Graebner 2007, 29). In constructing the narrative the researcher read through the interview transcriptions and other material several times. The interview citations included in the case description and the subsequent analyses were translated into English (when necessary). Citations were used to enrich and complement the descriptions, as well as to justify the interpretations.

Phase 3. Step three involved sorting the data according to the conceptual categories, which were based on the research objectives and questions. The coding process involved ongoing interpretation and examination of the data from diverse perspectives (Sinkovics, Penz & Ghauri 2008, 704). The aim in this phase was to find common and conflicting themes and trends related to the research questions, and to identify any relationships between the themes and the questions (cf. Ghauri 2004).

A theory-generating approach was used in coding the interview data. It was therefore examined from a pre-determined perspective, and not really allowed to 'speak for itself', which would have been another, although somewhat contested, approach (see Eskola & Suoranta 1998, 153). Given that the interview template was designed to cover the most important aspects of the preliminary theoretical framework, it was used as a preliminary basis for generating the codes. Using the template as a tool in data coding is recommended in the literature, the reasoning being that the interview questions are based on prior theoretical insights as well as traces of personal experience (Eskola & Suoranta 1998, 153). In this research, the substantial amount of work done with the preliminary theoretical framework as well as the researcher's own experience as a marketing and communications practitioner were of great help in designing the interview questions as well as in conducting the interviews and analyzing the resulting data.

Systematic procedures for data reduction were used (see Piekkari et al. 2010), involving different forms and several rounds of coding. The activities, practices and actors in the brand-construction process and the elements contributing to the meaning of the focal corporate brand were identified during this phase. It was also acknowledged that the data coded under 'organizational culture' and 'organizational identity' (on the basis of the interview questions) consisted mostly of representations of organizational values, and thus the three codes were combined to create the single code 'organizational

values'. Similarly, the preliminary codes 'overall development of the company' and 'strategic change process' seemed to overlap to such a degree that they were assigned the common code 'strategic development'.

The data was sorted so as to identify similarities and differences within and between the respondent categories (corporate, business, area). Similarly, it was divided according to its source, which in practice meant contrasting the interview data with the secondary data comprising various 'official' brand-communication materials (cf. Eisenhardt 1989, 541): "When a pattern from one data source is corroborated by the evidence from another, the finding is stronger and better grounded. When evidence conflicts, the researcher can sometimes reconcile the evidence through deeper probing of the meaning of the differences." Four broad categories were used in a separate round of coding to trace the activities and practices – structural, administrative, interactive, and discursive – and the relationships between the concepts and practices were analyzed. A similar analysis was conducted in which the different organizational levels (individual, group, and organizational) formed the basis for the coding. The use of tables helped in summarizing the case evidence, complementing the selective story descriptions given in the text, and further emphasizing the rigor and depth of the empirical grounding of the emerging theory (Eisenhardt & Graebner 2007, 29).

Phase 4. Having reduced the data the researcher examined the effectiveness of different types of strategizing practices in the implementation of the desired corporate brand essence in the case firm. In constant comparison between theory and data the analysis proceeded "toward a theory which closely fits the data" (Eisenhardt 1989, 541; see also Eriksson & Kovalainen 2008). It led to the identification of strategizing practices that specifically addressed the emergent brand-construction process in the MNC context, and would thereby help brand management to become more efficient in supporting efforts at building a coherent understanding and expression of the brand essence in the global organization. This phase thus involved refining the definitions of the emerging constructs, as well as building evidence from diverse sources characterizing them and enabling their analysis (see Eisenhardt 1989, 541). The careful construction of the definitions and analysis of the related evidence, it is hoped, resulted in well-defined, operational constructs, which form the basis of a strong theory (Eisenhardt 1989, 542).

Phase 5. The fifth step involved verifying that the emergent relationships between the constructs fitted with the case evidence (Eisenhardt 1989, 542). A focus-group discussion with three key informants was arranged in order to check the correspondence between the researcher's theoretical insights and their experiences and thereby enhance the credibility and transferability of the theoretical constructs. Of particular interest was to find out the underlying theoretical reasons for the relationships between the variables, which also contributed to establishing the credibility of the findings (Eisenhardt 1989,

542). The model was revised several times based on feedback not only from informants in the case firm, but also on the basis of suggestions provided by academic colleagues.

Phase 6. Finally, the emerging constructs and theory were compared with the extant literature in order to analyze the similarities and differences. This gave even deeper insights into the emergent theory and facilitated the setting of limits on the potential generalizability of the results. It also strengthened the internal validity, or credibility (e.g., Lincoln & Guba 1985), and raised the conceptual level of the findings. (Eisenhardt 1989, 544)

Overall, the analysis focused on the theoretical pre-assumptions and the research questions, but also took into account the empirically based notions as well as the themes emerging from the empirical data. Hence, the accumulation of knowledge involved continuous iteration between the theory and the data (Eisenhardt 1989, 549; Eriksson & Kovalainen 2008, 31).

4.4   The trustworthiness of the research

The purpose of qualitative research is not to generalize or to verify certain hypotheses but to question old ways of thinking and expand understanding across seemingly self-evident phenomena (Alasuutari 1994, 206). Nor is it to seek objective truth, but is rather to explore a certain perspective, or a variety of perspectives, on the focal issue (Tynjälä 1991, 390). Hence, the quality of the research should to be evaluated against specific criteria (e.g., Tynjälä 1991, 387; Lincoln & Guba 1985, 293). Lincoln and Guba (1985, 294–301) propose four measures of trustworthiness that are particularly suited to qualitative research: credibility, transferability, dependability and conformability. The following discussion on the trustworthiness of this research is based on these criteria.

Credibility is about demonstrating that the reconstructions of reality produced in the study adequately represent the multiple realities of their original constructors (Lincoln & Guba 1985, 296; Tynjälä 1991, 390). Producing an authentic account of people's experience necessitates not only understanding the point of view of the individuals and groups under scrutiny but also setting the data against the research context when making interpretations (Ghauri 2004, 117). Interpreting a social phenomenon within a given cultural context is never easy, given the complex and equivocal nature of the social world. The task is much more complex when the aim is to make sense of the phenomenon across various cultural groups – which is always the case in international business. (Noorderhaven 2004, 88)

Prolonged engagement in the research setting in order to learn about the culture, build trust among the respondents and detect possible distortions in the data, persistent observation in order to identify the characteristics and elements that are most relevant to

the problem under investigation, and triangulation of data sources, methods, and sometimes investigators increase the probability that the findings and interpretations are credible. (Lincoln & Guba 1985, 296; 301–307) Moreover, making sure that the collection and analysis of the data are interconnected within the research process enhances the authenticity of the interpretations (Ghauri 2004, 117). Finally, having the constructors of the multiple realities under study approve the findings improves their credibility (Lincoln & Guba 1985, 296; Tynjälä 1991, 395).

Several sources of evidence were used in this research (i.e. marketing and communication materials, interviews and archival records) to address a broad range of historical, situational and attitudinal issues, and to enable data triangulation. This allowed for producing more convincing and credible data than relying on a single source. (Yin 1989, 95–97; see also Eisenhardt 1989, 537–538; Jick 1978, 603) Triangulation in terms of methods (interviews and secondary data) provided stronger substantiation of the emerging constructs and hypotheses, and enhanced the trustworthiness of the research (Eisenhardt 1989). It also allowed for a fuller and contextual portrayal of the focal process (Jick 1978, 603). With regard to theories (Eriksson & Koistinen 2005, 26; Seale 1999, 54), on the other hand, it resulted in a more holistic understanding of the focal phenomenon, the process of constructing corporate brand meaning. The selection of interviewees covering three continents, all business divisions and several functions also enabled different views to be triangulated and hence a fuller, more holistic and contextual understanding of the focal phenomenon to emerge (Ghauri & Gronhaug 2002, 182).

The semi-structured approach adopted in the interviews in order to gain a better understanding of the respondents' points of view allowed for the conversation to be directed to areas that seemed the most meaningful to them. Moreover, many questions in the interview outline concerned the respondent's understanding of the focal concepts (such as the corporate brand) in order to ensure conceptual equivalence and to mitigate potential construct bias (Sinkovics et al. 2008, 693; 702). The use of direct quotations in the research report illustrates the multiplicity of respondent perspectives on the focal brand-construction process (cf. Piekkari et al. 2009, 572) and fleshes out the setting for the reader (Rousseau & Fried 2001, 7). On the other hand, I cannot claim that engagement in the research setting was particularly prolonged. However, having several years' working experience in various positions in internationally operating B2B companies, especially in the corporate marketing function, made it easier for me to understand the complexity of the corporate-branding endeavor, and the various social, psychological and political aspects - although the pre-understanding may, admittedly, also have guided my interpretations to a certain extent.

As discussed in Chapter 4.3, the processes of data collection and analysis were tightly intertwined in this research, which enabled the theory to develop along with the accumulation of data (Ghauri 2004, 117; Eriksson & Kovalainen 2008). The theory

building took place via recursive cycling among the case data, emerging theory and extant literature, thereby increasing the credibility, transferability and conceptual level of the research (Eisenhardt 1989). The presentation of the preliminary results to a number of key informants also helped to validate the interpretations (Lincoln & Guba 1985, 296; Tynjälä 1991, 395; Sinkovics et al. 2008, 703). Despite the implied criticism, the key informants who were present at the presentation of the results agreed fully with the points raised and the conclusions drawn, thus enhancing the credibility of the findings (Lincoln & Guba 1985, 296; Tynjälä 1991, 390). In addition, exposing earlier versions of the report to regular reviews by other academics in both national tutorials and international conferences helped to build up the credibility of the study (cf. Seale 1999, 44).

Contextualization in this research involved providing a thick description (Rousseau & Fried 2001, 7) of the focal case and its setting, altering the interview questions in order to obtain a deeper understanding of the local conditions and to incorporate local meanings and concerns, problematizing the researcher's role, and approaching the whole process from an interpretive perspective; "as an enacted, negotiated, adaptive and serendipitous process" (Marschan-Piekkari & Welch 2004, 10–11). As Piekkari et al. (2009, 571) suggest, the researcher can never be totally detached from the social world under study, and the produced knowledge is unavoidably situational. In contextualizing the case not only in the history and characteristics of the focal company but also in the strategic change process that took place before and at the time of the corporate branding process I hope I have provided sufficient information on the factors and events that may have affected the respondents' interpretations with regard to the development of their corporate brand (cf. Rousseau & Fried 2001, 5; Eriksson & Koistinen 2005, 7), as well as highlighting the contextual factors that moderate corporate-branding processes in MNC settings. Identifying such contextual effects and incorporating them into the construction process enhances understanding of the causalities inherent in international corporate branding, potentially leading to more efficient brand-management practices (cf. Whetten 2009, 46; 50).

Transferability refers to the applicability of the research findings in other contexts, and depends on the degree of similarity: the more the receiving context resembles the one in which the research was conducted, the higher the applicability of the results. In order to be able to make definite statements about transferability one should know about both the sending and the receiving (or earlier and later) contexts. (Lincoln & Guba 1985, 297-298; Tynjälä 1991, 390–391) In practice, this would mean studying in detail at least two cases (Seale 1999, 108). In order to enable the reader to evaluate transferability the researcher needs to provide sufficient descriptive data - a thick description - on the research context as well as on the conducting of the study (Lincoln & Guba 1985, 297–298; Tynjälä 1991, 390–391). In addition, the systematic documentation of the

gathered data in the research report makes it easier for other researchers to use it in their work (with the author's permission), and thereby contributes to the potential transferability of the results as well as to the credibility of case research (cf. Eriksson & Koistinen 2005, 28).

Hence, although the main purpose of case research is to produce detailed and contextualized information on the focal phenomenon through the selected case(s) - not so much to generalize research findings into other contexts (Eriksson & Koistinen 2005, 34), the resulting constructs may be used as a vehicle for examining other similar cases (cf. Yin 1989, 44), at least in similar contexts (Eriksson & Koistinen 2005, 34). It is hoped that in this research the thick description of the case and its immediate setting, as well as the systematic documentation of the data and the overall process, will ensure the applicability of the findings in other contexts (Lincoln & Guba 1985; Tynjälä 1991; Eriksson & Koistinen 2005). In addition, a comparison of the results with those reported in the recent dissertation of Järventie-Thesleff (2011) concerning the construction of a corporate brand in a similar setting reveals many similar features and thereby helps in assessing the uniqueness of the findings. In particular, it revealed evidence of similarities and differences, which in turn allowed the drawing of preliminary conclusions about the transferability of the results (Rousseau & Fried 2001, 7).

It is further hoped that the strong theoretical background of this research and its clear explication in the report will make it easier to assess the potential transferability of the results. For instance, the findings may be useful in MNC strategizing processes in general (see Yin 1989, 44 on analytic generalization), not only those focusing on corporate brand construction. In particular, participative, contextualized and integrative strategizing practices might prove useful in supporting emergent processes of strategizing in MNCs in addressing not only their special characteristics in terms of achieving coherence in organizational activities, but also taking into account the different levels and processes of organizational learning that enable members to build common frameworks of meaning and, subsequently, coherent action. Roth and Kostova (2003, 898) suggest that, as the MNC represents the most complex form of organization in many respects, "a theory developed within it is more likely to be applicable to other organizations" compared with attempts to transfer results in the other direction. Nevertheless, theories developed from single cases "should always be seen as fallible propositions that might be modified in the light of further experience", as Seale (1999, 112) points out.

Dependability measures the researcher's ability to present reliable information about the research object. In practice, it necessitates taking into consideration a wide variety of factors that are associated with observed changes, both external and internal to the focal phenomena and research. Even changes in the researcher (such as acquiring an interviewing technique in the course of the interviews) may be relevant in evaluating the

research setting. (Lincoln & Guba 1985, 298–299; Tynjälä 1991, 391) Sustained attention to factors producing variance contributes to well-specified theory and research (Rousseau & Fried 2001, 4). In this research, with a view to enhancing dependability the researcher prepared for the interviews by carefully drawing up an interview guide based on the preliminary theoretical framework. All the interviews were tape-recorded, which allowed the researcher to concentrate on active listening instead of continuously writing notes, to return to the (transcribed) conversations at different points of the data analysis, to use direct quotes in the report, and to establish a permanent record of the research data. The presence of the tape recorder did not seem to influence the respondents' willingness to respond honestly and openly. (Saunders et al. 2003, 264) All the interviews followed the same pattern covering four main themes, and whenever possible were conducted either face-to-face or via a video link. Four of them were conducted over the telephone. The choice of interview channel did not have clear influence on the respondents' willingness to talk openly about the central themes: on the contrary, they were all very open about their experiences and opinions. The interviews were conducted in either Finnish or English, which is the official working language of the focal firm. All the respondents held a managerial position, and had been employed by the company for a number of years. The final version of the manuscript was language-checked.

Triangulation in terms of research methods and sources of data was used in order to improve dependability and credibility (Lincoln & Guba 1985, 316–318; Seale 1999, 45). However, in accordance with the ontological position adopted, the aim was not to produce a single explanation or objective truth. It is also acknowledged that interviewees may very well produce a 'manufactured image of idealized doing', which may be in conflict with data obtained from documentary material. The outcome of the triangulation is thus a multi-voiced understanding of the focal case (Piekkari et al. 2010, 111).

Conformability is the qualitative equivalent of objectivity. However, it is not the objectivity of the researcher that is at stake, but rather that of the data: to what extent are they confirmable? (Lincoln & Guba 1985, 300) Clear records of the data and the research process were kept in order to establish conformability (Lincoln & Guba 1985, 318–324; Tynjälä 1991, 394), and the collected data were documented and organized in a formal case-study database (Yin 1989, 98–99; Eriksson & Koistinen 2005, 28). In addition, a clear chain of evidence linked the initial research questions with the ultimate conclusions of the case study, thereby ensuring that the interpretations stemmed logically from the data (Yin 1989, 102–103; Lincoln & Guba 1985, 318–324; Tynjälä 1991, 394; Sinkovics, Penz & Ghauri 2008, 699). This allows the external observer to trace the steps in either direction (from questions to conclusions and vice versa), and increases the reliability of the information provided in the final report (Yin 1989, 102-103).

The application of data analysis software, such as NVivo, is considered to facilitate the analytical process of coding and analyzing textual data and the dialogue between the researcher and the data, and to enhance the transparency of the research process and thereby the trustworthiness of the findings (Sinkovics et al. 2008, 695; 709). NVivo software was used to code the transcribed interviews, which not only allowed for the systematic and more efficient use of the large amount of gathered data, but also facilitated its revision at different stages of the analysis. In addition, the acknowledgment of alternative interpretations and possible bias attributable to the researcher, and of the limitations of the research enhance the conformability of the results. (Lincoln & Guba 1985, 318–324; Tynjälä 1991, 394) Finally, the study leans on established theories and established literature in the respective fields, which strengthens both the dependability and the credibility of the research (Sinkovics et al. 2008, 700).

All this being said, the trustworthiness of this study remains negotiable and open-ended - as is always the case with qualitative research (Lincoln & Guba 1985, 329).

5   THE CASE STUDY

The focus in the empirical study is on *the process of constructing a corporate brand* in a large, internationally operating industrial company. Analyzing the constituents of the brand essence from two perspectives, brand management and the individual members of the organization, Chapter 5.2 addresses research question 1: *What constitutes the meaning of a corporate brand.* Chapters 5.3 and 5.4, in turn, examine the efforts of brand management to give sense to the corporate brand, and hence address research question 2: *How do the managerial strategizing practices contribute to the construction of brand meaning in a multinational corporation?* Finally, in contrasting the managerial and organizational perspectives, Chapter 5.5 focuses on the purpose of the study – to enhance understanding of how the meaning of a corporate brand is constructed in an MNC.

First, Chapter 5.1 introduces the focal case.

5.1   Introducing the case

This section outlines the setting of the empirical inquiry and introduces the focal case, *the process of corporate brand construction* in a globally operating industrial corporation. In the following sub-sections I first briefly introduce the case company and then discuss measures taken to change it from 'a federation' of fairly independent business units into a coherent corporate body. The third sub-section outlines the process of corporate branding on a fairly general level, whereas the subsequent sections deal with different aspects of the focal brand-construction process in more detail.

5.1.1   The company in a nutshell

Wärtsilä was established in 1834, and its current corporate brand name has been in use since 1898. In its early years the company built ships. The diesel engine came along in 1936, and when the shipbuilding business went bankrupt in 1989 these engines became the company's core business. Since the beginning of the 2000s it has expanded into power plants and broadened its offering in the marine business through a serious of mergers and acquisitions. Today, Wärtsilä is a leading provider of power solutions for global marine and energy markets. Its net sales in 2010 totaled EUR 4.6 billion and it had 17,500 employees. Headquartered in Helsinki, Finland, the company has operations in 160 locations in 70 countries around the world, and is listed on the NASDAQ OMX

Helsinki, Finland. Over half of the personnel worked in Europe in 2010, approximately one third in Asia, one tenth in the Americas and the rest in Africa and Australia.

Currently the business operations of the multinational company are divided into three main areas: *ship power*, *power plants*, and *services,* which accounted for approximately 26, 34 and 40 percent of the 2010 turnover, respectively. The company supplies shipyards, ship owners and operators with ship machinery, propulsion and maneuvering solutions, including engines and generating sets, reduction gears, propulsion equipment, control systems and sealing solutions for all types of vessels and offshore applications. Wärtsilä commands a strong position in all main marine segments. Its engines power every third ship sailing the world's oceans, and the company services every second ship.

Whereas the company is the market leader in the ship power market, its current position in the power plants business is more that of a niche-player, although it holds a strong position in decentralized power generation. In this segment it offers power plants for base-load, peaking and industrial self-generation purposes as well as for the oil and gas industry. The strengths of Wärtsilä power plants include their flexible design, high efficiency and low emission levels. Natural gas, being more environmentally friendly than heavy fuel, is a 'big thing' in the business at present. The biggest competitors provide gas turbines, whereas the Wärtsilä solution utilizes both fuel and natural gas. Wärtsilä power plants currently produce one percent of the world's energy.

In recent years, services have grown in importance to the extent that they currently account for the biggest share of the annual turnover. The company takes pride in being able to provide full service, maintenance and reconditioning solutions throughout the lifecycle of its offerings. During the past few years it has invested heavily in expanding its service network, opening new service facilities in numerous countries around the world. The wide range of solutions it is able to offer its customers from a single source, as well as the unrivaled scope of its service network strengthens its competitive position and provides a platform for future growth.

Earlier the emphasis of the company's operations was on producing large-scale equipment and shipping it to customers in different parts of the world, whereas currently much emphasis is placed on service concepts built around the products. Wärtsilä positions itself as a *total solutions provider*, and aims at acting as a system integrator for its customers. According to its mission statement, it provides "lifecycle power solutions to enhance the business of our customers, whilst creating better technologies that benefit both the customer and the environment", and its strategic vision is to become the *most valued business partner* for all its customers. The aim is to strengthen its leading position in selected markets and to ensure continued growth at a faster rate than the global GDP. Most of the growth is expected to come from the developing world, especially the BRIC countries (Brazil, Russia, India and China), which accounted for 23 percent of the company's total sales in 2010. China and Korea

are especially important for Wärtsilä, much of its customers' business, essentially shipbuilding, being concentrated in that area. Africa has also grown in importance, and is currently a significant market area.

The world's economic situation has a major influence on Wärtsilä's business on account its direct impact on power-generation demands as well as on trade and the consequent need for transport capacity. Given the fluctuations in the global economy and the increasing complexity of the competitive landscape, taking good care of customer relationships has become even more crucial, and at the same time more demanding. Different customers have diverse demands and ambitions, which could be commercial or political in nature. Each market area has its own demands in terms of cultural know-how, such as negotiation and language skills, and social intelligence. Big installations also necessitate the backup of international financing and investors. On top of that there are rising environmental concerns that present both challenges and opportunities to companies. Through its local presence in all key market areas, technological leadership in its key business areas, and a firm commitment to producing environmentally friendly solutions, Wärtsilä is in a good position to face the tightening competition now and in the future.

5.1.2   *Integrating 'the federation'*

Since the early 2000s, the company has taken several determined steps to build a coherent corporation, One Wärtsilä as the philosophy is referred to internally. Previously operating as a federation of diverse, fairly independent companies, the focus turned to building one, unified corporate body that would be active in two distinctive business areas. This was certainly not an easy task for a company that had expanded for the most part through acquisitions, and that had thus far supported the acquired companies' identities and brand names as parts of its overall offering (see Figure 9). So far the shift has involved changes in operating and reporting structures as well as in the legal position of subsidiaries, personnel changes in top management, together with the consolidation and streamlining of operations in several support functions. At the time of the interviews, the integration process was still underway.

I asked the interviewees, specific questions about the integration efforts in order to better understand the motivations and objectives of the process, the measures taken to promote closer integration of different units, as well as the current state. The integration efforts seemed to provide a context for the corporate branding process, and in that both processes aimed at greater coherence in operations on the MNC level, they were seen as largely intertwined - although the link between them was not obvious to all respondents. In particular, it was interesting to see which mechanisms had facilitated and which

factors had inhibited the integration process, and what could be learned in terms of constructing a corporate brand in an MNC. The respondents pointed out several mechanisms facilitating the integration process, which are summarized in Table 6 below.

Table 6   Mechanisms facilitating integration in Wärtsilä

Mechanisms facilitating integration
• Making changes in personnel
• Implementing structural changes
• Having people in top positions who have experience of several businesses
• Establishing common IT systems and support functions
• Establishing strategic account management teams
• Implementing common operating procedures
• Having common projects, meetings and customer forums
• Organizing common internal training
• Using people roadmaps and job rotation
• Establishing common programs and related organizations
• Streamlining business strategies
• Internal communications
• Top directors' example

According to the respondents, organizational restructuring and changes in personnel had contributed not only to enhancing cooperation across businesses but also to creating a common overall approach for all operations. They were also of the opinion that establishing common IT systems and support functions (HR, business control, IT, legal affairs), for instance, increased the coherence of operations in the multinational organization and led to more efficient processes. Indeed, integrating and bridging such functions facilitate the establishment of common procedures, rules and guidelines through which the new ways of working are institutionalized (Jarzabkowski 2005), and drives cross-organizational cooperation in the transfer of knowledge and the leveraging of learning across borders (e.g., Ipe 2003, 349; Gupta & Govindarajan 2000, 479; Pérez-Nordtvedt et al. 2008, 735; Child 2005, 263). Common IT systems, in turn, facilitate knowledge sharing throughout the whole group and provide structured contexts for information exchange (Ipe 2003, 349).

The consistent use of a people roadmap and job rotation enables Wärtsilä employees not only to add to their competences in the global organization but also to familiarize themselves with the different areas of corporate operations and thereby to broaden their perspectives (Nonaka 1994, 29; see also de Chernatony 1999). Rotating individuals who

possess crucial knowledge also facilitates the transfer of tacit, experiential knowledge from one unit to another (Pedersen et al. 2003, 72). In addition, assigning individuals with experience of several operational areas to top positions helps in "busting" organizational silos, i.e. the barriers between business units. These people have a key liaison function in bridging the different units of the overall organization (Gupta & Govindarajan 2000, 478). With their versatile company background they are more likely to identify with the corporation as a whole (cf. Björkman et al. 2004, 447), and hence play an important role in promoting a common corporate culture (cf. Taylor & Ostland 2011, 594) and values in their respective organizations, and thereby in aligning the operations with the corporate objectives (Nohria & Ghoshal 1994, 494; Brexendorf & Kernstock 2007, 37). Top-level interaction across divisional borders and consistency among division heads in drawing up the lines of operation are considered to set an example and communicate a clear message to lower-level employees about the 'modus operandi' (cf. Bergstrom et al. 2002, 137). Clearly, communicating the corporate objectives (see Björkman et al. 2004, 451) and promoting the philosophy of 'One Wärtsilä', as well as keeping up the related dialogue in different parts of the organization, will enhance understanding of the common objectives and develop a basis for cooperation. Such activities also help to change the 'old' attitudes and meaning perspectives of individual employees over time. In addition, compiling business strategies based on mutual understanding and making sure that 'one leg is supporting the other' alleviate the risk of sub-optimization and the development of redundant organizational structures. The top-level people are also in a position to specify the performance-evaluation criteria that will support the integration efforts (Björkman et al. 2004, 451).

Common training arranged for people working in the different business divisions (e.g., management, sales, and technology training) not only enables them to operate across divisional boundaries but also helps in enhancing the overall understanding of Wärtsilä's operations. These international training programs encourage knowledge sharing among the participants (Björkman et al. 2004, 451; Ipe 2003, 349) and provide good platforms on which to develop interpersonal relationships (Gupta & Govindarajan 2000, 479), trust and a common language (Pérez-Nordvedt et al. 2008, 735; Ipe 2003, 349), as well as intercultural sensitivity (Taylor & Ostland 2011, 594). All this, in turn, helps in achieving closer operational alignment.

In addition, common projects, meetings and customer forums offer good opportunities to increase interaction and mutual understanding. They provide structured contexts in which shared meanings can be negotiated and created (Lave & Wenger 1991; Crossan et al. 1999; see also Daft & Weick 1984), and common knowledge to be shared and enacted (Nonaka & Takeuchi 1995). Developing joint programs covering the whole lifecycle of the offering and forming teams focusing on strategic account management to support particular customers throughout the entire business relationship contribute to

the common purpose and project the 'One Wärtsilä' image to customers. Such cross-organizational arrangements provide structures through which units can build up information exchange (Gupta & Govindarajan 2000, 478) and mutual understanding, and make adjustments to their respective activities in order to foster a more integrated approach (cf. Crossan et al. 1999, 528–529).

Hence, several mechanisms were identified that helped the company in its attempts to achieve integration and develop one, coherent corporate body. However, the interviewees also mentioned several *mechanisms inhibiting integration* (see Table 7 below), which also influence operations on different organizational levels.

Table 7   Mechanisms inhibiting integration in Wärtsilä

Mechanisms inhibiting integration
• Employees' attitudes
• Lack of an overall picture
• Employees' identification with the division rather than the corporation
• Lack of discipline
• Lack of opportunity to meet people from different business divisions
• Lack of cooperation between units
• P&L in business divisions
• Organizational culture and structure
• Lack of processes promoting integration

Nearly half of the mechanisms inhibiting integration pointed out by the respondents (see Table 7) existed 'between the ears' of individuals. In particular, attitudes supporting greater independence, excessive entrepreneurial freedom ('being the king of country x', as one respondent put it), and identification with particular business units rather than the overall corporation hinder attempts at integration. The resistance may be on the individual level if integration is perceived to blur the perceived distinctiveness and unique position of the particular business unit (van Riel & van Bruggen 2002, 247). Especially if the benefits of closer integration are not obvious, local actors may be limited in their motivation to comply with corporate initiatives (Nell et al. 2009; Ipe 2003), or they may implement them without believing in their value (Kostova & Roth 2002). This, in turn, inhibits the internalization of common corporate values and the subsequent aligning of activities (Brexendorf & Kernstock 2007, 37; Schultz & de Chernatony 2002, 106). Such attitudes reflect established local understanding (Crossan et al. 1999, 528), as well as organizational politics (Maitlis & Lawrence 2003, 135; see also Geppert & Williams 2006, 53) aimed at strengthening the role and autonomy of individual subsidiaries within the overall corporation (Forsgren 2008, 102; see also

Andersson et al. 2007, 802–803). Orienting the activities of individuals towards unit-level goals and identification with a particular unit fosters learning within it (Roloff et al. 2011, 259), but at the same time may inhibit learning from other units (cf. Osterloh & Frey 2000) and contributing to corporate objectives (cf. van Riel & van Bruggen 2002, 247). Changing existing attitudes and meaning perspectives requires critical examination of the premises on which institutionalized understandings are based (Mezirow 1995, 35; Henderson 2002, 202). If such reflection leads to a major change in mental models and behavior on an individual level (Henderson 2002, 203), and to the decision among local actors to deviate from the prevailing interpretive codes underlining the established organizational practice (Tsoukas & Chia 2002, 579), a move towards a more integrated approach is possible.

In a similar vein, a lack of knowledge and understanding of other units' operations makes it more difficult to form an overall picture and conceive of one's role in the 'complete lifecycle service' offered to customers (see Osterloh & Frey 2000, 545). In addition, a lack of cooperation among the businesses and a lack of opportunities to meet people from other business divisions hinder the integration of organizational units. Here, the more extensive use of integrative practices would not only increase the sharing of knowledge and the leveraging of learning between units, but would also help to blur intra-organizational boundaries (Björkman et al. 2004, 447) and change institutionalized thinking based on organizational 'silos'. Examples of such practices include joint training programs (Ipe 2003, 349; Björkman et al. 2004, 451), cross-organizational project groups and permanent committees (Björkman et al. 2004, 451; Gupta & Govindarajan 2000, 478), the temporary transfer of key personnel (Forsgren 2008, 56), and giving members of the organization the opportunity to interact and develop relationships informally across intra-organizational borders (Ipe 2003, 349; Gupta & Govindarajan 2000, 479; Child 2005, 263; van Wijk et al. 2008, 735; Roloff et al. 2011, 251). As mentioned above, such practices have already been introduced in different parts of the organization in support of integration efforts.

It is worth noting that the degree of integration as perceived by different units or area organizations may vary, and hence practices aimed at supporting it further should be targeted specifically at units and areas feeling most detached from the corporate body. Indeed, among the respondents the perception of the degree to which the company already operated as one corporate body varied from "I don't think we are really one company" and "We still have a lot of silo-thinking" to "Here we've always felt that we are part of one company", depending on the geographical area in question. It is therefore evident that individuals base their interpretations of the current state of the integration process on their particular contexts and their experiences within them, and that established local understandings and practices influence these interpretations (Crossan et al. 1999, 528; Argote et al. 2011, 666).

Finally, the interviewees pointed out certain corporate-level mechanisms that went against integration efforts. An organizational culture that is 'very much based on the individuals' initiative' and 'on the individual volunteer basis', as one respondent put it, does not support integration. Moreover, the current organizational structure was not perceived to give optimal support to the 'One Wärtsilä' philosophy. For instance, having 'the P&L' (profit and loss account) in business divisions was seen to encourage sub-optimization to some extent. As one interviewee said, *"Well, I think, because each of the businesses have their own budget, their own profitability to protect and develop, there is a certain conflict of interest..."* thus illustrating the balancing between unit and corporate objectives (see Ghoshal & Bartlett 1990; Forsgren 2008; Björkman & Forsgren 2000). Hence, although it appeared that cooperation between different business areas had increased over the past few years, the lack of a clear process linking the different divisions in one approach and the lack of mechanisms to promote such an approach on the business level were seen to work against full integration.

In addition to the obvious threat of sub-optimization, competition between profit centers also hinders the transfer of tacit knowledge on the team level, even in teams that were formed specifically to foster integration between units. Team members have no incentive to share knowledge that would benefit competing units as long as they are compensated according to their own unit's profitability. (Osterloh & Frey 2000, 545) Here, aligning the reporting structures (Wenger 1998) and performance-evaluation principles (Björkman et al. 2004, 451) more closely with the corporate objectives, as well as establishing organizational structures and systems that legitimize the desired way of acting (Jarzabkowski 2005, 86; 90) would support closer operational integration. In addition, using individuals with the necessary resources, expertise and social skills as change agents on different organizational levels to foster a common culture and the acceptance of corporate priorities (cf. Lawrence et al. 2005, 185; 189–190) would assist corporate management in its integration efforts. Here, the careful planning of the people roadmap and the efficient use of job rotation, which are already established practices at Wärtsilä, could be of help.

In sum, it is clearly of crucial importance to have the right top-level people with the right attitudes, resources and readiness to cooperate across organizational borders actively driving the integration. Their example sets the tone for operations on lower levels, and guides the necessary adjustment of the organizational culture to better support the One Company philosophy. In addition, developing cross-organizational processes and mechanisms that link people from different units, and providing opportunities for direct, face-to-face interaction among them increases mutual recognition and understanding, and facilitates the construction of an overall view of the company. Finally, making sure that the organizational structure, systems and manage-ment mechanisms fully support the integration efforts – or at least do not compromise

them – provides a solid basis and guides organizational behavior in the desired direction.

In parallel with its integration efforts, the company has taken determined steps to further develop its corporate brand. The discussion in the rest of this chapter concentrates on these efforts. Let us start with an overview of the branding process.

5.1.3   *Constructing the corporate brand*

The starting point for the examination period of this study was the year 2005 when the first brand manager was hired to develop the corporate brand under the CEO's supervision. Although the origins of the Wärtsilä brand name date back to 1898, 2005 marked the start of a systematic and determined move towards a single, strong corporate brand, Wärtsilä. Earlier the company had operated as a house of brands (Aaker & Joachimstahler 2000) manufacturing and marketing all kinds of products from "lavatory bowls to locks and porcelain", as one respondent put it. It had grown by acquiring other companies, and the acquired brand names were also supported in different product categories (see Figure 9). This strategy resulted in a high number of different brands, many of which did not have any connection to the corporate brand name. In fact, the name changed a couple of times over the years, until it reverted to Wärtsilä at the beginning of the 2000s. During that time it was also decided to reassess the scope of operations and to create a company with a clear focus and businesses with enough in common in terms of the underlying technology, for instance, to be of mutual benefit.
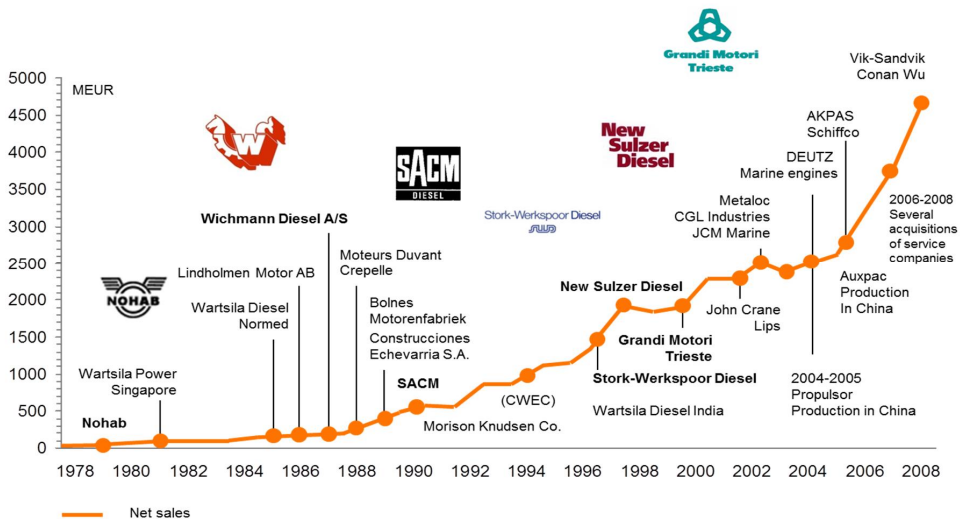

Figure 9   A house of brands developed through acquisitions

The first step in the corporate branding process in 2005–2006 was to conduct a strategic brand analysis (Aaker 1996, 68), which enabled the new brand manager to familiarize himself with the context (see Knox & Bickerton 2003).

"In the initial phase when we defined what is Wärtsilä and what is its mission, vision, strategy and that, we had all business divisions... I was in those meetings, trying to understand what this (company) was all about."

At that time the CEO was heavily involved in the process. He had made the decision to move all company operations under the Wärtsilä brand name, and showed strong commitment to that decision in his subsequent actions. His commitment and support were considered crucial for the success of the whole endeavor (see Balmer & Gray 2003, 979; Hatch & Schultz 2003, 1045; Ind 2003, 398). Without top-level support it would have been very difficult to implement the desired change (Balogun & Johnson 2005, 1573; 1596) and to achieve the necessary organizational alignment (Topalian 2003, 1120).

A brand personality study was conducted among the company's management in early 2006. The process involved collecting stories that would capture the essence of Wärtsilä and communicate its unique features in a distinctive way. As a result, eleven specific adjectives depicting the Wärtsilä personality were identified:

- Reliable – no empty promises;
- Enthusiastic – we have a passion for engines; we get things done;
- Innovative – not the most obvious solutions;
- Socially intelligent – we have a lot of experience and stories;
- Supporting – we are there for the client;
- Open – we have nothing to hide;
- Calm – no obstacle makes us crumble;
- No-nonsense – we focus on the relevant;
- Strong – we are major players in our field;
- Fresh – keeping up to date; and
- Business-minded – we provide tools for profit.

The insights gained from this exercise together with the key elements of the corporate strategy were then used as a basis for creating the brand concept, i.e. its identity (Aaker 1996, 68), and the key values underlying its positioning (see Knox & Bickerton 2003). An advertising agency was responsible for the planning, in close cooperation with the Brand Manager. It resulted, for instance, in the revised corporate logo (Fig. 10).

Figure 10   The new corporate logo of Wärtsilä: towards a branded house

The new brand imagery, logo and slogans were launched in early 2007. The renewed visual identity communicated a unified corporate body, a change in focus from products to solutions as well as a firm commitment to environmental values. The core of the brand was summarized in a brief statement of intent (de Chernatony 2001a; 2001b): "We are the engine of industry". Internally, the communication process included training, information releases, branded personal items as well as clear instructions and guidelines for the use of the brand elements in different contexts. The brand core was articulated to the personnel via agreed, characterizing statements (Knox & Bickerton 2003) such as 'I'm the engine', and 'We are the doers'. The new visual identity was implemented in phases in order to avoid the excessive costs that immediate and complete renewal would have entailed.

The stages of corporate brand development are depicted in the internal presentation material shown in Figure 11.
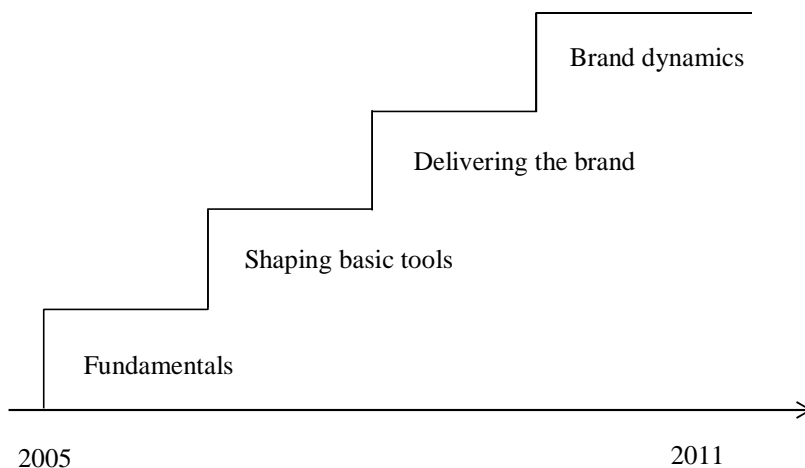

Figure 11   The stages of corporate brand construction at Wärtsilä

Establishing the fundamentals involved developing the concept, the hierarchy, the style and the tone of voice, initiating cross-selling, and producing a new customer magazine. During the second stage, shaping the basic tools for brand building, the new visual identity was designed and launched, a toolbox for brand communications was set up, and a Brand Board was established to assume overall responsibility for developing the corporate brand. The third phase focused on closing the gap between internal and external marketing and communications. A new corporate-wide intranet was launched, and work with the visual identity continued as a result of which new concepts and guidelines covering sponsorship and arranging events, for example, were developed. The emphasis in the final brand dynamics stage, which is ongoing, is on deepening understanding of the brand both internally and externally. The aim is to create a WOW effect among the company's stakeholders by introducing solutions that customers could not even ask for, promoting the image of a modern company with a broad view of the industry, and acting as a trusted partner.

The activities of corporate brand construction at different phases of the overall process are summarized in Table 8.

Table 8   The activities of corporate brand construction at Wärtsilä

Phases	**Activities**
Phase I (2005–2006) *Establishing the fundamentals*	Hiring the first brand manager Harmonizing the naming policy Analyzing the brand context Conducting a brand personality study Planning the brand concept and hierarchy (the brand manager and the advertising agency) Launching a new customer magazine
Phase II (2006–2007) *Shaping the basic tools for brand building*	Launching new brand-identity elements as well as visual identity guidelines and slogans Launching a toolbox for brand communications Producing brand-aligned marketing and communication materials Establishing the Brand Board
Phase III (2007–2008) *Delivering the brand*	Hiring a new vice president for communications and branding Rolling out and further developing brand-aligned marketing and communication materials Launching the new corporate intranet Adding new concepts and guidelines to the visual-identity guidelines
Phase IV (2009–) *Brand dynamics*	Communicating the brand through various channels Appointing new brand managers as of January 2011 Appointing area directors of communications and branding Conducting a brand audit (planned)

Clearly, in the initial phase the decisions made by top management to hire a brand manager and to harmonize the naming policy in the organization instigated the process of deliberate corporate brand strategizing. This stage also involved a lot of analysis and planning, which materialized in the construction of the new brand identity and related symbols and slogans, as well as a variety of brand-aligned communication materials, guidelines and tools at later stages. In the course of the process the appointment of a vice president to assume overall responsibility for communications and branding, two new brand managers (as the former brand manager had assumed other responsibilities within the company), and three directors of communication and branding in the main market areas strengthened the centralized branding organization. In addition, establishing the Brand Board institutionalized the roles of the business-marketing directors in the planning and management (see Wenger 1998). At the time of the interviews, plans were also in place to conduct an audit in order to find out where the brand stood in the minds of the organizational members and the company's customers compared with the competition, and for what reasons (King 1991, 269).

Overall, the process and its characterization as steps in the presentation material appeared to follow the traditional line of thinking described in Chapter 3.1, according to which (brand) strategizing flows from analysis and planning to construction, communication through various tools and channels, and the monitoring of performance. In particular, it seems to reflect the six stages of corporate brand development suggested by Knox and Bickerton (2003, 1006–1012): 1) brand analysis (i.e. analyzing the context: the vision, image and competitive landscape); 2) brand construction (i.e. defining the key benefits or values that underlie its positioning); 3) brand confirmation (i.e. articulating the proposition to internal and external stakeholders in a series of agreed statements); 4) brand consistency (i.e. developing consistent communications); 5) brand continuity (i.e. aligning the relevant business processes with the corporate brand); and 6) brand conditioning (i.e. monitoring its relevance and distinctiveness on a continuous basis). Naturally, the different phases overlapped, and some of the basic elements of the brand were amended during later stages of the process. However, according to the thoughts expressed by the respondents, the elements ('the mechanical side' of the brand, as one respondent put it) were by and large in place at the time of the interviews, and the current agenda was mainly to enact it and fill the elements with the 'right' meaning.

After the launch in 2006 the brand proposition had been articulated both internally and externally, and consistent messaging developed to support overall coherence in communications (see Knox & Bickerton 2003; Hakala et al. 2011, 449). Hence, by the time of the interviews the process had moved to Knox and Bickerton's (2003) fifth stage: aligning the relevant business processes with the corporate brand (which they call 'brand continuity'). The plan to conduct a brand audit even implies an intention to

monitor its relevance and distinctiveness, which represents the final phase in Knox and Bickerton's (2003) framework. Following the traditional line of thinking and the six stages of brand construction discussed above indicates a linear approach to the process (see Vaara & Laine 2006, 157; Barrett et al. 1995, 352), as well as an intrinsic belief that the decisions made at the top, of which the lower ranks of the organization are informed, lead to the internalization and enactment of a coherent brand identity (see Järventie-Thesleff 2011, 32; 60). What it fails to acknowledge, however, is the emergent and ongoing nature of the process, in other words the fact that a corporate brand is under constant construction in the everyday interactions among the organizations' internal and external stakeholders (Järventie-Thesleff 2011, 51; 60), in a dynamic interplay between aspects of brand identity, actual communication and brand images. More specifically, it fails to account for the processes of organizational learning, or the organizational, social and cultural dynamics that either foster or inhibit the 'right kind of' learning within multinational corporations (cf. Järventie-Thesleff et al. 2011, 198). This is not to suggest that the process should not include activities such as conducting analyses, constructing the brand identity, articulating the proposition and so on as proposed in existing models (see Chapter 3.1): it rather highlights the fact that each of these activities is more or less continuous as opposed to consecutive, and most of them require the commitment and engagement of members of the organization other than brand management in order for the construction endeavor to succeed (see e.g., Ind 2003). As discussed in Chapter 2.6, the contribution of the personnel is crucial in terms of constructing and communicating the brand essence not only internally but also with external stakeholders.

5.2   Constituents of the brand essence

The constituents of the Wärtsilä brand meaning are discussed below from two perspectives: brand management (Chapter 5.2.1) and the individual members of the organization (Chapter 5.2.2.). In the former case, various brand-communication materials comprised the main source of data, whereas in the latter it was the interview data. It is assumed in this study that the way people conceive of the corporate brand and its relation to their own work (cf. Mantere 2005, 166) influences the way they make sense of the brand essence and the relevance of branding in relation to their own activities. Consequently, both of these sub-sections define the concept of the corporate brand and discuss brand essence as articulated by brand management/individual organizational members. Illustrative quotations are used for both accounts, and the general rationale behind the corporate-branding endeavor is described from both perspectives. In conclusion the two perspectives are compared in Chapter 5.2.3.

5.2.1   The corporate account: the brand-management perspective

The concept of brand is defined in the Wärtsilä Brand Book as follows:

"*A brand is not merely the logo or visual identity, but rather a combination of identity and reputation. Our reputation is based on what we promise and how we perform. This way we all build the brand.*" (Wärtsilä brand book)

Hence, the conceptualization, which clearly acknowledges the perspectives of both the organization and its stakeholders (see de Chernatony & McDonald 1992; Aaker 2004; Hatch & Schultz 2009; Ind 1997; Kay 2006), rests on two main elements: organizational identity and corporate reputation. The identity, or the conception of what/who the company is as an organization (Albert & Whetten 1985; see also Balmer & Gray 2003), appears to build on the *company's heritage*: its long tradition in the selected business areas, its vast experience of producing solutions to meet customer needs in these segments, and its passion about the technology used in the solutions. This heritage, in turn, is seen as a source of pride for all employees. It conveys a sense of stability and confidence to all organizational members in the face of environmental turbulence, and the need for continuous development and change (Hakala et al. 2011, 447).

Another important aspect of the organizational identity concerns *what the company does and how* (Balmer & Gray 2003). Its operations focus on producing innovative solutions that benefit customers in being both economically and environmentally sound. Wärtsilä's common values, Energy, Excellence and Excitement, guide the way its members operate by setting a template against which its activities are evaluated.

Energy: Capture opportunities and make things happen.
Excellence: Do things better than anyone else in the industry.
Excitement: Foster openness, respect and trust to create excitement.

These values, in as far as they guide organizational action in practice[47], also contribute to the development of reputation, which builds on what the organization promises and what it delivers. Hence, it involves an evaluation of performance against the expectations of stakeholders (e.g., Dowling 1994; Fombrun 1996; Forman &

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[47]   Here one should make a clear distinction between the espoused organizational values (Argyris & Schön 1978) promoted by management and the real values that inform the day-to-day action (Schein 1985, 17). Any diversity between the two "raises issues about the extent to which different parts of the organization are pulling in the same direction'', as de Chernatony (2002, 128) points out.

Argenti 2005). The better it is able to live up to its promises, the better its reputation, and the stronger its corporate brand. In contrast, if the promises given are not supported by behaviors expressing the declared values, the credibility of the branding endeavor is endangered.

Overall, it seems that the way the corporate brand is conceptualized in Wärtsilä reflects the aim to forge a stronger alignment between its organizational identity and corporate reputation, as well as between the promises it makes to its stakeholders and its performance. The personality developed for the corporate brand is seen to provide a basis on which to differentiate the company (see e.g., Knox & Bickerton 2003, 999; Balmer & Gray 2003, 985) in the market, and to produce coherent communication in all situations (see e.g., Knox & Bickerton 2003, 1013; Bick et al. 2003, 842). It is built on the company's heritage (e.g., Hatch & Schultz 2003; Hakala et al. 2011) and customer benefits (e.g., Urde 2003; 2009; Dowling 1996; de Chernatony & McDonald 1992; Merrilees & Miller 2008). Thus the brand is seen simultaneously as a set of elements (identity and reputation), a bundle of values, and a strategic tool for communication (see Chapters 2.2, 2.4, and 2.5).

The core essence of the brand identity (as defined in the Brand Book) comprises three dimensions: *passionate & creative*, a *'can do attitude'*, and being a *trusted partner with a worldwide presence*. These values are supported by the organization's desire to provide the best possible products and support, its willingness to break new ground in technology and service as a leading innovator in the industry, the desire to get things done, being focused on delivering customer benefits and fostering long-term relationships based on trust, and finally, having a world-wide presence enabling customer intimacy. The driving force behind all the activities is the *passion* for what is being done: for products and services, for innovation, for making things happen and doing things better than anyone else in the industry, for fulfilling promises given to customers, and for maintaining personal contact with customers all over the world.

"Passion for engines is in our core, it's our DNA and our heritage. It's where our work-ethic originated and it is why we can be trusted to produce results."(Internal presentation 2007)

The articulation of the brand identity changed, depending on the audience. In internal communications the passion for getting things done was conveyed in the slogan: 'I'm the engine', whereas in external communications the company's role as a most valued business partner was expressed as 'We are the engine of industry'. The concept of 'engine' in this context refers to 'a doer, a source of energy, a motivating factor, a hard worker, a source of power, the core' (Internal presentation material 2007). The use of such a metaphor enables individuals to create associations with the intended brand core

(Nonaka & Takeuchi 1995, 67), and interpretations to be negotiated and shared on higher organizational levels (Donellon et al. 1986, 48; Crossan et al. 1999, 527; Berson et al. 2006, 583).

"The world has enough talkers. We are doers. We are more than 18,000 men and women dedicated to achieving our clients' goals. Our heritage as an engine maker lives on today in a can-do attitude that spans the globe. Passion and creativity constantly drive people to create better technologies, systems and services that bring higher return on investment, find ways to organize customers' operations and personnel more cost effectively and create new business concepts. We foster a culture of openness, respect and trust for a simple reason. It brings results. It encourages our people to innovate and create. Our engines and solutions last for decades. When planning solutions or services we thing throughout the entire lifecycle of the solution." (Company brochure 2008)

The overall goal of the brand-building effort, as stated in the internal material, is 'to make people know how good the company is'. After all, it is easier to buy products and services from a company that is already familiar. Apparently, raising awareness and familiarity among the organization's stakeholders should lead to the development of preference towards the company (Balmer & Gray 2003, 985; Knox & Bickerton 2003, 999). In order to achieve this it is essential that all personal contacts and all marketing actions communicate the same story, and hence contribute to brand consistency and continuity (see Knox & Bickerton 2003). Thus, all individual efforts combined greatly enhance understanding of Wärtsilä. In addition, the more coordinated messages there are, the greater the strength of communication (see Knox & Bickerton 2003).

According to the brand-communication materials, having a strong brand is expected to 1) enhance the value of the company among all its target audiences (cf. Balmer & Gray 2003; Einwiller & Will 2002; Mukherjee & Balmer 2008), 2) create sales and marketing synergies (cf. Urde 1994), 3) lead the communication of a differentiated value proposition (e.g., Hatch & Schultz 2003; Knox & Bickerton 2003; Bick et al. 2003; Urde 1994), 4) promote recognition of the firm as a prestigious company and leader in its field (de Chernatony 2001), and 5) create business opportunities for the company by increasing brand permission and making it a more attractive partner (e.g. Xie & Boggs 2006; Balmer & Gray 2003; Einwiller & Will 2002). Hence, from brand management's perspective the corporate brand is first and foremost a strategic tool with which to establish and strengthen the company's position on the market and to communicate that position to its stakeholders.

5.2.2   The organizational account: the perspective of individual organizational members

Reflecting the official account of brand management, the individual interviewees considered corporate branding important for the company's success (with the exception of one hesitant respondent). The development of a corporate brand was seen to increase recognition in the markets (de Chernatony 2001) and boost sales (e.g., Einwiller & Will 2002; Mukherjee & Balmer 2008; Balmer & Gray 2003), enhance profitability (e.g., Balmer & Gray 2003), give 'a kind of citizenship' to employees (Hatch & Schultz 2003), convey to customers the feeling of a global company (cf. Hatch & Schultz 2003; Knox & Bickerton 2003; Bick et al. 2003), and increase the effectiveness of corporate communications (e.g., Urde 1994).

When asked to define the concept, the respondents identified six main dimensions. First of all, it was characterized as a *broad concept*, incorporating "what we are, what we want to be and what external stakeholders think of us". The organizational members and their actions create the soul of the brand (see e.g., Ind 1997; Hatch & Schultz 2003): *"what we do and what we talk - how we are shown to the external world and how we look and so on"*. Accordingly, the elements of the corporate brand encompass organizational identity (Balmer 2001; 2008c; Leitch & Richardson 2003), the corporate vision (Hatch & Schultz 2003; Knox & Bickerton 2003), and corporate images (Hatch & Schultz 2003; 2009; Knox & Bickerton 2003; de Chernatony & McDonald 1992). A few respondents referred to values as of central importance in terms of defining the company's way of behaving and profiling itself, thereby supporting the construction of the brand (see e.g., de Chernatony 2009; Urde 2003; 2009). Values were also characterized as "one form of keeping the brand promise" (see e.g., Dowling 2008).

"...(as) the brand, according to my understanding, represents the crystallization of our activities and products, so in that sense I would see that for sure the values are a central part of what the brand reflects."

"Anyway, a brand is significantly more than a mere product name or a trademark. It also covers the values surrounding the company and the product, and I would say that it is very much an aggregate concept, which includes both a part of the product, very much also a part of the company, its culture and its way of doing business. And from there all the way to creating a degree of total satisfaction for the customer."

Many respondents emphasized the *perceptional and personal nature* of the corporate brand, describing it as a mental snapshot or perception of the company, as well as an association that immediately conveys a feeling of what the company is all about and

what to expect from it. These references to a mental picture of the brand imply its final form (de Chernatony & McDonald 1992, 18), the brand image. Such associations and the degree to which they match the desired brand identity define the success of the branding endeavor (Ind 1997, 2; 40). However, without a parallel understanding of the deliberate, long-term efforts required to build a corporate brand, they may also indicate a failure to differentiate between the brand and the image, or reputation, as concepts.

The concept of brand was also associated with reputation, *being well known*. Respondents explained that it was easier to sell a strong corporate brand: everyone knows what the company (with a strong corporate brand) is all about, and thus, there is no need for excessive promotional efforts. These characterizations connected the concept specifically with the brand name, and acknowledged the fact that a strong corporate brand increased the organization's visibility and recognition on the market (de Chernatony 2001). Some respondents also saw it as *a tool with which to communicate a promise* to the company's stakeholders (see e.g., Knox & Bickerton 2003; Leitch & Davenport 2008; Ind 1997). It has to do with "how we express ourselves", as one respondent pointed out. What the company can offer its customers and other stakeholders is encompassed in the corporate brand (see e.g., Aaker 2004).

Finally, the corporate brand was perceived as being *long-lasting and of strategic importance* (see Hatch & Schultz 2003; Balmer & Gray 2003). Whereas an advertising campaign may be created for one year, "the brand stays", as one of the interviewees explained. Brands were considered increasingly important in the contemporary business environment, and if a brand can achieve a similar level of significance as Apple, for instance, it "has huge value for the company", as another interviewee put it (see Ghauri & Cateora 2005, 256).

Overall, the respondents were fairly coherent in their understanding of the corporate brand as a concept, presumably because many of them represented either branding or marketing functions, and also due to the determined efforts at communicating the concept to the organizational members through the relevant materials. For instance, the slogan that 'a brand is not merely the logo' presented in internal communication materials was repeated by several respondents - not all of whom represented the branding or marketing functions. Hence, it seems that the basis on which the respondents started to construct the meaning was fairly coherent and in line with the prevailing academic understanding: a corporate brand was perceived as a strategic tool with which to communicate the distinctiveness of the company as well as its promise to stakeholders on an ongoing basis, which in turn results in a certain corporate image and reputation.

The interviewees were also asked what, in their opinion, the Wärtsilä brand stood for. This specifically addressed the first research question – What constitutes the meaning of a corporate brand? – from the interviewee's perspective. The way people

expressed the essence of their corporate brand and the elements they emphasized varied considerably. The resulting descriptions are depicted in Figure 12 below as an aggregate mental map.
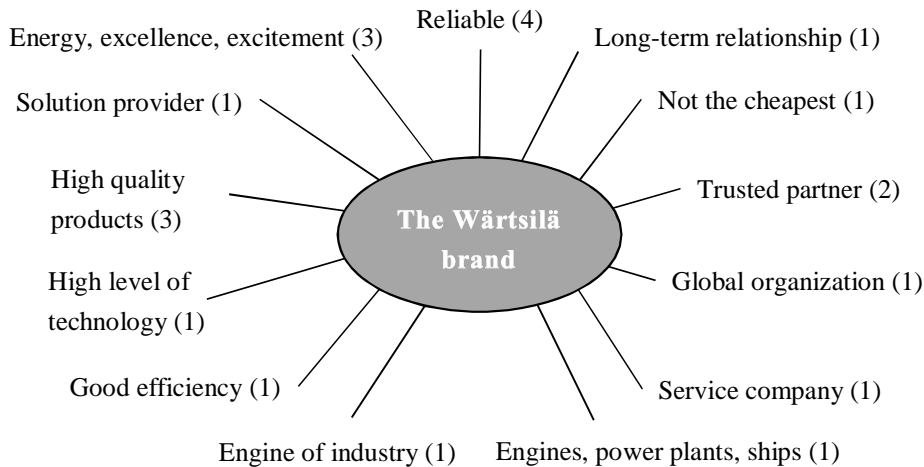

Figure 12   The meaning of the Wärtsilä brand as expressed by the respondents
              (n=15)

As Figure 12 shows, the meaning of the corporate brand as constructed by individual members of the organization (i.e. the respondents) comprises several dimensions[48]. The number in parentheses after each one indicates the number of respondents referring to that particular quality. There is clear evidence of polyphony with regard to the very essence of the brand. It was characterized in terms of the products it represents and their qualities (engines, power plants, ships; high-quality products; a high level of technology; not the cheapest; reliable; good efficiency), organizational characteristics (global organization) and values (energy, excellence and excitement), as well as the kind of stakeholder relationships aimed at (long-term relationship, trusted partner) and target positioning on the market (service company, solution provider, engine of industry). Hence, elements communicating both internal and external perspectives were perceived to form the essence of the brand (see de Chernatony & McDonald 1992, 18).

Clearly, the way the respondents made sense of the brand essence reflected their diverse histories and experiences within the company (cf. Argote et al. 2011), as well as the different degrees to which they had been involved in the development of the

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[48]   According to de Chernatony (1999, 168), this is normal: it would be wrong to assume that all members of the organization would have the same mental models of the brand.

'official' communications. For instance, only the marketing professionals mentioned the solution and service perspectives, whereas those who were in more direct contact with customers emphasized product- and relationship-related qualities. Interestingly, the official organizational values were connected to the brand with reference not so much to the words energy, excellence and excitement as to the fact that they *should* form a central part of what the brand reflects. One respondent also emphasized that despite the fine words, the current set of values were too abstract to build a brand identity on in practice. Hence, although the brand essence was seen as deriving from organizational values, the current 'official' values did not seem to provide an appropriate basis on which to build the brand. What is also interesting is that only one interviewee mentioned 'global organization' as an important dimension of the brand essence. This is especially noteworthy given that the global reach of operations and the local services the company offers its customers worldwide is one of its main sources of competitive advantage. Multiculturalism and the global reach of operations were also among the most frequently cited values the respondents associated with the organizational culture.

The next step was to find out where the individual qualities originated, and thus to identify the factors contributing to the construction of the brand meaning in the minds of the organizational members. The proposed dimensions were therefore compared with the corporate communications materials (e.g., strategy documents, company brochures, brand-communication materials, the corporate website), as well as with the respondents' views of the characterizing qualities of the organizational culture, identity and values, the construed image, and the company's positioning on the market. All of these areas were separately addressed in the interviews (see the interview questions in Appendix 1).

Table 9   References to the perceived brand qualities in other contexts

	Corporate communication materials	Organizational culture and values	Organizational identity	Construed image	Competitive positioning
Reliable	x		x	x	
Trusted partner	x		(x)	x	
Long-term relationship	x				x
Global organization	x	x	x		x
Energy, excellence, excitement	x	x			
Service company	(x)			x	
Engines, power plants, ships	x		x	x	
Engine of industry	x				
Good efficiency	x	(x)			(x)
High level of technology	x		x	x	x
High-quality products	x		x	x	x
Solution provider	x				x
Not the cheapest			x	x	x

A cross in the above table signifies that the particular brand quality was referred to in more or less the same words as in the corporate communication materials or the interviews when the respondents were asked to describe the organization's culture, values, construed image or competitive positioning. A cross in parentheses indicates that the issue was discussed, but not in the same words.

Reliability was linked not only to the corporate brand but also to organizational identity. One of the respondents described it as the basis on which the corporate brand had been built since the early days, and specifically referred to products that were traditionally designed to function reliably at all times. Customers and other stakeholders were also assumed to perceive Wärtsilä as a reliable company. Moreover, reliability was seen to contribute to being trusted as a partner, 'who keeps things rolling'. Becoming a trusted partner, in turn, was supported by a firm belief in the company 'being out there with the customer', which was seen to characterize its organizational identity. The strong local presence and the close interpersonal relationships developed over time also fostered long-term relationships with customers. In addition, the global reach of operations was seen not only as a source of competitive advantage, but also as a crucial part of the organization's identity and culture. Indeed, many of Wärtsilä's employees

appreciated the multicultural working environment. The product-related attributes, with the exception of efficiency, were linked to the perceived organizational identity and the construed corporate image. The high level of technology, high product quality and not being the cheapest were also assumed to position the company against its competitors. The organizational culture was described in terms of fast decision-making, dynamism and the worldwide reach of the service network, thereby contributing to operational efficiency.

Not surprisingly, all the characterizing features except 'not the cheapest' are present in the corporate communication materials[49]. Thus, it can be assumed that the deliberate efforts to communicate the brand meaning contributed, to some extent, to how individual respondents made sense of the brand. Some characteristics are fairly self-evident and objective descriptions, such as 'global organization', 'engines, power plants and ships', and 'not the cheapest', whereas others clearly attach certain values to the descriptors (e.g. 'trusted partner', 'reliable', 'high quality of products') or position the company as a specific kind of actor in the market ('solution provider', 'service company'). It is worth noting that most of the 'value-laden' descriptors were also mentioned in the context of organizational identity ('reliability', 'high quality products', 'high level of technology'), and could thus be assumed to reflect the real organizational values. On the other hand, the respondents' made no explicit reference to 'service company' or 'solution provider' when discussing the organizational identity, whereas the company's products and their qualities were described in diverse ways. This suggests that, despite efforts to position the company as a solution provider rather than a product producer, in the minds of the respondents product-centered thinking still dominates[50].

In sum, the analysis of the individual accounts revealed clear polyphony in the construction of brand meaning, as well as potential sources that contribute on an individual level. It also showed that the brand essence as described by the respondents was largely built on the perceived organizational identity, i.e. the individuals' sense of self (e.g., Hatch & Schultz 2002), but could also have been affected by systematic brand-positioning efforts. Furthermore, it could have been influenced by construed images, in other words the way the organizational members believe external stakeholders perceive their position in the market (Dutton & Dukerich 1991; Gioia et al. 2000). Hence, the meaning of the corporate brand seems to result from interaction between the input process and the output process (de Chernatony & McDonald 1992, 18; see Chapter 2.2),

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[49]   Although the company does not primarily position itself as a service company in its communications (hence the cross in parentheses), it emphasizes solutions and promotes a wide variety of services as an integral part of its overall portfolio.

[50]   On the other hand, the fact that several of the questions approached 'the essence of the company' from different angles (corporate brand, organizational identity and culture as well as competitive positioning) might have made the respondents unwilling to repeat things they had already said previously.

in other words the organization's efforts at corporate brand construction and the corporate images developed by stakeholders in response. From this perspective, the meaning of the corporate brand appears to evolve in dynamic interaction among the following three elements: its identity as conceived by brand management, corporate (brand) communications as enacted by the organization's members, and corporate (brand) images as created by its stakeholders. In particular, the brand identity constitutes the basis of the promise (Dowling 2008, 183), or an informal contract between the organization and its stakeholders (Balmer 2008) communicated in a planned manner, whereas the actual interactions between the parties determine the extent to which the promise is kept in practice. Hence, although deliberate strategizing efforts may have an influence on the resulting brand images on the individual level, the meaning of the brand is always created within the relational context between the organization and its stakeholders, and in relation to their experiences and pre-understandings on the organization (Wenger 1998, 8; Argote et al. 2011, 666).

5.2.3 *Comparing perspectives*

The previous two sub-sections discussed the focal brand essence from two perspectives: brand management and the individual members of the organization. The characterizations compiled in the following figure are based on the elements of the framework developed in Chapter 2.3.

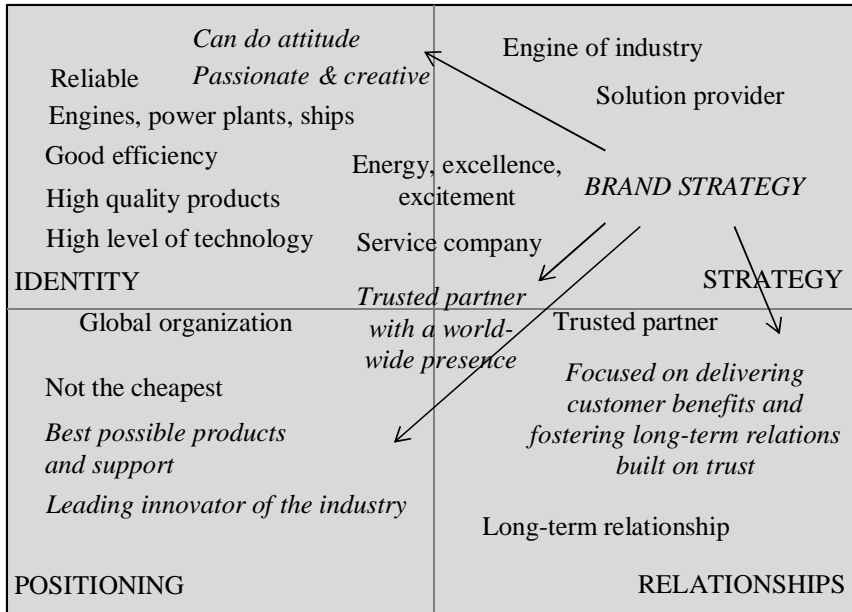| IDENTITY	STRATEGY
Can do attitude Reliable *Passionate & creative* Engines, power plants, ships Good efficiency Energy, excellence, excitement High quality products High level of technology Service company *Trusted partner*	Engine of industry Solution provider *BRAND STRATEGY*
POSITIONING	RELATIONSHIPS
Global organization *with a world-wide presence* Not the cheapest *Best possible products and support* *Leading innovator of the industry*	Trusted partner *Focused on delivering customer benefits and fostering long-term relations built on trust* Long-term relationship

Figure 13   Constituents of the brand essence

Figure 13 above summarizes the characterizing qualities of the Wärtsilä brand as pointed out in the corporate account (italic) and the interviews (non-italic). The characteristics are positioned according to the four dimensions constituting the framework for corporate brand construction proposed in Chapter 2.6. Although all the elements outlined in the corporate account could be positioned in the strategy square, the same logic is applied to them in order to get a deeper understanding of the brand construction.

Both the corporate and the organizational account emphasize the firm's global presence as well as its strategic goal to become a trusted, long-term partner for its customers. In addition, the high quality of the products and the company's innovativeness are referred to in both accounts. Whereas the brand strategy characterizes the company equally in terms of its organizational identity, its positioning vis-à-vis its competitors, and its strategic-relationship-centered objectives, the organizational account emphasizes organizational-identity dimensions more strongly, as well as those relating to customer relationships. Here it should be acknowledged that the corporate account and the organizational account were constructed at different points of time - the latter at the time of the interviews in 2011 and the former at the time of the brand launch in 2006. Following the creation of the brand strategy, solution and service-provider thinking has replaced the promotion of products in official communications to an even greater extent, and hence has also started to influence the sensemaking of the organizational members, at least those involved in producing the brand messaging.

It is evident from Figure 13 that both the corporate and the individual organizational members' accounts touch on all the suggested dimensions: organizational identity, corporate strategy, stakeholder relationships and strategic (brand) positioning. At the same time it is recognized that, as with many other conceptual frameworks, alternative labels could be used that would result in a different type of figure. For instance, 'targeted image' is a dimension under which many of the qualities could fall. However, compared to earlier frameworks (see Chapter 2.3), the elements suggested above seem to better address the constitutive elements on which the meaning of the corporate brand builds. Essentially, the strategy dimension comprises various characterizations stemming from the articulated corporate strategy, the brand strategy and the 'official' organizational values. Hence, to label this dimension 'strategic vision' (as Hatch & Schultz 2001; 2003 propose) would not cover the actual contents. Similarly, organizational identity includes a variety of factors pointing to the business scope of the company in addition to features characterizing the organizational culture, and therefore better represents this dimension (see Hatch & Schultz 2001; 2003). The centrality of the relationships emphasized earlier in this book is also supported in the figure, as is the fourth dimension, strategic positioning. Indeed, the brand essence as perceived by both brand management and members of the organization is partly constructed vis-à-vis the company's competitors and the qualities of relationships it wishes to establish with its customers (see Figure 13). *Hence, according to this empirical inquiry, the dimensions of organizational identity, corporate strategy, stakeholder relationships and strategic (brand) positioning appear to form a framework for the construction of corporate brand meaning in a B2B context.*

Having analyzed the constituents of the brand essence, I now focus on managerial efforts to give sense to the corporate brand during the examination period. The analysis in Chapters 5.3 and 5.4 covering the activities, practices and practitioners of corporate brand construction address the second research question: How do managerial strategizing practices contribute to the construction of brand meaning in a multinational corporation?

5.3   Giving sense to the Wärtsilä brand

Strategy is defined in Wärtsilä as *a long-term action plan for achieving the strategic vision.* The aim is to give a direction to the company and its employees, explain its positioning and how it differs from its competitors, set the framework and make room for business and local actions, maintain a connection with the daily work, and build commitment. (Internal presentation 2011) The corporate brand, as discussed above,

provides a strategic tool with which to position the company among the relevant stakeholders, and hence assist it in achieving its strategic vision.

The following sub-sections analyze the actors, activities and practices involved in the brand-construction process in some detail in order to shed light on the managerial efforts in the focal MNC. I draw on the practice approach to strategy, which I introduced and discussed in Chapters 1.4.3 and 4.2.1. I also discuss the influence of the multicultural context on the brand-strategizing efforts. I will begin with the actors, in other words the practitioners of the corporate brand strategy at Wärtsilä.

5.3.1   The actors and their roles

Actors in this research refer primarily to the individuals in different units, functions and levels of the focal MNC who contribute to the construction of the Wärtsilä brand, but also to external advisors who have been involved in the process (see Whittington 2006, 619; Jarzabkowski & Spee 2009, 71–72). Each actor is expected to construct and enact the corporate brand in terms of his/her interests, motivations and purposes (Whittington 2007, 1579), as well as his/her interpretation of the brand and the branding endeavor (Hatch & Schultz 2009; Daft & Weick 1986; Crossan et al. 1999; see also Maitlis & Lawrence 2003), belief in its value (Ipe 2003; see also Cohen & Levinthal 1990; van Wijk et al. 2008, 846), and identification with the process (Osterloh & Frey 2000; Wenger 1998). Contextual factors are assumed to have a strong influence on the actors' behavior in any given setting: the way an individual is predisposed to behave in a given organizational position, local community or cultural context affects the way he/she reacts to the corporate branding initiative (e.g., Chia & MacKay 2007; Michailova 2011; Crossan et al. 1999).

Several questions were asked in the interviews in order to identify the different actors and their roles: "Who were the key actors in the branding process?" "Were those people the same throughout the whole process?" "What was the role of local actors in the branding process?" "What was/is done at the corporate versus the local level?" "Were there any external consultants involved, and if so, what was their role?" "How would you describe your own role in the branding process" "What is your job (for instance as Brand Manager) all about?" "Who in your opinion is responsible for the brand?" "What is the role of top managers in corporate branding?" On the basis of the responses, seven main groups of actors were identified: 1) the CEO and the Board of Management, 2) the Head of branding and the brand-management team, 3) the Brand Board, 4) business-marketing directors and their teams, 5) area directors and local communications' people, 6) local actors all over the organization, and 7) external actors. Their roles in the process of constructing the corporate brand are briefly discussed next.

The CEO and the Board of Management. There was a strong belief among the respondents that the CEO was the one person with overall responsibility for the corporate brand, although he was not involved in the daily brand-management activities. Hence, corporate branding is clearly seen as a concern of senior management (e.g., Balmer & Gray 2003, 979; Hatch & Schultz 2003, 1045; Schultz & de Chernatony 2002, 111), and its success to depend critically on their ownership of the process (cf. Topalian 2003, 1120).

"--- I believe very strongly that the top management of the company owns the brand. And if it doesn't own it, you won't succeed. So in a way you don't have a strong brand --- the top management needs to be the… and in principle I mean now the Managing Director or the CEO. --- Of course he needs to have perhaps good right-hand assistance a bit like in other functions. But he needs to have the vision, like he has a vision of the strategy, then he can have cooperation groups that bring these things forward and so on."

Other key duties of the top-management team included developing a strong organizational identity that indicates what the company is all about, making sure it lives up to its values, facilitating clear top-down communication about the brand vision and driving change in the desired direction (Balogun & Johnson 2005), as well as reinforcing the brand in the marketplace. The Board of Management represents a multidisciplinary body (de Chernatony 2001a, 33) making the 'biggest' brand-related decisions, which have a profound effect on the way Wärtsilä positions itself on the market. It also makes top-level resource-allocation decisions, mentioned as one rather concrete way of influencing the brand (see Di Milia & Birdi 2010, 494).

"--- They decide, for instance, how much money is invested in, say, product development, what percentage (it) is of turnover, and that way of course we perhaps get new products, better products, which then shows, if they are good products, then of course the sales increase and in that way the brand is strengthened."

The Head of Branding and the brand-management team. In terms of brand management the situation changed in the company during the study period (see Figure 14). Up until 2011 a brand manager was responsible for branding and marketing on the corporate level, i.e. for all business divisions, reporting to the CEO. This person had led the branding process very independently since 2005. According to the interviewees, the brand-development process personified in him and his role was crucial in bringing about the change.

"Well, the creation of the brand image in terms of its actual physical image, what we see today, the power curve and the orange colors and so on, that was determined by Mr X when he joined us. So, he came along and he was given the challenge of producing a new brand image in terms of its visual image to marketplace, to coordinate the slides that we use and the marketing material that we use and the colors and the, what's the word, the makeup, the visual impact. --- he was the guy that was leading it, and that's what he was employed to do. --- I can't think of anybody else."

"I think Mr. X is simply the creator of the Wärtsilä brand, I see him as such, for sure. (When) he came into the house pretty soon things started to happen…"

As of the change in 2011, marketing responsibilities were split into business divisions, whereas the responsibility for branding and marketing communications stayed in the corporate function. Communications & Branding, headed by the Group Vice President, concerns not only branding and marketing communications but also internal and external communications, and investor relations, and hence covers a wide variety of internal and external stakeholder groups. It has a supportive role in customer communications in that direct customer contacts are the responsibility of staff in the divisions.

The Group Vice President, Communications & Branding assumes overall responsibility for brand management. He reports to the CEO and is a member of the Board of Management. The brand-management team includes two additional levels: Senior Manager, Marketing Communications & Branding reporting to the Group Vice President, and Manager, Branding and Marketing Materials reporting to the Senior Manager (see Figure 14). These two are the brand 'guardians' responsible for the respective rules and guidelines, as well as for producing the necessary concepts and materials related to brand communications. In a way, their role is to translate the brand into concrete messages and activities, and to keep the rest of the organization informed on brand-related issues. They also actively take part in brand development, on which the decisions made in the Brand Board rely (except in the case of a considerable change in direction, when the decision is made in the Board of Management (see above).
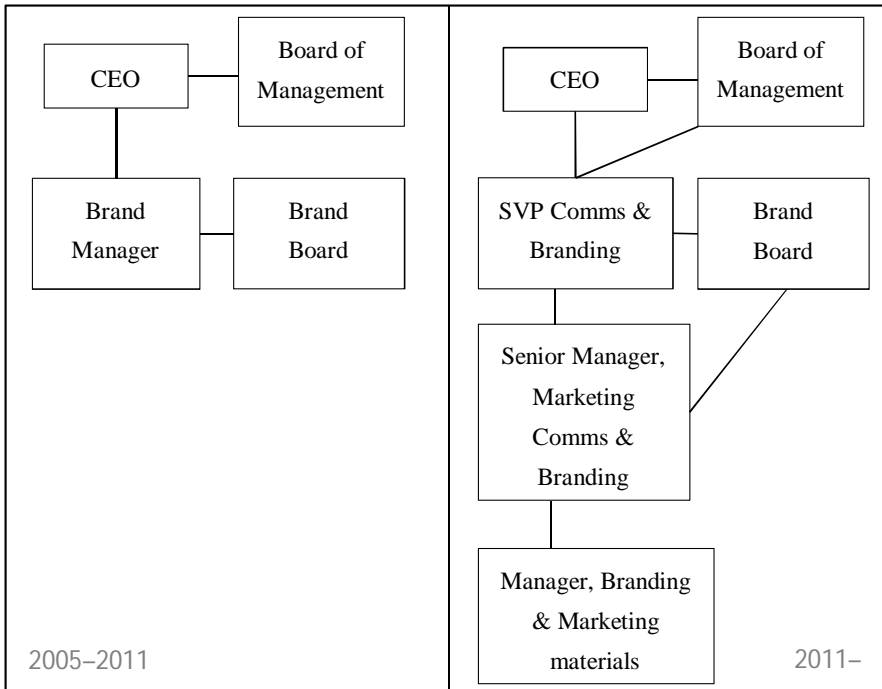
Figure 14   Brand management, 2005–2011 and from 2011 to the present

The Brand Board. The Brand Board is a decision-making forum consisting of business-marketing directors (3), area directors, Communications & Branding (3), and the senior manager, Branding, headed by the Senior Vice President, Communications & Branding. The main tasks of the board are to create the branding strategy and manage change, to enhance the value of the brand, and to foster brand awareness. It makes (or suggests to the Board of Management) all major decisions concerning the Wärtsilä brand and the main activities related to it. It is considered important for business representatives to be on the Board in order to arrive at a common understanding of the aims and ways of leading the brand in different parts of the MNC.

"And then as a part of this Brand Board we have once a year this kind of extended Brand Board, where there are the business directors present and in a way the things we have done during the past year and what we aim at doing during the next period are looked through with them."

Thus, the Brand Board also serves as a discussion and information-sharing forum for communications and marketing people as well as divisional business directors. It provides a good platform on which to exchange views and resolve differences (Bartlett & Ghoshal 1988, 70; Ghoshal et al. 1994, 108), and develop a common knowledge base

(Nonaka & Takeuchi 1995) enabling the consistent planning of diverse brand-communication activities in different units.

Business-marketing directors and their teams. Each business division has its own marketing function, varying in size from four to eight people, headed by the Vice President, business area / division marketing. The main role of these units is to define the marketing and communications needs from the business point of view, to decide and set targets for various marketing activities (exhibitions, advertisements, for example), and to develop the key messages supporting the achievement of the targets. Marketing people are thus creators of the intended contents, and describe themselves as playing a strategic role in attracting customers and boosting sales.

"Marketing is seen as being in the businesses, because we want to find out how to attract customers. We want to boost sales in this way. And this is why it's not in communications."

Marketing people also have a role in internal marketing, attempting to make people understand and stand behind the intended message. Thus, internally they act as change agents trying to influence the sensemaking processes of other organizational members (Lawrence et al. 2005) to echo a common, integrated approach to customer communications. In practice this may take the form of internal consultation, for instance. Through direct consultation it is possible to construct common frameworks of meaning between the interacting parties (Crossan et al. 1999; Daft & Weick 1986), to take into consideration the contextual specificities that influence the actors' predispositions (Crossan et al. 1999, 528; Michailova 2011, 130–132; Maitlis & Lawrence 2003, 125), and to utilize discursive resources that best support the achievement of a common understanding (see Sminia 2005, 287–288). On the other hand, the Communications & Branding unit is responsible for the internal communications that are disseminated corporate-wide. Such messaging is predominantly distributed through more mechanistic channels (Mudambi 2002; Ipe 2003; Pedersen et al. 2003), such as the intranet or the internal magazine, and hence cannot benefit from the advantages related to the use of rich channels (i.e. direct interaction) outlined above. Nevertheless, it enables the rapid and cost-efficient dissemination of information throughout the organization, and the on-line feedback channels provide the opportunity to voice opinions (Mantere 2005, 171; see also Pedersen et al. 2003).

The coordination and division of work between the divisional marketing units and the centralized Communications & Branding organization seem somewhat complicated and unstructured, and are described as such by some respondents (including those who are not part of either organization). The lack of close links and coordination between the

branding and marketing initiatives is referred to, and the distance between the two functions was seen to have widened in recent years.

"I think the distance between branding and marketing has become larger than before. And I don't think it's necessarily a good thing. --- I think that... branding and marketing should be very close --- we should be very careful splitting up the branding and the marketing."

"So that's kind of a dilemma situation the company is facing, because marketing right now is very much driven by the business, while the branding is kind of a, staying in the headquarters but it's a little bit empty because they are really not controlling the marketing so..."

Even though overall responsibility for the corporate brand rests in the Communications & Branding unit, the key contents of communications are defined and created within the businesses. It follows that the branding people's role is perceived as having more to do with thinking of *how* to communicate the messages (e.g., channels, imagery, text editing) rather than actively developing the content or leading the overall development.

"--- communications and branding for me is more the practical department who does things like, for example, marketing says which pictures are needed and communications and branding is organizing the pictures and putting them into a tool that everybody can use them."

Given that the restructuring had happened quite recently, it may well be that the roles and responsibilities had not yet settled, nor had the different paths and processes of information exchange and cooperation emerged. However, what seems obvious is that in addition to acting as a 'guardian', 'law enforcer' or 'post office' with regard to the use and distribution of brand elements (e.g., logo, colors, and other visual elements), the nominated branding personnel could assume a much bigger role in leading the brand-construction process within the organization by continuously co-constructing the meaning with its members and getting their buy-in for the proposed brand essence. Involving more people in creating a sense of belonging to the corporate branding process (Wenger 1998; see also Osterloh & Frey 2000), and acting as brand champions in their own organizations (Järventie-Thesleff 2011; see also Lawrence et al. 2005; Berson et al. 2006) would facilitate the integration of brand communications across the different units and organizational levels of the MNC. This, however, would need a much stronger emphasis on interactive strategizing practices and a participative and

contextualized approach (see Chapter 3.4.2). At the same time, it is very much a question of allocating sufficient resources (see Di Milia & Birdi 2010) to arranging platforms for interaction and participation, which would help to attract organization-wide support for the common corporate brand.

"I mean, this is going to be the challenge, because if you don't get everybody to buy in then the chances of having a good branding message are probably pretty small. You know, then you just have to say it's signs and, you know, brochures, look and feel of brochures, the... you know the things we communicate with, uniforms that people use, --- but all that's good stuff I mean that's a piece of it, right, but you're going to be kind of limited to that. That's where we are today, so there's more that could be done, but it's gonna need... there needs to be a more innovative way of getting people to buy in. Branding cannot... they have to be as clever as... the people who carry that have to do what all the rest of us do every day. They have to be clever about internal selling. They can't just send it out in an email."

Area directors and local communications people. Although the importance of getting the buy-in of unit directors was acknowledged at the outset of the brand-construction process, the area organizations' current role in corporate brand communications was described as mostly supportive. One area director recalled having been involved in the initial phase when stories about the brand's personality were collected. The next time he heard about it was at the launch. Overall, it seems that fairly limited effort has been made to actively involve area personnel in the process. Interaction appears to be more frequent within the divisions.

Area directors of communications and branding have been appointed quite recently. They are part of the Communications & Branding organization, and their job is to make sure that the brand is being communicated in a proper way in their particular area. There is also a dedicated person taking care of communications in each area/country director's organization. The fact that the area organizations have very limited human and financial resources for communication and marketing narrows their leeway in brand communications. The divisions' marketing organizations appear to have control over budgets, and thus to be in the 'driver's seat' in terms of local communication activities, as one respondent put it.

Thus far, the extent to which people have been allowed to produce or source communications material locally has been very limited. Clear instructions and processes have been put in place to source the material from the central organization, and the corporate intranet serves as a material bank for the instructions and the 'official' brand communication material. However, the need to strengthen the local actors' role in

branding activities and decision-making was generally acknowledged, and not only in the area organizations but also, to some extent, in the corporate function.

"---it should be the local people, local communication people, who also adapt this campaign to their local markets, and to their special, social, or social specialities that need to be taken care of."

Contextualizing the communication efforts to address the specificities of each market area would ensure higher local relevance (cf. Pérez-Nordvedt et al. 2008; Kostova & Roth 2002) and better chances of getting the messaging accepted (Holden & Von Kortzfleisch 2004; Becker-Ritterspach et al. 2010; see also Ipe 2003; Michailova 2011). Hence, in as far as the localized messages are in line with the corporate brand identity and are mutually supportive (cf. Porter 1996), the 'contextualized approach' would most probably lead to better success in overall brand communications.

Other employees / local actors. Local actors, in this context, refer to Wärtsilä employees all over the world who do not belong to the actor categories presented above. Their role seems somewhat ambiguous. On the one hand they have had hardly any say in the brand-construction process, and their present role is described as locally implementing 'what *they* state'. On the other hand they are expected to understand, accept, and internalize the brand essence, and to be ready to commit to the decisions made centrally. The responsibility for activating the brand is seen to rest upon each employee's shoulders (cf. Ind 1997).

"But the people who are responsible for sustaining the brand in its real importance, that's its quality and its meaning in the marketplace, that's the people that work for the company. That's us. We're responsible for making sure that the customer's impression of our organization remains, you know, the best in the market and exactly what they expected. In fact, it would be great if we could achieve a position where we exceeded the customer's expectations, because that way you will always be moving in the right direction. So, it's our responsibility, every one of us, to make sure that the brand image remains strong and good and positive. And, just like many other things, it takes years and years to build it to this position, but it only takes a few silly things to happen to demolish it overnight. We have to be very careful to preserve the image in every way."

From this perspective the organizational members are in a key position to make sure that actual behavior is in line not only with the brand promise (de Chernatony 2001a; Harris & de Chernatony 2001) but also with what customers and other external stakeholders expect (i.e. the corporate (brand) reputation). Managers play a key role as

'ambassadors' in communicating the brand essence within the organization through their own example. They are hence expected to assume the role of brand champions (e.g., Järventie-Thesleff 2011) who promote the 'right way' of thinking and acting in their own organizations, and who thus contribute to bringing about the desired change in different organizational contexts (Balogun & Johnson 2003).

External actors. At the very beginning of the change process there was a consultant, with whom the brand manager had cooperated in his earlier duties, who was described as 'a confidant', and his role was to mentor the brand manager in developing the initial plan of how to proceed with the branding process. Later, a 'strategic advertising agency' came along to facilitate and structure the process, and to create the visual elements and communication guidelines. This agency was perceived as the other key actor in the process alongside the brand manager. The same agency still produces most of the marketing materials for Wärtsilä, although minor material amendments are sourced locally.

Table 10 below summarizes the roles and responsibilities of the identified actors.

Table 10   The actors and their roles in corporate branding at Wärtsilä

Actor	Role / responsibility
The CEO and the Board of Management	Overall responsibility for the corporate brand, decisions on major changes, and on resource allocation
Head of Branding and the brand-management team	Corporate brand management in practice; establishing rules, procedures, guidelines and templates, producing new materials in cooperation with the advertising agency, and coordinating all branded material globally
The Brand Board	Creating the branding strategy and managing change, enhancing the value of the brand, fostering brand awareness, reviewing the business-marketing plans, deciding on brand transitions in case of new mergers, assessing brand performance, analyzing business needs on a regular basis, approving marketing tools
Business-marketing directors and their teams	Budgeting, analyzing needs, setting targets and creating contents for marketing communication activities and taking care of the activities in practice
Area directors and local communications' people	Communicating locally using the material provided by Communications & Branding and the divisions' marketing units, providing feedback if/when asked
Other employees/local actors	Acting according to the brand essence and communicating the brand meaning to the external stakeholders
External actors	Consultant: a mentor Advertising agency: supporting and structuring the brand-development process, producing communication materials, storing images

It is evident that the CEO as well as the business-marketing directors and the nominated brand-management personnel – who also form the majority of the Brand Board – hold the key positions in the brand-construction process. The strategic advertising agency also has a distinctive role in turning the essence of the brand into messaging, symbols and visual imagery. The role of the other actors in the organization is somewhat ambiguous in contrast. It seems that it is left, by and large, to individuals to seek their own role in the process, assuming, however, that they enact the brand identity defined by 'the professionals', in other words those involved in marketing and/or branding in accordance with their job descriptions.

Top management is clearly assigned overall responsibility for corporate branding (e.g., Balmer & Gray 2003, 979; Hatch & Schultx 2003, 1045), and the most significant

issues are taken to the Board of Management. The Board is in charge of implementing the desired change throughout the organization (Balogun & Johnson 2003; 1573), distributing resources in a purposeful way to support it (Di Milia & Birdi 2010, 494), as well as achieving the necessary organizational alignment with the brand (Topalian 2003, 1120). This is certainly not an easy task in that it involves changing current modes of knowing and doing to reflect the proposed brand essence more faithfully (cf. Gioia & Chittipeddi 1991) in situations in which it is bound to evoke a wide variety of interpretations and responses in different parts of the international organization (Stensaker & Falkenberg 2007, 137–138). Although top management is able to influence brand initiatives and planning through various deliberate strategizing practices, it cannot fully control the implementation through the everyday practices of local actors in different parts of the MNC (Järventie-Thesleff 2011, 54).

Below top management and the Board of Directors are several levels of managers with the important role of bridging the different levels and dispersed operations of the MNC (Kalla 2005, 309; see also Björkman et al. 2004). The Wärtsilä Brand Board has a key role in integrating and steering operations globally with regard to brand-related issues. The inclusion of members from each key market area, as well as the corporate communications function, enables a coherent line of operations to be agreed upon and proposed in different market areas. However, given that the permanent members of the board largely represent communications and business-marketing functions, in terms of its normal composition it cannot be said to respond to the need for multidisciplinarity (de Chernatony 2001a, 33) in brand management. One might ask, for instance, why the heads of the main business areas cannot be permanent members instead of coming to the meetings only once a year - if their timetables allow. The HR Director, who devises policy with regard to recruitment, induction and training, should also be a key member of the Brand Board (de Chernatony 1999, 160; see also King 1991, 268). Overall, the composition of the board could be critically examined in terms of how well it represents the important functions (such as sales, after-sales, and services) that directly contribute to stakeholder images generated through interaction.

It is clear that the business-marketing organizations are in the 'driver's seat' (as one respondent put it) with regard to the design and implementation of the planned forms of brand communication in the different businesses and geographical areas. What is not so clear, however, is who has the responsibility for guiding and controlling the 'enacting' of the brand in the daily activities and interactions with external stakeholders. There appears to be no systematic involvement of the area organizations and local employees in the branding process (apart from the area directors of communication and branding on the Brand Board), and no clearly defined functional or middle-management responsibility or assigned role. It is thus not surprising that these people find it difficult to identify with corporate-level strategic initiatives, and to commit to contributing to its

success (cf. Osterloh & Frey 2000, 545; Wenger 1998, 149; Henderson 2002). At the same time, middle management has a decisive role in bridging the different levels and functions, and aligning organizational behavior with the core values of the corporate brand (Brexendorf & Kernstock 2007, 36; see also Nonaka 1994, 32). In addition, as local employees have very few opportunities to contribute to the deliberate process of brand construction, they are limited in the extent to which they can negotiate the brand meaning (Wenger 1998; Brown & Duguid 1991, 48), build shared interpretations and experiences (Daft & Weick 1984, 286; Crossan et al. 1999, 528; 533), as well as common knowledge (Nonaka & Takeuchi 1995, 13), contextualize their understanding to the specific requirements of their market area (Saka-Helmhout 2010, 46; Becker-Ritterspach et al. 2010, 9), and hence genuinely learn to enact a coherent understanding of the brand essence.

5.3.2   *The activities and practices of deliberate brand strategizing*

Activities in this research refer to all actions *deliberately* aimed at constructing and/or communicating the meaning of the corporate brand during the period under investigation. Practices, on the other hand, refer to established forms and structures of brand strategizing that have an effect on the communication activities as well as on the agency of different actors participating in the branding process (see Chapter 3.2.1).

I asked the interviewees various questions in order to find out what had happened in terms of branding in the past: "How would you describe the process of corporate branding at Wärtsilä?" "What kind of activities and/or events were/are involved?" "Was there any training involved?" "If you think of the overall branding process, what were the critical factors, phases and/or episodes along the journey?" "How would you evaluate the overall process? What went well, and what do you see as the main challenges?" "What are the main ways of communicating / sharing information about the process internally?" "What was/is done at the corporate versus the local level?" "How are coherence and consistency in global brand communications ensured?" "How are local activities followed?" "How has feedback been gathered?" The activities and practices reported by the respondents are grouped and discussed in the following according to the practice type, starting with procedural strategizing, i.e. administrative and structural practices, and then proceeding to interactive strategizing, i.e. interactive and discursive practices (see Jarzabkowski 2005).

5.3.2.1 Practices of procedural strategizing

An early administrative practice that clearly communicated the integration of the organization's brand to its members comprised the harmonizing of the naming policy. As a consequence, all old company and product names that did not reflect the corporate brand were gradually removed. In the case of acquisitions and joint ventures the general aim is to operate under the Wärtsilä brand. Hence, the organization changed from a house of brands to a branded house. The change in strategy enabled it to leverage an established brand as well as to enhance the clarity and synergy of communications. At the same time, however, it constrained the firm's ability to target specific customer segments or market areas with highly differentiated offerings. (Aaker & Joachimstahler 2000, 118) For instance, the decision to position the brand as a solution provider communicated specific levels of expertise, operational quality and price that could not easily be compromised by selling low-cost products in countries that might, in fact, be more interested in buying products than complete solutions. Internally it required adaptation for those who were used to a different corporate name, a shift that could be expected to be more difficult for people who had forged close and emotional ties with the old organizational identity and/or brand name (Mezirow 1995). However, it was far easier for those already hoping for change to accept. Such a situation occurred in connection with the acquisition of an Aker Kvaerner company in 2006:

> "…on day number one when Wärtsilä was there, everything was totally changed to Wärtsilä. Even all the overalls on the people in the factory, the colors on different products changed from a little bit darker blue, Aker, to a little bit lighter blue, Wärtsilä, overnight. Everybody was so happy about the change, and you could see that "yes, we would really like to be Wärtsilä". That was a really, a success acquisition where you could see everybody was motivated. And you could immediately see the brand converting."

A study on the Wärtsilä personality was conducted in the early stages of the brand-construction process, which involved collecting stories that would communicate the essence of the company to outsiders. Management-level people with long and diverse backgrounds in Wärtsilä contributed by producing narratives about the company, and the stories were shared among all participants at a management conference. The Brand Manager and the advertising-agency personnel subsequently used the stories as a basis for distilling the corporate brand essence.

At the launch all employees were handed a package of branded items including an orange cap and a notebook with "Do it today" on the front cover. These items were described as the main way of communicating the change in the organization, which very

efficiently seemed to trigger explicit sensemaking efforts among its members (see Weick et al. 2005, 409). A new design for work clothes (overalls) was also submitted, but it was not taken into use in all parts of the organization due to strong resistance from employees. Apparently, they did not see the point in replacing the existing form of dress with a uniform designed 'by some lady in France', as one respondent put it, and thus did not adopt the practice despite the corporate pressure (see Kostova & Roth 2002). In contrast, some respondents expressed interest in having more branded personal items easily available for Wärtsilä employees, and even externally. Currently they can only be bought from a central promo store at the company's expense.

The introduction of the concepts, guidelines and templates defining the proper communication of the brand provided an unambiguous 'iron wire' representation of its essence, and contributed to the development of a coherent basis upon which to build various corporate communication efforts. The approach appeared to follow the practice of simplifying proposed by Järventie-Thesleff, the aim of which is to define the appearance, message, offering and behavior on a very high abstraction level, and to focus on visible, communication-related changes (Järventie-Thesleff 2011, 143–144) in order to better reflect the essence. The preconceived set of representations was communicated top-down in the organization through various tools and channels (both live and on-line presentations, releases, stories in the internal newsletter, and a booklet distributed to all employees, for example) in an attempt to influence the attitudes and behaviors of people in the lower ranks. From this perspective, brand management also seemed to rely on the practice of notifying, as well as masterminding (or steering) proposed by Järventie-Thesleff (2011; see also Järventie-Thesleff et al. 2011 and Chapter 3.2.2).

Following the launch, the clear instructions, processes and responsibilities put in place assisted brand management to formally implement the brand in the organization (Jarzabkowski 2005, 51). The new visual identity with the revised company logo and other brand elements (e.g., the orange color, typography, imagery) were gradually implemented. The change encompassed stationary (templates, business cards, and so on), packaging, signage, internal magazines, advertisements, brochures, product guides and technical documentation, exhibitions and other events, as well as interior elements (e.g., chairs) of corporate buildings and the design of Wärtsilä workshops and delivery centers. New slogans were also introduced, and the old, more product-centered imagery was replaced with a new selection of pictures showing fish and emphasizing overall solutions instead of individual products. Visual-identity guidelines were issued covering the use of brand elements as well as the tone of voice expected in official communications. Specific processes were developed and promoted within the organization with regard to publishing press releases, communicating with media representatives, producing brochures, advertisements and other promotional material, as well as ordering branded giveaways, to name a few examples. These administrative measures

were taken in order to officially implement an integrated approach to brand communications (cf. Jarzabkowski 2005), as well as to increase coherence in organizational activity.

The corporate intranet, which is extensively used by employees, plays a key role in internal communications. Not only does it provide a channel for the distribution of instructions, internal releases, presentations and webcasts, as well as a material bank for all communications material (see Ipe 2003), it also currently facilitates online discussions, comment, and writing blogs. Hence, it provides a shared and structured context for joint brand construction, although it is not as efficient as direct interaction (see Mudambi 2002; Ipe 2003). However, at the time of the study the interactive features were still in limited use. According to one respondent, information was difficult to find in the intranet due to the huge amount of information that it stored and distributed, and the lack of a proper search engine.

The special training arranged for key communicators (i.e. people directly involved in marketing communications in different units / market areas) focused mainly on presenting the pre-conceived brand concepts and teaching them how to use the brand manual so as to be capable of transferring the message and practices in their own organizations. Joint training was also arranged for communications, marketing and HR personnel in order to improve the collaboration among these units. In addition, the communications people held regular online meetings to present the new concepts and discuss the latest developments in terms of branding activities. These meetings were also opportunities to gather feedback from people in different parts of the global organization, and hence to compare views and experiences and thereby foster the development of common knowledge (Lave & Wenger 1991, 98; Nonaka & Takeuchi 1995, 14).

The central coordination of branded materials, as well as of the processes and policies that support, harmonize and control communications seem to be key duties of the assigned corporate-brand-management personnel in Wärtsilä. Associated with the organizational power to impose uniform practices on other MNC units and functions, the corporate communications function has the means to steer the planned forms of brand communication in particular in the desired direction (cf. Bengtsson et al. 2010, 522). However, what is gained in direct, corporate control is potentially lost in local commitment and learning (e.g., Child 2005, 253; Becker-Ritterspach et al. 2010, 9). If local actors are denied genuine agency in the brand-construction process (Becker-Ritterspact et al. 2010, 9; see also Brandi & Elkjaer 2011, 29) it is unlikely that 1) the potential discrepancies between corporate and local understandings of the brand essence will be reconciled (Nonaka & Takeuchi 1995, 14; Lave & Wenger 1991, 98), 2) the interpretations will be contextualized to respond to local values and meaning perspectives in various settings (Saka-Helmhout 2010, 46; Brown & Duguid 1991, 48; Kates & Goh 2003), and 3) a common understanding of the brand will be developed and enacted,

and subsequently institutionalized in diverse local contexts (Becker-Ritterspach et al. 2010, 9). As a result, the imposed practices may be ceremonially adopted (Kostova & Roth 2002, 229) without an associated belief in their value (Ipe 2003, 344–346). In addition, refusing to allow local adaptation to communication materials carries the danger that the language is not 100-per-cent accurate (Marschan-Piekkari et al. 1999, 426–427; see also Kates & Goh 2003), and that the communication is irrelevant to local stakeholders (cf. Michailova 2011, 132). One respondent described such a situation:

"They (customers) say, what are these (fish)? And second, what (does this have) to do with your products? Of course, you know, sometimes you've got to have a bit (more) mature audience to try to do this way, I mean I know that this is one, maybe effective approach for a certain audience but it absolutely not necessarily mean this would be effective approach for all the audiences around the globe."

Roles and hierarchies have also been established to structure brand development and communication. Responsibilities for development were assigned to the nominated persons in the Communication & Branding organization, as well as the Brand Board. Simultaneously, institutionalized resource-allocation practices (Di Milia & Birdi 2010, 494; Jarzabkowski 2010, 133) efficiently guide the division of work with regard to the corporate brand in Wärtsilä (see Mantere 2005, 167). The budgetary control of communication activities is largely in the hands of the business-marketing directors in charge of the design and implementation of brand communication in different business areas - although they need to follow the guidelines issued by brand management and the Brand Board, of which they are members. It follows that the planning of communication activities is done in the divisions, and the corporate branding function has a supportive, 'practical' role, whereas the area organizations are left without any clear role whatsoever. Hence, it seems to be up to the marketing heads to figure out how to coordinate and integrate the diverging needs of the business divisions in the various local contexts so as to produce both consistent and locally relevant messaging. The Brand Board may set the limits of the 'playing field' for planned communication, and the brand managers may try to control the output in terms of its conformance with the guidelines and rules, but whether or not the communications developed and enacted by people in different divisions truly accumulate as one integrated, brand-aligned whole depends critically on the extent to which a common understanding of the brand essence is (or is not) shared (see e.g., de Chernatony 2002, 129).

"I think that it (the Brand Board) is totally useless, because, actually, if people don't understand the essence of our brand then there is no point in our being a brand board, in acting as a guardian here and there."

The challenges related to the current division of responsibilities with regard to corporate branding are discussed above (see Chapter 5.3.1). Furthermore, the overall organizational setup of three distinct business areas, and the management system according to which the responsibility for business profitability is assigned to the business divisions seem to be somewhat problematic in terms of integrating operations and building 'one company'. The fact that each of the businesses has its own budget and its own profitability to protect and develop implies a certain conflict of interest between the business- and corporate-level targets. In addition, specific cross-organizational coordination mechanisms seem to be non-existent.

"The current organization structure is too much silo... very much division-driven and the current organizing... we do not have a good, a really.. a process to internally coordinate each other."

These organizational structures with a strong impact on what is prioritized and who talks to whom may inhibit the integration and assimilation of new learning across divisional borders (cf. Crossan et al. 1999, 533). There is also a danger that the management model supporting divisional thinking and operating will foster a non-optimized overall approach to a certain market area. In addition, in the two business areas with long histories of even greater independence employees of long standing may easily identify with their particular divisions rather than the overall company. In order to counteract the lack of integration there is a need for organizational systems and procedures, as well as formalized relationships and other structures, that will provide platforms for interaction and support the sharing and embedding of learning (Di Milia & Birdi 2010, 484; Crossan et al. 1999, 529–530; Berends & Lammers 2010, 1048). One example of bridging divisions is the Marine Lifecycle Solution concept launched in 2011, which brings together people from the Marine and Services divisions to develop a comprehensive, unified approach to supporting the customer throughout the lifecycle of the solution.

"And so, what we've done to set our course towards achieving this objective is to form the marine lifecycle solutions team, which is now just starting to come into action, I mean they've only been in place now for a few weeks. But, through the marine lifecycle solutions team, we'll be looking at not only the design of ships from the outset and the machinery that goes into them being optimized for those ships, but also looking after the ships through the whole lifecycle. So, that incorporates service activities and it incorporates operating and maintenance activities and so on. So, we've become basically a supplier of the total product that the customer needs to operate and fulfill his business rather than just a supplier of certain products which go into ships."

Strategic account management teams have also been established to support key customers, and to bridge the Marine and Services business areas in a common setup that supports customers regardless of their needs (e.g., new product, maintenance). Such arrangements enable a coherent approach to customer service, and provide a good foundation for the efforts of projecting a unified corporate brand identity. In any case, the customer integrates the 'messages' sent by the organization irrespective of which functional departments sends them or the degree of integration at the organization's end (Schoultz 1996, 139).

"They don't regard us as a different part of Wärtsilä. We're all in one, it's all one Wärtsilä, and so the customer sees us that way."

Several other structural measures have been taken to support brand-communication processes. A promo shop has been established in Sweden, through which all promotional items have to be ordered. A few exceptions have been made allowing the local sourcing of some high-quality items such as Swiss chocolate, which came with an attached Wärtsilä brand message. All promotional items need to communicate high quality and sustainability, and hence sourcing cheap and low-quality products from low-cost, local manufacturers is forbidden. In addition, the common web-based image bank administered by the advertising agency in Finland, and the centrally controlled process of producing brochures, advertisements and other materials represent structural arrangements that aim at greater coherence in communications. Local actors are not even allowed to possess the software to design marketing material, which efficiently inhibits local production. The detailed visual-identity guidelines providing accurate instructions from the use of typography to the design of exhibition booths and workshop layouts also assist in streamlining communications globally.

Overall, it seems that the centralization of control with regard to corporate brand communications is regarded (at least in the corporate functions) as a legitimate way of organizing, and hence its side effects have perhaps not been considered to an adequate extent (cf. Kostova & Roth 2002, 216), at least at the time of the interviews. Representing a routinized and 'normal' way of doing things within the organization it exhibits a recursive approach to strategizing (Jarzabkowski 2004; Mantere 2005) that may lead to adoption of certain practices without due consideration of their effective-ness (Kostova & Roth 2002, 216). As such it not only guides the organizational processes related to corporate brand construction, it also attaches a certain sense of legitimacy (or non-legitimacy) to specific ways of relating to and participating in them (cf. Jarzabkowski 2005, 86; 90; see also Wenger 1998; Mantere 2005). In particular, the neglect of 'local intelligence' in contextualizing the brand to meet the diverging interests and values of different markets (see Becker-Ritterspach et al. 2010) is likely

not only to destroy the motivation of local actors to contribute to spreading the centrally-defined brand messaging (see Kostova & Roth 2002), but also to result in brand-communication campaigns that fall short in addressing the specific needs and interests of local customers. Added to that, as there is no systematic way, or diagnostic system (Crossan et al. 1999, 531) - beyond the central control of materials production - to monitor activities in different parts of the MNC, there is no way to make sure that they are aligned with the proposed brand essence. It was also unclear whether or not there were any performance criteria to be aligned with brand-related objectives (Björkman et al. 2004, 451), which would better enable the organizational processes to support the brand.

5.3.2.2 *Practices of interactive strategizing*

Interactive practices include various forms of deliberate and purposeful face-to-face interaction between brand management and other actors aimed at promoting the proposed brand meaning to the personnel and gaining their acceptance. Examples of such practices identified in the interview data include discussing brand-related issues at a management conference, in regular meetings within the global communications organization, and in the quarterly meetings of the Brand Board and the annual extended meetings; arranging specific training for the key communicators around the launch; and visiting different parts of the organization in order to talk to the managers. Everyday managerial communication was also mentioned as a channel of brand communication. However, in the absence of observational data it is impossible to estimate the extent to which it is systematically used for that purpose throughout the organization. In any case, it is not controlled in any way whether or not individual managers do it in practice.

From a process perspective, interactive strategizing efforts seem to concentrate on certain parts of the brand-construction process: the initial phase and the launch. In the initial phase the managers were invited to participate in brainstorming the essence of Wärtsilä (the brand personality study), which was then used as a basis for developing the concept.

"Well I think initially much of this type of activity, there was a... there was collection at that time of stories, you know, this concept of putting meat on the bones of... let's say, I might tell you --- that we're a can-do type of organization so why do you feel that? What are the stories, can you convey them... you know stories that in your experience in the past that convey that show me...--- this was really story-oriented ---. And even there was a management conference at which stories were told in community --- so of these kinds of stories of Wärtsilä and who we are and why it's meaningful for

people... the legends that kind of keep the company... you know, have become a part of the company myth. So there was a lot of work done at that, and that then was used to create by a smaller team this type of messaging and concept of branding."

At the time of the launch, the interactive efforts were directed to key communicators in different divisions and market areas so that they would learn to use the brand manual and facilitate the change in their respective locations. In addition, a group of marketing-communication people travelled around discussing the brand with the heads of the organizational units in order to get their buy-in for the proposed change.

"... it is very much about getting those people that lead those units or that something, that they accept this. And understand this. So then it is, this (brand implementation) is fairly easy."

It seems that these unit directors were trusted to make the change happen, and hence were assigned the important role of 'brand champions' (Lawrence et al. 2005; Berson et al. 2006; Järventie-Thesleff 2011) as well as the responsibility for institutionalizing the brand-aligned way of talking and acting in their own organizations. However, it also seems that once their initial acceptance had been secured, there was no systematic support in terms of implementing the essence of the proposed brand or monitoring progress in diverse local settings.

Brand management drew upon particular *discursive practices* in their interactions, using specific discursive resources to enact their interest[51] (Jarzabkowski 2005, 51) and influence the sensemaking of other organizational members. A few key expressions and metaphors were used to frame and guide the sensemaking processes of both internal and external stakeholders. 'I'm the engine', and 'We are the doers' were the main slogans used to communicate the brand essence internally: the passion to get things done. 'We are the engine of industry', in turn, expressed the corporate-wide role of the company in relation to its customers. The 'engine' metaphor reflects not only the core operations, but also a 'can-do' attitude, a source of energy and power, hard work and strong motivation. In contrast, the characterization of the company as a 'solution provider' and of its strategic vision of becoming 'the most valued business partner' for customers communicate a clear message about the position it is striving to achieve. Although it was evident that the desire to get things done clearly captured an essential dimension of the shared organizational identity, some respondents thought the internal slogans could have been more successful in fostering the right kind of spirit.

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[51] Because the empirical data collected for this study did not include any recorded examples of interactive brand strategizing, the analysis of specific brand discourse is based on the presentation material used on those occasions as well as the interview data.

"That (we are the doers) is not a very good slogan, as I would like to think that we are thinkers too, that we are not just doing, that we would be allowed to use some brain power too..."

There was also a problem with translation - the proposed slogans did not seem to function in the intended way for native English speakers in particular (see Kates & Goh 2003, 64). In external communications, too, 'engine' was considered an overused term, and hence not motivating. The fact that people who were not native speakers of English produced the slogans resulted in expressions that were described as 'bad English'.

"Well, it's not English for a start. It's not, "We are the engine of industry", internally, a lot of people found it slightly amusing. And so, there wasn't really that kind of internal commitment to it. Externally, I don't think it really meant much to anybody. And I can't think of any real benefits that we gained from adopting that particular slogan. But there are similar silly slogans used by other companies as well. --- It's an advertising slogan and that's about as far as it goes. It doesn't really help our business much, in my opinion."

Moreover, the emphasis on engine, which refers to one of the product categories and positions the company primarily as an engine manufacturer, was seen to hamper attempts to strategically position it as a solution provider. Hence, expressions referring to engines were later replaced with slogans emphasizing solution-provider thinking as well as sustainability, which has become one of the strongest messages in recent years.

Overall, apart from the regular meetings of the brand board and the global communications organization, the intensity of regular interactive brand strategizing seems to have been rather low throughout the study period as a whole. The level of activity was higher when the renewed brand identity was launched, but no specific training or any other interactive events are arranged at present to further the personnel's understanding and appreciation of the brand, or in the words of Bergstrom et al. (2002, 137), 'to keep the momentum going'. Instead, people are given the opportunity to discuss and comment on brand-related issues on-line, and more mechanistic communication channels (Mudambi 2002) are used to foster understanding of its core. For instance, internal newsletters carry stories that reflect its key dimensions. The choice between communication modes (interactive vs. informative) is naturally always a question of resources - in large MNCs it would require substantial investments to shift the balance towards rich communication channels (see Pedersen et al. 2003, 79; see also Ambos & Ambos 2009). However, in a situation in which there is an apparent lack of common understanding of the brand essence, and hence no unified basis upon which coherent overall brand communications can be built, it is difficult to imagine alternative courses

of action - especially if management is to take the behavioral aspects of corporate branding seriously.

All in all, the activities of internal brand communication were predominantly unidirectional, with the exception of the brand personality study and the discussions brand management had with selected key members of the organization, especially in the early phase of the implementation process. The brand identity was developed in a small circle of marketing professionals: the company's brand manager and advertising agency representatives. The essence together with the visual elements of identity were then communicated top-down to the rest of the organization via predominantly mechanistic channels (Mudambi 2002, 3) and various administrative strategizing practices. Business/unit directors were assumed to hold a key role as brand champions (see Järventie-Thesleff 2011) in bringing about the change in their organizations, and hence the interactive strategizing efforts were directed mostly at top management. At the same time, it was emphasized that the brand 'comes alive' in interactions between Wärtsilä employees and its customers or other stakeholders (Internal presentation, February 2007). The employees were hence expected to internalize the brand essence handed down to them and to start acting accordingly.

The general approach to implementing the corporate brand in Wärtsilä closely resembles the approach of the focal organization in Rita Järventie-Thesleff's (2011) study, which was also a large B2B MNC headquartered in Finland. In particular, the development of the 'master plan' at the top-management level in Wärtsilä, its effective top-down communication through various channels and multiple activities, and the training and convincing of particular 'brand champions', i.e. the unit directors and the key communicators in marketing, communications and HR functions, seem to follow the same logic. In addition, effectively communicating an 'iron wire' conceptualization of the brand through centrally produced communication materials is obviously expected to lead to the delivery of the brand promise by the organizational members (Järventie-Thesleff 2011, 143–144) - almost as if the essence could be injected into the organiza-tion, as Järventie-Thesleff et al. (2011, 201) put it. Following a predominantly recursive logic, this approach not only inhibits local adaptation (see Jarzabkowski 2004) but also fails to recognize the importance of the personnel's true engagement and taking of ownership in the process, and hence it falls short in supporting learning and achieving brand alignment in organizational activities (Järventie-Thesleff et al. 2011, 203; Järventie-Thesleff 2011, 155). In particular, providing little support for active agency and local contextualization with regard to the construction of the brand meaning in different cultural contexts, together with the strong standardization of communications and the tight central control alienate the members of the organization from the entire process and label it as something that should be left for the professionals to take care of.

On the other hand, with the exception of few 'misfires', the change involving the visual brand identity was relatively successful, although in some instances it seems that the proposed practices have been ceremonially adopted (Kostova & Roth 2002, 229) without an intrinsic belief in their value or an internalized understanding of the core message that the different tools, symbols and imagery are meant to communicate.

"And we even have candy that is branded --- that has the right colors and that says, "We are the doers" and all that. So without that little candy box I might not know what I'm doing (laughs). So you see, I'm not... I'm not so convinced about this particularly in our business. It doesn't do any harm, not by any means. It doesn't do any harm, but additional business...?"

Nevertheless, the harmonizing of the name followed by the uniform appearance of corporate communications material, workshops and interior design support the development of intuitive insights and explicit sensemaking efforts among members of the organization and increase the overall coherence of communication. The use of brand symbolism and metaphors provides common denominators for various interpretations (Donellon et al. 1986, 48), and facilitates the development of a brand language that helps people to learn the 'right' way of talking and to act in a coherent way (Crossan et al. 1999, 528–529; see also Brown & Duguid 1991). The distribution of branded personal items helps in building a personal relationship between the brand and individual employees - although it may remain on a fairly superficial level without associated joint efforts to construct a common understanding of the brand essence. Finally, the establishment of clear responsibilities, processes and instructions not only enables brand management to formally implement the brand in the MNC (Jarzabkowski 2005, 51), but also produces routines through which to make the operations more coherent, and to foster the 'right way' of acting throughout the organization (Crossan et al. 1999, 529–530; see also Berends & Lammers 2010, 1048).

Hence, had the brand management continued with the same style as at the start of the branding process - allowing individuals who participated in the personality study to openly and interactively reflect on and co-construct their understanding of the essence of the corporate brand, and had it extended the consideration of ownership (Wenger 1998) of the process beyond the top managers and professional communicators, it would probably have been in a much better position in terms of achieving organizational buy-in. Many of the practices it applied were helpful in integrating and aligning organizational activities in the intended direction, but they did not succeed in aligning people's interpretations of the core meaning of the brand, as the analysis in Chapter 5.2.2 shows.

5.3.3   *The influence of the multicultural context in brand strategizing*

Operating in 160 locations in 70 countries worldwide, the focal MNC is influenced in its activities by a wide variety of cultural and institutional factors. In terms of corporate brand construction, the differences between the cultural and institutional contexts are highly relevant and should be taken into account in strategizing efforts (Hakala et al. 2011, 454; see also Kates & Goh 2003). The interviewees were therefore asked to assess the influence (past and present) of the multicultural environment on the corporate brand or the branding process. The insights discussed below are drawn from their comments.

The interviewees raised several issues that indicated the need for special care in *communicating across cultures*. First of all, the use of colors turned out to be a culturally sensitive issue. In some parts of the world, for example, orange, which was chosen as the main brand color, indicates caution and danger, whereas in others it represents sorrow. There may also be problems related to the color of branded personal items or giveaways: for instance, green caps in Chinese culture signify "something ugly", as one respondent put it. In addition, actions such as giving branded watches or knives may not be appropriate in certain cultures. Hence, the importance of intercultural sensitivity (Taylor & Ostland 2011, 594) was acknowledged: although there are all kinds of instructions on what is appropriate, it is important always to check with the local people whether a certain item complies with or goes against local values.

Another issue related to communication across cultures concerns the use of slogans. Given that all communications material is created in Finland among people who are not native speakers of English, some of the expressions may not be 100-percent correct in terms of language (see Marschan-Piekkari et al. 1999, 426–427; Kates & Goh 2003, 64). The native-English interviewees found this frustrating. The importance of getting the wording right cannot be overemphasized. Apparent language problems not only sap the confidence of the organizational members in the competence of brand management (cf. Harzing and Feely 2008, 54), it also damages the credibility of the whole messaging effort, thus preventing the company from getting the desired return on its promotional investments. Related to this, extra care should be taken with metaphors. Being 'an engine' or 'a doer' is far from appropriate in certain cultures, and 'may have the wrong ring to it' as some interviewees pointed out. Hence, although such expressions may seem highly suitable from the headquarters' perspective, their applicability in other cultural contexts should be carefully assessed (see Kates & Goh 2003; Pérez-Nordvedt et al. 2008, 734; de Mooij & Hofstede 2010, 98). It is not enough to produce competent, grammatically accurate translations: the translator should also be fully conversant with the subtle nuances and connotations of the languages in question as well as the subject matter (Holden & Von Kortzfleisch 2004, 135). In addition, the values the slogans or

metaphors express should tap into the values and meaning systems of people from diverse cultural and institutional backgrounds (e.g., Becker-Ritterspach et al. 2010; Forsgren 2008, 137). For instance, in individualistic countries the messaging should inform and persuade, whereas in collectivistic cultures it should aim at building relationships and trust between the company and its stakeholders (de Mooij & Hofstede 2010, 97).

Yet another issue related to communicating across cultures the interviewees raised concerned the need to balance between standardization and adaptation of the contents (see Cayla & Arnoud 2008; Leitch & Motion 2007) in order to get the intended message through in cultural contexts in which the ways of making sense of brand communications vary (see Kates & Goh 2003, 60):

"...of course then when we start to implement the brand, let's say through purely practical activities, campaigns and stuff, which are more like manifestations of the brand, then there is of course the challenge of how to make them speak to people in diverse cultural contexts in the right way. That for sure we then have to accept the fact that in all contexts it does not function equally well, and that is exactly the challenge that how we're able to attach a certain level of flexibility to the brand without compromising the brand core."

Thus far the issue has been resolved in the case company without allowing any (or very few) adaptations to the promotional material except what is necessary in the different language versions. Although ensuring greater coherence in planned communication across markets, sticking to centrally defined, global messaging and refusing to make adaptations effectively inhibits local agency in adjusting the message to meet context-specific requirements. Additionally, in as far as the corporate branding personnel cannot be experts in the whole variety of cultures in which the company operates, the risk lies not only in producing irrelevant messaging, as explained above, but also in losing the commitment and sense of ownership among local actors with regard to corporate brand communications (e.g., Becker-Ritterspach et al. 2010, 9). Convincing external stakeholders with messaging to which even the employees are not committed is quite a task for the most competent of communicators - especially in B2B markets where direct interaction with local actors plays a key role in brand communications.

Issues related to communication across *markets* should also be taken into consideration. If there are notable differences in terms of recognizing the brand name, and/or of its position in different markets, or if the targeted position is culturally objectionable or irrelevant (Kates & Goh 2003, 63), the communication approach should take all of this into account.

"…we tend to be a bit dazzled by our own image of ourselves. And so, when you go into a strange new country, the name Wärtsilä is not a household name. So, you know, we shouldn't overlook the fact that when we're trying to market ourselves in a completely new country, you're dealing with a public that doesn't readily associate the name Wärtsilä with power and so on."

Interviewees representing area organizations in particular referred to the need for contextualizing the approach in order to meet the specific requirements of each market area - although drawing on the same brand strategy (see Child 2005, 263). Tailoring is also necessary because stakeholders in different markets may differ in critical ways in their ideas of what is effective brand communication (see e.g., Cassia & Magno 2012). Differences in cultural values, priorities and ethics affect both corporate brand communications and operations in different market areas (e.g., Forsgren 2008; Child 2005; Shimizu et al. 2004). In particular, there were three inter-related dimensions on which the customers of the case company differed substantially across markets: their value base, their maturity as a brand-communication audience, and their time orientation in investment decisions.

The extent to which environmental values, for instance, influence the buying behavior of customers varies by culture. *"We have come much further in Europe when it comes to the maturity of the word 'environment', it's much, much more developed than in Asia",* as one of the respondents explained. Although concern for environmental issues has also increased in the developing countries, it cannot be expected to be at the same level as in Western economies in terms of the readiness to invest extra in highly environmentally-friendly products and processes. Audience maturity in terms of understanding and/or accepting certain types of messaging also relates to the 'level' of the solutions customers seek to fulfill their needs. Whereas the company positions itself globally as a 'solutions provider', in certain markets such as China its customers still wish to buy products. Further, members of such collectivist cultures are more concerned with concrete, contextual and situational elements and less used to abstract, conceptual thinking (de Mooij & Hofstede 2010, 94). In addition, attempts to promote 'complete lifecycle solutions' are in conflict with Chinese customers' concern about capital expenditure, in other words short-term investment costs rather than operating expenditure or total lifecycle cost: this illustrates the difference in time-orientation between various cultures (e.g., de Mooij & Hofstede 2010, 90; Schein 1985, 93). Thus, sticking with one global positioning strategy risks rendering the brand messaging irrelevant in certain contexts (Kates & Goh 2003).

In terms of organizing across cultures, balancing between what is done centrally and what could be done locally in terms of brand communications was clearly an issue in the focal organization. Whereas the corporate branding function favored a centralized

approach, division and area representatives clearly expressed the need for local authority in the communications. Related to this, it was also acknowledged that people's general attitude towards central authority, or centralized decision-making, varies by culture. People in Western cultures such as the Nordic countries, for instance, expect to be included in decision-making processes, whereas in countries with larger power distances such as Asia, it is accepted that decisions are made at the top (cf. de Mooij & Hofstede 2010, 88). Hence, approaches to bringing about changes throughout the MNC need to be tailored to different cultures. It is only through the active agency of local actors that the change becomes institutionalized in the diverse contexts (Becker-Ritterspach et al. 2010), thus it is important to get them to understand and accept it no matter how big a part they played in designing it.

Another key issue in this respect is (self-)discipline. According to one respondent, a certain level of discipline is needed to make sure that activities are aligned with the global approach of the company (see Macrae 1999, 8).

"Because if you have discipline in a global organization you don't need to stay with a gun and go and check if that has been done or not and so on, you know."

Discipline, in the context of an MNC is a delicate matter, at least in as far as it presumes 'the imposition of clear-cut managerial authority' (Mantere & Vaara 2008, 359) and tight central control (see e.g., Geppert & Williams 2006). In managing heterogeneous MNCs the influence spreads first and foremost from below (Andersson & Forsgren 2000, 346), and various forms of normative control are considered more efficient in aligning behavior to support common objectives (see Chapter 1.4.2.). Hence, it is rather the development of *self*-discipline supported by various integrative mechanisms that assists in integrating efforts on a global scale.

Finally, the issue of bribery came up as one aspect of doing business in certain markets. It is of crucial importance that corporate, anti-bribery values are stronger among employees than the national traditions in areas in which bribery is an integral part of the business culture otherwise the value of the corporate brand is seriously at risk.

Hence, apart from being an essential dimension of the case firm's corporate brand, as well as an enabler of a strong branding policy as one interviewee put it, the multinationality also brings several additional, challenging elements to the brand management framework.

"It is even more important that it is clear and defined, what the Wärtsilä brand is, as there are of course different cultures in which things are understood differently and so on."

Interestingly, a primary response to this challenge seems to be the strong centralization of brand-related decision-making and activities, and not increasing the authority of local actors familiar with the peculiarities of the diverse contexts. The latter option would appear logical (cf. Hatch & Schultz 2009) given the difficulties associated with central control in MNCs (e.g., Forsgren 2008; Geppert & Williams 2006), the need to foster commitment and buy-in among local actors (e.g., Vallaster & Lindgreen 2011; Ind 2003; de Cherantony 2002; see also Nell et al. 2009), and the importance of taking the contextual specificities into consideration in order to produce locally valid communications (e.g., Michailova 2011; Crossan et al. 1999; see also Leitch & Motion 2007). This approach may produce good results in projecting a uniform slogan and visual identity, but the danger is that the nice, coherent visual appearance will remain an 'empty shell' without an associated shared value base to fill it. After all, "saying you are a particular kind of company does not make you one", as Hatch and Schultz (2009, 118) point out.

5.4   Supporting sensemaking among the organizational members

An understanding of the brand essence cannot be transferred from the MNC's headquarters to its subsidiaries, or injected into the minds of its members (cf. Järventie-Thesleff et al. 2011, 201), but needs to be co-constructed with local actors (cf. Bengtsson, Bardhi, Venkatraman 2010, 520). Through interactive sensemaking common frameworks of meaning can be created (Wenger 1998; Daft & Weick 1984; Crossan et al. 1999; Jarzabkowski 2005), contextual specificities taken into account (Michailova 2011, 130–132; Crossan et al. 1999, 528), a sense of common enterprise created (Wenger 1998; Vera & Crossan 2004), and various barriers against achieving integration broken down (e.g., Ipe 2003; Forsgren 2008; Ghoshal & Bartlett 1990; Taylor & Ostland 2011; Pérez-Nordvedt et al. 2008; Kostova & Roth 2002; Geppert & Williams 2006). Cultivating sensemaking on different levels through participative, contextualized and integrative strategizing is believed to help brand management in steering the interpretive processes in the desired direction and hence in achieving more coherence and better brand alignment in its overall activity.

5.4.1   Enabling individuals to 'catch the spirit'

As discussed in Chapter 3.3, the process of organizational learning starts with the individual, who perceives a gap between the perceived and the expected state of the world (Weick et al. 2005, 409). He or she attempts to make sense of the perceived

change by drawing upon past experiences and existing schemas and meaning perspectives, which guide and structure intuition and interpretation (Mezirow 1995, 18–19). In the process, specific cues may trigger the 'correct' interpretations (cf. Mills & Helms Mills 2004).

The hiring of the first brand manager was described as an early signal of taking corporate branding seriously within the company. The decision to harmonize the name policy indicated a move towards a common corporate brand, and the CEO's consistent use of branded items communicated his personal commitment to the new brand identity. Clearly, in breaking the established way of doing things as well as communicating a consistent pattern of activities aimed at promoting a single brand, these actions supported the development of intuitive insights among members of the organization (Crossan et al. 1999, 526) with regard to the change process at hand. The introduction of a new logo and other elements of the visual brand, the renewal of the customer newsletter in line with the corporate brand, and especially the distribution of the orange 'I'm the engine' caps to the entire personnel generated an enormous amount of discussion and varying opinions. Although many people contested the proposed change, and even refused to use certain branded items, the activities, symbols and metaphors appeared to be successful in directing people's interest in the renewed brand and evoking joint interpretation at all levels of the organization (Crossan et al. 1999, 527; Berson et al. 2006, 583; see also Weick et al. 2005). However, given that the brand essence was handed to the personnel as preconceived and fixed, the interactive sensemaking efforts could not focus so much on the negotiation of meaning (Wenger 1998; Lave & Wenger 1991) or the creation of common (new) knowledge (Nonaka & Takeuchi 1995): it was rather a question of whether and to what degree the proposed change was acceptable.

With several years' experience in the focal company the respondents could be considered experts with regard to its 'true essence'. Having diverse backgrounds and varying experiences of different cultural contexts they are all likely to interpret organizational actions slightly differently (e.g., Michailova 2011, 132). It could also be assumed that the way they are accustomed to perceiving the company and the things they value in it influence their interpretations of the corporate brand (cf. Hatch 1997; Mezirow 1995; Wenger 1998; Helms Mills & Thurlow 2009; Arnold et al. 1991). These institutionalized understandings also guide their sensemaking with regard to the proposed corporate brand identity and the related changes in communication (see Berends & Lammers 2010, 1048). Against this background it is no surprise that their views on the brand essence diverged to such a great extent (see Chapter 5.2.2), especially given that the real interactive efforts to influence the members' sensemaking were concentrated on a limited group of people.

One concrete example of a perceived mismatch between the theory-in-use and the actual experience of the employees (Argyris & Schön 1978, 19) arose from the

replacing of the 'Wärtsilä blue' – the color that had been used in materials and overalls for a long time – with the new brand colors, orange and gray. Although orange had been used in other parts of the organization before the harmonization of the visual identity, blue had clearly strongly reflected its identity especially in the marine division, and hence changing it to orange/gray provoked fierce opposition. A blue engine was, in fact, the construed image brought up by one respondent who was asked to reflect on the immediate impressions of Wärtsilä.

"But, I mean that Wärtsilä blue, the predecessor, it is a real title all over the world. Wärtsilä blue. It has been as long as I've worked for this company, for 40 years, Wärtsilä blue."

The new orange color, in turn, was considered more fashionable at the time of the brand creation, and it was meant to attract attention more than to reflect the organizational identity.

"It's (the orange color) about being different of course and about being recognized in the market."

Keeping in mind that the heritage of the Wärtsilä brand originated in engine manufacturing, it is fairly easy to understand that emotional ties to the original identity were strong, especially for people who had followed the development of the company for an extended period of time. In such a situation the institutionalized learning (Berends & Lammers 2010, 1048) effectively inhibits the internalization of the proposed change on the individual level (Mezirow 1995, 19–20). This applies especially in the absence of interpretive legitimacy gained through deliberate interactive strategizing (Jarzabkowski 2005), and/or mechanisms involving individuals in the active process of brand construction through which they would acquire knowledge about, recognize the value of and identify themselves with the process (see Cohen & Levinthal 1990; van Wijk et al. 2008; Minbaeva et al. 2003; Pérez-Nordvedt et al. 2008; Osterloh & Frey 2000).

At the same time, the orange color seems to have represented one of the most significant aspects related to the change within the organization. Hence, choosing to accept or reject it was not only a question of color preference, but also and more importantly a question of understanding and/or approving of the underlying objectives set for the whole branding endeavor. For some respondents who did not have any assigned role in the brand-development process, the change of cables, for instance, or the replacing of recently purchased office chairs to match the brand colors simply did not make sense, in particular as in 'normal circumstances' the need for new furniture had to be very carefully assessed before any investments could be made.

"It raised people's eyebrows a little in that... But as they say, headquarters decide, so let them decide."

Another problem related to the orange color was the introduction of a related color scheme that immediately gave the impression of a rusty surface, which quite under-standably is not a desirable association in the marine business.

"All these Power Point templates of ours --- the main scheme is a rusty ship side, rusty. --- we have a ship owner in Sweden who sees, when I want to tell him something, he sees a rusty ship. And he thinks "oh, oh, oh, expensive, money, --- the ship should be blow-torched, should be painted." My whole message, no matter how good or interest-ing, starts with 'oh, oh, oh'. "He reminds me that ships go rusty, and he shows rust." And each and every thing we have there (in the presentation) is based on rust."

Evidently, the false association destroyed the credibility of the proposed color scheme, which was one of the key elements of the revised visual brand identity. "People really didn't believe in that one", as one respondent commented. Similar difficulties were encountered when pictures showing sea creatures replaced the product imagery in advertisements, exhibition booths and other promotional materials. It was very difficult for people to connect the new imagery to the actual operations of the company, and given the lack of an obvious connection they were assumed to remain distant for the external stakeholders as well.

"The thing, the campaign had very good thoughts behind, but people didn't understand. So it was called internally the fish and chips campaign. [laughs] And people have, often people have not understood what it has to do with Wärtsilä."

"So these pictures of a big fish and a few words sprinkled around the big fish mean absolutely nothing to me. So, I really suspect it means the same to our customers."

It is evident that the low intensity of interactive strategizing, the non-participation and the subsequent lack of insight into the basis of color harmonization and the change of brand imagery led to general confusion and the questioning of the value of corporate branding (Cohen & Levinthal 1990; van Wijk et al. 2008). It also seems to have contributed to widening the perceived distance between headquarters and the business units (cf. Björkman et al. 2004, 447). Overall, it seems that focusing on harmonizing elements of the visual identity and relying mainly on the practice of notifying in internal brand-construction efforts, in other words communicating the brand identity to the members from the top down (Järventie-Thesleff 2011), made it difficult for people to

capture and understand the bigger picture behind the change. Generating commitment among the whole organization, and especially those who were in doubt, at an early stage was pointed out as one area in which the process could have been smoother.

A few examples of truly participative strategizing practices are discernible in the interview data. These include the generating and sharing of stories in a management conference, which encouraged the selected managers to participate in active dialogue and open communication on what the company was all about (cf. Hong et al. 2006, 416), arranging specific training for key communicators to enable them to use the brand manual and thus facilitate the change in their own organizations, and setting up the Brand Board that institutionalized the roles of business marketing directors in brand management (cf. Wenger 1998, 169 ; Vera & Crossan 2004, 228).

"I think it went well with the stories (collected and shared in a management conference) --- However, what was missing was... it sort of went from the stories to rolling it out and in between there weren't enough people involved to help it...to help get buy-in so it just like arrived one day..."

"...then we had a kind of training series, which I thought very useful. It was common for the human resources people. Then there were these people from the communications unit. --- yes and marketing of course. ... And we had three different sessions, training sessions, which took two days per session, and there we worked upon issues related to our internal cooperation and there we also built, it was also, if I don't recall terribly wrong, in the fairly initial phase as this branding thing had started then pretty soon came this training and there at least quite a lot of of paths were created, new paths, which I think have turned into synergies with regard to employer message development. So in a way we boosted this internal cooperation as well and I assume we still under-stand that in HR and communications and marketing there are lots of common issues."

Hence, the practices that allowed individuals to participate in interactive brand construction were apparently fairly successful in generating enthusiasm and a sense of belonging and personal ownership with regard to the branding process. It is a pity that it was restricted to a fairly small circle of mainly unit directors and professional communicators. The stronger fostering of individual and group-level participation, encouraging individuals to share their experiences both within and across departments, establishing mechanisms and systems to support effective two-way communications and promoting examples of brand-aligned behavior could have helped in aligning both the cognitions and the activities (such as language) with regard to the corporate brand (Vera & Crossan 2004, 228). In particular, allowing and encouraging local agency would have enhanced motivation (Osterloh & Frey2000, 545; Wenger 1998, 149) and mutual

understanding (van Wijk et al. 2008; Roloff et al. 2011), enabled local actors to identify with the process (Osterloh & Frey 2999; Wenger 1998), and created a sense of mutual effort and accountability (cf. Wenger 1998). In addition, it would have increased the openness and frequency of informal brand communications and the leveraging of learning across organizational borders (Gupta & Govindarajan 2000, 479; Ipe 2003, 349; Child 2005, 263), and hence contributed to dispelling the silos (cf. Björkman et al. 2004) that influence the sensemaking processes of organizational members. Involving local actors more heavily in the process would also have prevented potential 'not invented here' symptoms (i.e. resistance to knowledge imposed by headquarters and the consequent decreased interest in learning from 'outsiders' (Pérez-Nordtvedt et al. 2008, 718)), and allowed adaptation of the brand essence to the meaning systems of local actors (Becker-Ritterspach et al. 2010; see also Kates & Goh 2003). It would also have increased the probability of embedding the brand in local activities (Becker-Ritterspach et al. 2010; Child 2005; Saka-Helmhout 2010; 2009).

5.4.2   *Contextualizing communications to support local brand construction*

Local actors hold a key position in institutionalizing a brand-aligned way of talking and acting in their particular settings (Saka-Helmhout 2009, 270; 2010, 46; Becker-Ritterspach et al. 2010; see also Child 2005, 263), and it is through this that the 'right' kind of behavior is legitimized (Kostova & Roth 2002, 216). However, because the context and the prevailing values and institutions have such a powerful influence on the creation and enactment of meaning (e.g., Brown & Duguid 1991; Crossan et al. 1999; Argote et al. 2011; Lave & Wenger 1991; Michailova 2011; Ipe 2003), one cannot expect to achieve 100-percent uniform action all over the MNC - nor it is even meaningful given that the differences encountered within the international organization apply to external stakeholders as well. Hence, in order to produce relevant brand communications on the local and situational levels a certain degree of context-specific translation is necessary (cf. Kostova & Roth 2002, 216; Pérez-Nordvedt et al. 2008, 732). Although the same core values guide the organization's actions all over the world, they could be imbued with context-specific connotations that more directly address the local meaning systems, values and preferences (cf. Kates & Goh 2003, 66). Paradoxically therefore, there may be a need for the differentiation of communication in order to produce consistent brand meanings across different local contexts (Merrilees & Miller 2010, 1130).

With regard to the contextualization of corporate brand communications it is important to draw a distinction between the mechanical, i.e. the application of the visual identity guidelines, and the behavioral, i.e. how the brand is communicated in the

everyday interactions within and beyond the organization's boundaries. One of the respondents also highlighted this distinction. Although it is important and also fairly easy to agree on common aims for the brand communications and common principles with regard to the use of symbols, colors and typography, and indeed necessary to have a set of common core brand values to guide all organizational activities (e.g., Urde 2003), how these values are emphasized and communicated in local interactions should be left for the locals to decide (cf. Child 2005, 263).

"I mean if you are going to do it the right way you need to have a plan on how in Africa it's going to be different and (how in) China (it) is going to be different and so --- there's a certain piece of our brand that always stays the same but --- like we don't have to highlight the excitement part as much in the middle of the jungles of Guatemala --- that's not really meaningful to them. --What's meaningful to them is that we're there, we're close by. We are in Guatemala."

This notion is particularly relevant in the sense that a corporate brand in the B2B context is largely created through actual organizational behavior, as a few respondents pointed out. Hence, the shades and images that are used to reflect the brand identity are much less influential in affecting the images of the company that external stakeholders form - especially in a B2B environment - than the real interactions between the stakeholders and the organization's members as well as the extent to which the organization is able to deliver on its promises (cf. Bergstrom et al. 2002, 135). However, this is not to suggest that the role of corporate brand management is restricted to producing visual-identity guidelines or corporate-level communications. It plays an important part, for instance, in keeping the discussion on corporate brand values alive within the organization and continuously communicating their meaningfulness and relevance (Bergstrom et al. 2002, 138), bridging context-specific activities and leveraging best practices between the different units, and coordinating the brand-communication process on the global level. It is essential to maintain a continuous dialogue in order to keep track of how the chosen core values relate to superior performance and increased competitiveness, and to demonstrate the essential role of the personnel in achieving these targets (cf. Wilson 2001; de Chernatony 1999).

"It is almost so that we should continuously discuss it (the brand) and we should have particular forums where those things are discussed."

It appears that efforts to secure buy-in from unit directors with regard to the corporate branding process aimed at empowering them to develop activities that would support the brand (cf. Bergstrom et al. 2002, 141) and contextualize it in their own

organizations. At the same time, however, there was virtually no leeway in terms of adapting the planned forms of brand communication. Respondents representing area organizations also reported that feedback was neither systematically gathered nor even accepted when spontaneously offered, especially when market-specific adaptations were suggested. The high degree of centralization was supported by budgetary arrangements - the area organization simply did not have enough resources to invest in brand communications independently. Moreover, at the time of the interviews corporate-level brand-construction efforts had concentrated largely on creating messaging, developing the basic communicative elements and tools, and refreshing and harmonizing the visual elements throughout the MNC: the guiding and coordinating of the behavioral aspects had not really been on the agenda. Hence, the restricted amount of both human and financial resources effectively constrained the scope of activities (see Di Milia & Birdi 2010). There also seemed to be no systematic way of following or controlling whether or not unit directors took an active role in furthering understanding and the acceptance of the renewed brand in terms of asking for input, encouraging discussion, participation and the sharing of experiences, or promoting certain, brand-aligned behaviors in their organizations (see Vera & Crossan 2004, 228).

"And whether these people have gone through it (the brand) locally, that I don't know, how it has been implemented there. But this is how it should go that we would have this kind of brand ambassadors, who would take the word out there and look after (the activities)."

The business-area marketing organizations play a key role in contextualizing the brand messaging to meet their specific needs. These people balance between the rules and guidelines provided by corporate brand management and the pressure to adapt the messaging to better meet market-specific requirements when designing their marketing-communication activities (see the discussion on dual pressures in Chapter 1.4.2). According to respondents representing the marketing function, understanding the culture of the target area is crucial and should be taken into consideration in approaching local stakeholders - although not at the expense of key organizational or brand values.

"And this is also essential in terms of brand building. That we have to have people who understand that the values of this company are more important in these (bribery-related) issues than perhaps the habits and culture in a certain country. One has to understand the priorities."

Hence it is important for individual organizational units to gain legitimacy in their particular local setting, while at the same time adhering to the values and practices of

the MNC as a whole (e.g., Forsgren 2008, 134). In case of a mismatch between local and the brand's core values, the corporate perspective should be prioritized in order not to compromise the brand under any circumstances.

Overall, the apparent lack of coordinative mechanisms and diagnostic systems (Crossan et al. 1999, 531) raises the question of how to ensure the overall coherence of brand communications. How do the various activities going on throughout the MNC reinforce each other and/or the brand? Can unit, area and marketing directors all over the world be trusted to guide and control operations in their particular organizations so that close alignment with the corporate brand is assured? Under what conditions and to what extent do they accept active agency in institutionalizing brand-aligned ways of behaving in local routines and structures (Lawrence et al. 2005, 182; Berson et al. 2006, 590)? Is it a question of discipline, as one respondent suggested?

5.4.3 *Fostering integration across borders*

I suggested in Chapter 3.4.2 that specific integrative strategizing practices could be used to improve operational coherence on the MNC level. Such practices would involve 1) developing structures, procedures and systems supporting integrated activities; 2) providing platforms and mechanisms that encourage social interaction and the development of interpersonal relationships across unit borders; and 3) establishing organizational arrangements that institutionalize the roles of individual employees and teams in the brand-construction process. All this would help brand management to increase the frequency and openness of communication between units (Gupta & Govindarajan 2000, 479), facilitate the transfer of knowledge, and enhance the MNC's capacity to leverage learning across unit borders (Child 2005, 263; Pérez-Nordvedt et al. 2008, 735–736; Ipe 2003, 347). It would also encourage the blurring of intra-organiza-tional boundaries (Björkman et al. 2004, 447), decrease the perceived cultural distance between units (van Wijk et al. 2008, 845), and improve overall intra-organizational connectivity (Roloff et al. 2011, 251).

There is evidence of several integrative strategizing practices in the empirical data, although not all of them are explicitly linked to the corporate branding process[52]. The integration and institutionalization of the common visual identity is perhaps the most obvious example. The rules and templates covering the use of logos, colors, stationery, marketing and communications materials, packaging, exhibition stands and even

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[52]   This is not to suggest the conscious separation of the brand-construction process from everyday business practices, but just to acknowledge that apart from the Brand Board such structures were not specifically used for deliberate brand strategizing.

workshop design efficiently integrate the different locations and promotional activities of Wärtsilä under the same visual brand identity, and promote a sense of coherence and community within the organization.

"I do believe that it creates a certain sense of community, too, when for instance the offices look similar, so a certain feeling of belonging that here we are a part of the same company."

Although the transfer to the new visual identity happened gradually in different parts of the organization, by the time of the interviews the use of the new symbols seemed to be institutionalized practice in most units. However, given the organizational confusion over the suggested elements of the brand identity (see Chapter 5.4.1), the extent to which local actors actually believed in their value and the degree to which they were only ceremonially adopted are open to question (Kostova & Roth 2002, 229). To what extent did the practices of masterminding and notifying, in other words creating a master plan at the top level and communicating downward to the lower ranks (Järventie-Thesleff 2011) create bad blood and opposition in the organization (see Nell et al. 2009, 14; Ipe 2003, 344–346; Kostova & Roth 2002, 216)?

The Brand Board could be described as a permanent, cross-organizational decision-making forum (Gupta & Govindarajan 2000; Child 2005) that bridges business marketing, area communications, and corporate communications, and enables views to be exchanged and potential differences to be resolved on a regular basis (Bartlett & Ghoshal 1988; Ghoshal et al. 1994). It also institutionalizes the participation of its members in a common and continuous brand-development process (Vera & Crossan 2004; Brown & Duguid 1991). The recent appointment of area directors responsible for communication and branding also contributes to the integration of different units (Child 2005; Gupta & Govindarajan 2000), as well as promoting and institutionalizing the 'right kind of' behavior in their respective areas (see Björkman et al. 2004). These people, along with other area personnel act as brand champions (Lawrence et al. 2005; Berson et al. 2006; Järventie-Thesleff 2011) leading and facilitating change in different parts of the MNC. The use of Finnish expatriates in leading positions also enables the corporate culture to be spread throughout the subsidiaries (e.g., Child 2005, 253).

The recent establishment of cross-organizational programs and related groups (Gupta & Govindarajan 2000) such as strategic account management teams and the marine lifecycle solutions organization also promotes interconnectivity among people. Although not explicitly linked to the corporate branding process, these set-ups are very influential in aligning the interests and behaviors of employees representing various organizational units, and hence support coherent *behavioral* expression of the corporate brand. Connecting people from various units and providing platforms for regular social

interaction deepen mutual understanding (cf. Van Wijk et al. 2008, 845; Roloff et al. 2011, 251) and trust (Pérez-Nordvedt et al. 2008, 735; Ipe 2003, 349), facilitate the creation of common knowledge (Nonaka & Takeuchi 1995, 13), and enhance the leveraging of learning across the MNC (Ipe 2003, 349; Child 2005, 263). Such organizational arrangements also naturally increase cooperation across unit borders, the lack of which was acknowledged as one of the mechanisms inhibiting integration at Wärtsilä.

In addition, the common top-level training programs and the frequent interaction among top management across divisional borders facilitate the coordination of activities across units and communicate a coherent approach to other members of the organization. Many of these individuals have worked in several of Wärtsilä's business units and thus have a more comprehensive picture of its overall operations, which is advantageous in terms of enhancing coherence and alignment between the businesses. Streamlining strategies across divisions and making sure that the businesses are mutually supportive also foster a more integrated approach and counteract the forces of sub-optimization. Using the people roadmap and job rotation as tools for transferring experiential knowledge (Pedersen et al. 2003, 72) and broadening the perspectives of employees on lower levels further enhances organizational integration. Through job rotation they are able not only to re-evaluate their assumptions and values, but also to understand and appreciate how their work contributes to achieving corporate objectives (de Chernatony 1999, 163).

Common IT systems and support functions have been established in order to enhance integration. In particular, the corporate-wide intranet with specific brand pages, an image bank, and a discussion forum provide efficient tools for distributing and retrieving information, and facilitating web-based interaction and knowledge sharing among the thousands of Wärtsilä employees (Ipe 2003, 349; see also van Wijk et al. 2008, 835; 845). Although such systems cannot replace face-to-face strategizing in co-constructing the brand meaning, they offer a structured context in which to store and share more explicit information (Ipe 2003, 349; Ambos & Ambos 2009, 3), help to raise employees' awareness of current brand-communication activities, and facilitate the gathering of feedback (Mantere 2005, 168).

Specific guidelines and procedures have also been implemented to enhance the coherence of brand communications (Child 2005, 315; Gupta & Govindarajan 2000, 478). Complementing the visual-identity guidelines, specific instructions, processes and responsibilities have been established covering the production of communication materials, the ordering of giveaways, and the issuing of press releases, for instance. All communication materials are ordered from the centralized marketing communications organization, the giveaways from a promo shop in Sweden, and the press releases from dedicated corporate communications personnel. Despite the additional costs and a

certain degree of rigidity in the processes, these arrangements are efficient in terms of controlling the coherence of communications and ensuring their brand alignment.

Overall, although various measures have been taken to support closer integration and enhance coherence, more could be done in terms of institutionalizing specific socialization practices in order to foster cross-organizational connectivity (Gupta & Govindarajan 2000; Björkman et al. 2004), promoting specific internal brand communities (cf. Wenger 1998) in order to institutionalize the participation of individual employees in the construction process (Vera & Crossan 2004; Brown & Duguid 1991), and adjusting institutional arrangements and management mechanisms to better support the joint effort (cf. van Wijk et al. 2008; Crossan et al. 1999). Through the institutionalization of a wider range of integrative practices, brand construction could become an integral part of the overall organizational activity, and not something that is to be left for the professionals to take care of.

5.5   Discussion

The case study presented, discussed and analyzed in this chapter provides an empirical illustration of the constituents of the corporate brand essence as well as the managerial measures taken in the focal MNC to construct and implement the brand meaning. According to the analysis in Chapter 5.2, both brand managers and individual members of the organization interviewed for this study regarded the corporate brand essentially as *a strategic tool* with which to communicate the essence of the company to its stakeholders and to establish and strengthen its position on the market. However, in order to be useful as such a tool it should be based on a shared understanding of what is essential, unique, valuable and worth striving for in the company, which should be integrated into all organizational activities - not only in the planned forms of corporate communication.

5.5.1   *The constituents of the Wärtsilä brand*

It appears from the data analyzed for this research that the interlinked elements of organizational identity, corporate strategy, strategic (brand) positioning, and stakeholder relationships form a framework within which to construct the brand identity. Thus, when developing the brand identity and activities to support its positioning MNC management should consider not only what/who the organization is and what it aims to become in the future, but also what makes it different in the market place and what the stakeholders value in it. However, identity is only one part of the overall brand, and not

even a very significant part unless communications (both planned and unplanned) are aligned with the proposed brand essence. It is essentially the interactions between the organization and its stakeholders that define the way the brand is articulated to external stakeholders, and that have the biggest influence on the images they form of it. Exhibiting the final form of the brand (de Chernatony & McDonald 1992, 18), the brand images and the extent to which they correspond to the proposed identity dimensions define the ultimate success of the branding endeavor.

At the time of the interviews the emphasis of corporate brand construction in the focal organization was predominantly on the implementation of the visual identity and establishing various structural and administrative arrangements to guide and structure the brand-communication process. On the other hand, what appears still to be lacking, according to the analyses conducted in this study, is a common, crystallized understanding of the brand essence among the personnel. As Figure 12 shows, the individuals interviewed for the study held diverse views on the brand core. Given the suggestion that only a few core values should form the very essence of the corporate brand (e.g., Urde 2003, 1035; Bergstrom et al. 2002, 136) the amount of characterizing features seems overwhelming, although they are partly overlapping.

Figure 15 below sets the brand essence within the framework for constructing the brand identity proposed in Chapter 2.6, and depicts the core dimensions of organizational identity (as described by the respondents), the corporate strategy, strategic (brand) positioning and stakeholder relationships.
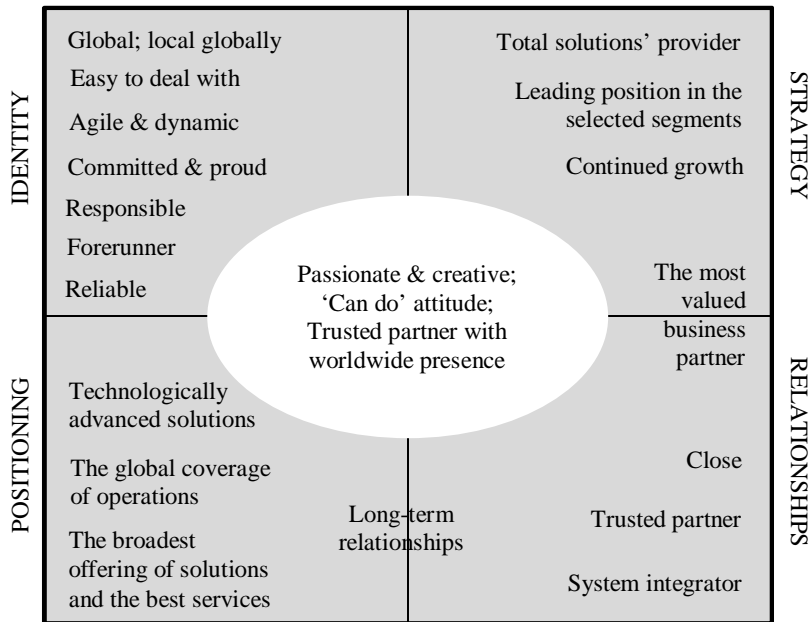
Figure 15   Examining the construction of Wärtsilä's corporate brand identity within the proposed framework

In characterizing the organization's identity, culture and values the respondents described it as a 'global company' with 'global functions and global support', and as being 'very local globally'. It was also perceived as being easy to deal with in that the organization is fairly flat, there are no excessive hierarchies, everyone is equal and on friendly terms, the management style encourages people to contribute and give their opinions, and there is a sense of general openness not only internally but also with external stakeholders. The way of working was described as straightforward, and the people as practically oriented. However, some respondents suspected that the current ease in dealing with the company could suffer as it grows. The organization was also characterized as agile and dynamic, one in which decisions and changes are implemented fast, and which was clearly in a state of continuous development. The personnel were seen to have an entrepreneurial spirit:

"There is a… very much kind of an entrepreneurial spirit, can-do types of people who are driving the company."

Many respondents described Wärtsilä employees as committed to and proud of (even excited and passionate about) working for the company, and the company as taking pride in its heritage, its position on the market as well as the solutions it delivers to its

customers. Responsibility, in turn, was seen not only in financial terms, but also as social and environmental responsibility. Environment-friendliness was described as something that 'could also be converted into a (brand) value', and social responsibility as being 'at the hearts of people'. The company was also perceived as a forerunner in terms of technology and market leadership. The reliability of the products was also emphasized.

I briefly discussed Wärtsilä's strategic objectives in Chapter 5.1.1. With its vision of becoming the most valued business partner for all its customers the company aims at strengthening its leading position in selected markets in order to ensure continued growth and a reputation as a total solutions provider vis-à-vis its customers. Its main competitive advantages as set out in the corporate communications materials include the broadest offering in the industry enabling it to build environmentally sound solutions and to offer the best services, the high flexibility and technical efficiency of its solutions, and the global coverage of its operations. In a similar vein, the dimensions individual members of the organization emphasized most when asked about the competitive advantages of the company included its strong global presence that enabled it to keep in close touch with customers, being technically advanced and innovative, its solution-provider thinking, and its comprehensive offering of products and services. Flexibility, speed and dynamism as well as an entrepreneurial spirit and its green image were also mentioned as factors differentiating the company from its competitors.

The long-term relationships with its customers are also regarded as a source of competitive advantage. The company was described as one that 'believes in being out there with the customers'. The centrality of relationships for Wärtsilä's business is articulated in the strategic vision: to become the most valued business partner for all its customers. 'Trusted partner' is also one of the three core dimensions of the suggested brand identity, and was mentioned as such by two of the respondents.

All in all, it seems that the three elements crystallizing the brand identity - passionate & creative, a 'can do' attitude, and being a trusted partner with a worldwide presence – are reflected in the characterizations of the organizational identity, the corporate strategy, strategic (brand) positioning, and stakeholder relationships. The company's global presence and leading position in technology development are factors that can be assumed not only to efficiently differentiate it from its competitors, but also to create unique added value for its customers and other stakeholders. In addition, its 'can do' attitude and entrepreneurial spirit enable it to respond efficiently and effectively to diverse situations and customer/stakeholder needs, and thus contribute to the attainment of a preferred and/or trusted-partner position in the stakeholders' minds. However, whether or not these three elements that at the time of the data collection formed the core of the brand identity are the ones that best differentiate the company and give unique and relevant value to its stakeholders in the long run, is worth continuous critical

assessment and follow-up. In addition, a common understanding of the core dimensions should be established in the organization in order for the company to be able to align its activities with the brand core, and create a strategic fit among them (see Porter 1996).

5.5.2   *The construction of corporate brand meaning in Wärtsilä*

The construction of the corporate brand meaning in the company is influenced not only by the managerial actions taken to implement the desired brand identity, but also by the practices brand managers draw upon in their activities, the roles different actors assume, or are able to assume, vis-à-vis the branding process, the institutionalized practices and the pre-understandings of the organizational members, as well as a variety of contextual factors affecting the sensemaking and sensegiving processes in diverse local contexts.

I identified seven groups of actors in Chapter 5.3.1, and discussed the challenges related to their distinctive roles vis-à-vis the corporate-brand-construction process. Overall, it seems that the tight central control of brand communications, the related division of work as well as the budgetary control determining the leeway of individual actor-groups efficiently influence the process of branding at Wärtsilä, and all the activities going on within the process. Although enabling a higher level of coherence in planned forms of brand communication, the strong centralization of control and the lack of systematic feedback suggest that the work of branding is something that should be left 'to the professionals', in other words the nominated brand-management personnel in the Communications & Branding and business-marketing units. In the current situation, the overall responsibility for and authority over the corporate brand lies in the Communications & Branding organization as well as with the Brand Board, and the divisional marketing organizations are expected to create the contents of the communications within the centrally established boundary conditions (e.g., visual identity guidelines, imagery). The actual marketing communications, in other words the practical work of producing the materials, are again the responsibility of the Communications & Branding organization in cooperation with the leading advertising agency. However, the divisional marketing departments control the brand-communication budgets and have direct contacts with the customer base. This raises their 'power status' vis-à-vis the corporate function, which in this situation is "a little bit empty because they are really not controlling the marketing", as one respondent put it. In contrast, the area organizations - lacking a direct connection to the brand-development process as well as a decent budget for brand communications - are left without a clear role or say in the construction process. At the same time, they are the ones most in touch with local markets and stakeholders. In terms of creating a sense of belonging to the brand-construction process, and hence a more solid ground for developing a common understanding of the

corporate brand essence as well as the activities through which it is 'brought alive', it would be of utmost importance to involve members of the area organizations in the joint effort. Overall, the division of work with regard to corporate branding deserves careful analysis.

Consistently with the tendency to keep the deliberate construction of the brand in the hands of a small circle of professionals, limited effort was made to support the emergent process, in other words to involve members of the organization, or to contextualize brand communications to respond to specific local requirements (see Figure 16). There were few occasions on which meanings could be co-constructed (Bengtsson et al. 2010) or negotiated (Wenger 1998), shared interpretations created (Daft & Weick 1984, 286; Crossan et al. 1999, 528), or common knowledge created (Nonaka & Takeuchi 1995, 15), and few measures were taken to enable individuals to identify with the strategic endeavor (Osterloh & Frey 2000, 545; Wenger 1998, 149). Instead, they were *informed* about the 'right' essence, which they were expected to internalize and enact (see also Järventie-Thesleff 2011; Järventie-Thesleff et al. 2011). The brand personality study conducted in the early phase of the construction process was seemingly successful in arousing the interest of the participants. Unfortunately, however, it represented a sporadic participative effort, along with the few training sessions organized for key communicators on brand-related matters. Distributing branded personal items - the caps and notepads - could be regarded as an attempt to create a personal connection between the brand and Wärtsilä employees. Although it succeeded in raising awareness and evoking discussion about the brand, whether it succeeded in creating a sense of belonging to the process - or whether it actually increased the perceived distance – is open to question.

"I think it was the caps (issued) to all employees saying 'I am the engine', something like that. And I understood from our previous facility manager that the previous company president had ordered him to burn all these (caps) --- he said, "yeah, yeah, I had to burn them and he was standing next to me, checking that I'm burning them."

Providing few opportunities for the organizational actors to contribute to and/or participate in the brand-construction process created the impression of a top-down initiative instead of a common effort. Emphasizing a centrally defined conceptualization of the brand, explicit top-down information flows and pre-planned activities, responsibilities and roles inhibited local adaptation and fell short in supporting learning, which would have led to a uniform understanding of the brand essence and subsequent brand-aligned behavior (see Järventie-Thesleff 2011; Järventie-Thesleff et al. 2011).

Efforts aimed at contextualizing the brand identity in the diverse cultural and institutional settings were also scarce. Basically the only contextualization allowed in the local

communication materials applied to translations (see Marschan-Piekkari et al. 1999). Hence, the local actors were denied active agency in contextualizing the brand messaging to better address the values and meaning perspectives of their settings (see Becker-Ritterspach et al. 2010; Saka-Helmhout 2009; 2010; Child 2005). At the same time, they were expected to bring the brand alive through their actions, in other words to communicate the preconceived essence. One respondent described how he emphasized different values in different situations depending on what was relevant in the particular business context. Another mentioned having developed his own set of values to communicate to stakeholders that were more relevant given the function he represented: the common core values appeared to be too abstract. Hence, in the absence of truly contextualized brand-strategizing practices on the part of corporate brand management, the contextualization efforts taking place in the organization were based on individuals' own initiative and, consequently, on *their* interpretation of the brand's essence.

Moreover, it seems that the interactive strategizing efforts aimed at building a shared understanding of its essence (cf. Jarzabkowski 1995, 92) and supporting the desired way of talking about and acting upon the corporate brand among the personnel (cf. Hardy et al. 2000, 1228) involved a limited number of key people (i.e. the unit directors and key communicators), and took place mainly at the launch. At that time members of the brand-management team were traveling a lot discussing the change with key people in local offices with a view to obtaining the unit directors' acceptance and support. In addition, the new corporate brand identity with its verbal and visual symbols was communicated in management conferences and communications meetings in order to further the key persons' understanding of the proposed brand essence. Specific discursive practices were utilized in these interactions in order to promote a 'doer' spirit and the 'engine' metaphor, as well as to re-position the company as a 'solution provider'. The clear top-down communication of the brand identity was evidently expected to lead to its internalization in the lower ranks of the organization (Järventie-Thesleff 2011), and people were consequently assumed to accept responsibility for bringing the brand alive through their own actions.

Whereas there were few strategizing practices addressing individual-level sensemaking and the development of contextualized understanding, much more effort was put into organization-level practices. Brand management adopted several other practices in addition to the central control and coordination of brand-communication activities to support the deliberate construction process. The structural strategizing practices included the corporate intranet, the promo shop, the image bank, the Brand Board as well as the roles and hierarchies related to corporate branding, as discussed above. They efficiently structure the processes of corporate brand construction within Wärtsilä, determining, for instance, the platforms for storing and exchanging brand-related information and delineating the circles within which decisions related to the

corporate brand are discussed and made. Various administrative practices were adopted, including the processes, concepts, rules and guidelines established with regard to the brand, the use of branded material, the naming policy, and budgetary control. Despite the challenges related to the division work and the contextualization of brand communi-cations, these practices have been particularly efficient in aligning the "mechanical side", in other words the advertisements, brochures and other planned forms of commu-nication in different parts of the focal MNC. As integrative mechanisms they could also be seen as supporting the emergent brand-construction process on the organizational level.

Practices supporting the emergent brand construction

Integrative practices:
Integration of the visual identity
Harmonization of
the naming policy
Brand Board
'Brand champions'
Corporate intranet
Guidelines, processes
and instructions

Contextualized practices:
Translations
Emphasizing
different values
in different contexts

Participative practices:
Training
Brand personality
study
(Branded items)

MNC

unit / subsidiary

group / community

individual
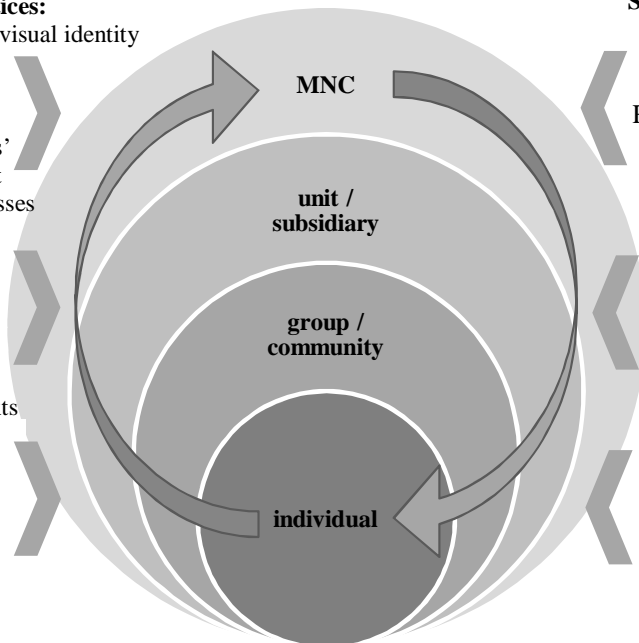
Practices supporting the deliberate brand construction

Structural practices:
Corporate intranet
Image bank
Promo shop
Roles & hierarchies
Brand Board

Administrative practices:
Branded material
Processes, concepts,
rules & guidelines
Central coordination
of materials
Budget control
Naming policy
Control of software

Interactive practices:
Traveling &
discussing the brand
Communicating the
brand in meetings
and at conferences
Brand imagery& symbolism

Discursive practices:
'Engine', 'doer'
'Solution provider'

Figure 16   The strategizing practices supporting brand-construction efforts at
            Wärtsilä

Figure 16 summarizes the managerial practices of corporate brand construction at the focal organization. Overall, although participative strategizing was reported to have

become more common, it has not yet really been applied to the internal brand construction process. The predominance of administrative and structural practices in internal efforts, and especially the lack of systematic interactive, participative and contextualized strategizing within larger organizational circles, presumably contributed to the perceived distance of the proposed brand from everyday activity, and the diversity of views concerning the brand essence. In addition, certain administrative and structural practices, such as the strong centralization of authority with regard to the production of communication materials and the prevailing approach to budgetary control, could be seen to work against the integration efforts and the fostering of participation among local actors. The emphasis on higher-level practices (i.e. structural, administrative and integrative) and the serious neglect of the individual and group levels suggest that, in terms of corporate brand construction, members of the organization have been regarded as representing a coherent body of actors who almost automatically align their behaviors with the proposed brand essence, in as far as brand management communicates the preconceived brand identity to them clearly enough (see Ind 2003, 398). Given the tendencies of masterminding, simplifying and notifying Rita Järventie-Thesleff (2011) encountered in the focal organization of her study, one wonders whether this represents the 'Finnish way' of implementing (brand) strategy, and if so what effects it has on the success of Finnish companies in positioning themselves in highly competitive international markets. In particular, if B2B companies fail to truly engage their organizations in brand-construction efforts, there is a danger that the whole strategic endeavor will be reduced to a sheer promotional exercise, which in the worst case would lack real substance.

To conclude, this empirical study has served the purpose of the research in providing a detailed illustration of how the meaning of a corporate brand is constructed in a multinational corporation. More specifically, it has analyzed the elements that constitute the meaning of the focal corporate brand, as well as illustrated how managerial strategizing practices contribute to constructing the meaning. In addition to the empirical data, the analyses draw on strong theoretical insights from the fields of strategy-as-practice, organizational learning, and MNC management. Overall, it aims at providing a more thorough understanding of the focal phenomena addressed in this study, the construction of corporate brand meaning in the context of multinational B2B organizations, than the extant literature on corporate branding is able to offer.

6   CONCLUSIONS

6.1   The main findings in the light of prior knowledge

This research was conducted in order to enhance understanding of how the meaning of a corporate brand is constructed in multinational corporations. Two related questions were posed: 1) What constitutes the meaning of a corporate brand? 2) How do managerial strategizing practices contribute to the construction of brand meaning in a multinational corporation? Following a thorough review of the theoretical literature and the subsequent construction of a preliminary theoretical framework, three theoretical pre-assumptions were made that guided and structured the empirical part of the study.

First of all, in response to the first research question it is suggested that, the meaning of the corporate brand (i.e. the brand identity) in B2B organizations should build on the interlinked elements of organizational identity, corporate strategy, strategic (brand) positioning, and stakeholder relationships. The core brand essence distilled from these elements should facilitate the creation of differentiation and preference among stakeholders, communicating not only what the organization is and what it wants to become in the future, but also what makes it unique in the market place and what stakeholders value in the firm. It appears from this research that these four elements also form the basis on which organizational members construct their interpretation of the brand essence. Each, in turn, has been acknowledged in prior research as relevant in corporate brand construction (along with a wide variety of other elements discussed in Chapter 2.4). As an integrative framework underlying brand meaning formation in the B2B context, the suggested theoretical construct is novel, and in my view provides not only a more holistic and in-depth view of the constitutive elements, but also a useful tool with which to construct the identity of the corporate brand in B2B organizations. In particular, it addresses the need to find an authentic expression of what the organization is all about, to offer unique and relevant added value to stakeholders, to create meaningful difference in relation to competitors, and to achieve the strategic vision and objectives by means of: 1) emphasizing the importance of behavioral stakeholder relationships over mere images, 2) prioritizing major strategic objectives over the strategic vision, 3) forging an organizational identity encompassing various elements beyond its culture, and 4) focusing the strategic (brand) positioning on organizational members' activities that communicate its meaning to external stakeholders.

It is further argued that it is crucial to incorporate into the notion of the corporate brand not only the perspectives of brand management (i.e. its identity) and stakeholders (i.e. its associations) as suggested in the extant research (de Chernatony & McDonald 1992; Hatch & Schultz 2009; Aaker 2004), but also the views of the organizational

members (i.e. enactment of the corporate brand), especially in the process of meaning construction in the B2B context. It is not only that the enactment of the brand strongly affects the associations developed by external stakeholders (e.g., Ind 1997), it also enables members of the organization to understand and appreciate its values, to commit to the endeavor, and to institutionalize brand-aligned practices in their immediate local settings (cf. Becker-Ritterspach et al. 2010; Saka-Helmhout 2010). Hence, from a dynamic perspective, in other words understanding the brand meaning as being continuously constructed, co-constructed and re-constructed in interaction within and across organizational boundaries, it makes little sense to separate the enactment from the concept, as de Chernatony (2002) very strongly argues. It should be clearly acknowledged that it is the *actual* practice that determines the success or failure of the brand, not the formal description of its identity, or how it is presented in the official communication materials (cf. Brown & Duguid 1991, 40–41).

Second, in conceptualizing brand construction as an ongoing, dynamic process of interactive meaning making and emphasizing the importance of organizational learning in the internal implementation of the brand (see also Järventie-Thesleff 2011), this study challenges the traditional conceptualization of corporate branding as a linear, top-down and stage-based process (e.g., Aaker 1996; Knox & Bickerton 2003; de Chernatony 2001a; 2001b) in which managerial decisions are assumed to lead to brand-aligned organizational activities in as far as they are clearly enough communicated to the lower ranks (see also de Chernatony 2002; Järventie-Thesleff 2011; Järventie-Thesleff et al. 2011). Incorporating insights from the fields of strategy-as-practice, organizational learning and sensemaking in organizational change, the construction of a corporate brand is conceptualized as an ongoing, goal-oriented and socially accomplished stream of activity in which managerial efforts should focus on facilitating other actors' sensemaking in order to align their interpretations and actions with the proposed brand identity. From this perspective, the successful construction of a corporate brand necessitates the active participation and solid commitment of MNC management and all employees (de Chernatony 2002). This is not a novel insight as such: the crucial role of the organizational members in the success of corporate branding is widely acknowledged in the literature (e.g., Ind 1997; Hatch & Schultz 2003; Harris & de Chernatony 2001; de Chernatony 2002). It is also acknowledged that in order to be able to enact the desired brand essence they need to understand and appreciate it (de Chernatony 2002). What has not been discussed to an adequate extent, however, is what this implies in practice, or how these notions should be integrated into the practices of corporate brand management. In other words, how can MNC brand management foster motivation and commitment to the corporate brand endeavor among individual employees? How can it support the development of a shared understanding of the brand essence and ensure that coherent, brand-supportive action is taken? This is something that was disregarded in

recent empirical investigations conducted by Järventie-Thesleff (2011) and Vallaster and Lindgreen (2011).

In response to the second research question, and in an attempt to describe and explain how different managerial strategizing practices contribute to supporting the construction of corporate brand meaning in multinational corporations, a theoretical framework was developed that integrates managerial brand-strategizing practices with the levels and processes of organizational learning, taking into consideration the specificities of the MNC context in terms of achieving coherence in understanding and integration in activities. In particular, the structural, administrative, and interactive practices proposed in the extant strategy-as-practice literature (see Jarzabkowski 2005) were helpful in guiding and structuring the deliberate strategizing process, i.e. the top-down construction and communication of the brand's meaning. However, these practices seemed to pay inadequate attention to the processes of organizational learning that facilitate understanding of the meaning among the personnel and the embedding of the desired brand identity in its actions (cf. Järventie-Thesleff 2011). Suggestions for participative, contextualized and integrative practices were put forward in order to support the emergent brand-construction process. Participative practices are considered efficient in constructing a shared understanding of the corporate brand on the individual and group levels, contextualized practices help in constructing the brand meaning and embedding it in everyday organizational activity in different local contexts, and integrative practices support the integration of activities on the MNC level. Combined, these three sets of managerial practices address the need to use participative approaches in brand management (de Chernatony 2002, 119), to contextualize communications (Kates & Goh 2003; see also Bengtsson et al. 2010), and to meet the strategic aim of achieving coherence in all communications (e.g., de Chernatony 2002; Einwiller & Will 2002).

Most of all, it is hoped that the discussion, analysis and results presented in this report will enhance understanding of and offer new insights into the process of constructing a corporate brand in multinational corporations, which would allow researchers to develop the resulting constructs and ideas further, and practitioners to have useful tools and frameworks to assist them in their brand-construction efforts.

6.2   Theoretical contributions and future research directions

My aim in this study is to contribute, first and foremost, to the field of *corporate branding* through insights drawn from the fields of strategy-as-practice, organizational learning, and MNC management. Although the literature on corporate branding embraces multiple disciplines (see Mukherjee & Balmer 2008; Bick et al. 2003), over the years it has developed its own theoretical discussion. Nevertheless, it remains rather

unclear how corporate brands should be constructed, implemented and managed in practice (Kay 2006; Balmer & Gray 2003; Knox & Bickerton 2003; Järventie-Thesleff 2011; Järventie-Thesleff et al. 2011; Wallström et al. 2008), especially in MNCs (cf. Wong & Merrilees 2007; Whitelock & Fastoso 2007). It is thus important to go back to the theoretical discussion that underlie corporate branding literature and combine insights from relevant theoretical perspectives in order to create a thorough under-standing of how the meaning of corporate brands is constructed in MNCs (cf. Schultz & Hatch 2005; Cheng et al. 2009). Furthermore, in order to advance global management knowledge it is essential to take into consideration the influence of the context (Tsui 2004, 496) on the focal phenomenon, which is too often unrecognized and underappreciated in organizational research (Whetten 2009, 31).

This research adopted a brand-management perspective on the construction of corporate brand meaning. In order to develop understanding of what the work involves in practice (Kay 2006), and thereby to relate the theoretical constructs and dimensions to the empirical phenomenon (Mukherjee & Balmer 2008), a practice approach was adopted. It was found to offer a novel and useful perspective on brand construction, which sheds some light on a phenomenon that has for quite a while been regarded as a black box in corporate branding, and on which there are few empirical investigations (exceptions include Järventie-Thesleff 2011, Järventie-Thesleff et al. 2011, Vallaster & Lindgreen 2011). Additionally, in order to shed light on the construction of corporate brand meaning in MNCs, an organizational-learning approach was adopted that took in the perspective of the organizational members and gave a more thorough understanding of the potential effectiveness of managerial strategizing practices in an MNC context. It is acknowledged that research limited to the managerial perspective inevitably fails to address the social and psychological processes involved in corporate brand construction (Järventie-Thesleff 2011), and thus necessitates balancing with the organizational members' perspective. In providing a solid, theoretically and empirically grounded framework that integrates deliberate and emergent processes with a set of targeted supportive managerial practices this research advances the theory of corporate branding in MNCs and informs the practice of international corporate brand management. Therein, it is hoped, lies its scientific and practical *utility*[53] (Corley & Gioia 2011).

Moreover, in contrast with most previous research on corporate branding, this study explicitly addresses the 'theory relevant context effects' (Whetten 2009, 39), in this case the MNC mechanisms facilitating or inhibiting the process of constructing the brand

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[53] Corley and Gioia (2011) argue that, whereas theoretical utility is thus far preferred over practical utility, the scope of utility as a dimension of theoretical contribution should be expanded to account for the relevance to practice in a more substantive manner. They claim that theoretical contributions and pragmatic relevance should not be seen as incompatible, and that issues and problems central to the contemporary organization should be better accounted for in theoretical development.

meaning, which are regarded as moderators influencing the construction of the corporate brand within internationally operating organizations. In addressing these moderators in the research process and incorporating the effects of the context into the proposed framework (cf. Tsui 2004, 498; Roth & Kostova 2003, 889; see also Michailova 2011), the study contributes knowledge that is explicitly context-sensitive (Whetten 2009, 32), and potentially more relevant to MNCs. Thus, the *originality* of the study (Corley & Gioia 2011) lies not only in the inclusion of organizational learning in the suggested brand-construction model, but also in incorporating MNC-related contextual considerations into the research process, the empirical analysis, and the resulting theory.

Although the main focus of this research was on enhancing understanding of and contributing to the literature on corporate branding, it also contributes to other relevant streams of literature in the fields of strategy-as-practice, MNC management, and organizational learning. To the research on *strategy-as-practice* it offers an analysis of the various types of strategizing practices aimed at implementing an integrative, strategic initiative in a multinational corporation. In particular, in contrasting managerial strategizing efforts with the sub-processes of organizational learning, and analyzing mechanisms that inhibit and/or facilitate them in an MNC context it provides a useful framework within which to design and evaluate the potential effectiveness of various strategizing practices on different organizational and contextual levels and at different phases of the overall process. Moreover, the findings indicate that practices supporting deliberate strategizing efforts, i.e. structural, administrative, interactive, and discursive practices (see Jarzabkowski 2005), are not sufficient in themselves to enable employees to understand and subsequently enact a predetermined meaning, in this case the desired brand essence. Instead, managerial efforts should also address the process of emergent (brand) strategy construction within the organization, as proposed in this study, through participative, contextualized and integrative strategizing practices. This research also contributes to the emergent field of *marketing-as-practice* (Skålén & Hackley 2011) with its bottom-up empirical examination of how corporate brand meaning is constructed in a multinational corporation.

With regard to *MNC management*, the study proposes a novel set of managerial strategizing practices that specifically address the need to achieve greater alignment in the understanding and activities of organizational members on a global scale in response to a strategic corporate initiative. In particular, it is argued that drawing upon participative, contextualized, and integrative practices enables management to take a more efficient and holistic approach to strategy implementation within their organization, and to achieve integration of activities on a global scale. Shifting the analytical focus from the mechanisms facilitating knowledge transfer to the practices fostering organizational learning, this research also addresses the apparent lack of empirical investigation into

organizational learning in MNCs from a social/behavioral perspective (see Becker-Ritterspach et al. 2010; Saka-Helmhout 2007; Hong et al. 2006). At the same time, it contributes to narrowing the gaps between the fields of organizational learning and strategy (Crossan et al. 2011), and between organizational learning and management (cf. Berson et al. 2006), an issue in which researchers in the respective fields have thus far shown little interest. In so doing it allows for a more thorough understanding of the mutual influence of managerial strategizing practices and organizational learning. Hence, the proposed integrative framework contributes to closing the gap between disciplines (Crossan et al. 2011), and thereby fosters a more thorough understanding of a key organizational phenomenon, that of corporate brand construction in multinational corporations.

Finally, there is the *methodological contribution*. In particular, building on a carefully developed theoretical framework encompassing several disciplines and applying qualitative methods allow for a more holistic understanding of the phenomenon under scrutiny. Unlike existing empirical investigations of international corporate-brand management that are predominantly based on quantitative methods (Whitelock & Fastoso 2007) and assume a narrow approach (Wong & Merrilees 2007), this research provides a more thorough understanding of the complexities and dynamics involved in the process of constructing the meaning of a corporate brand, and hence a more strategic approach to the phenomenon of corporate branding.

All in all, the integrative approach utilized and presented in this study gives a fresh perspective on corporate branding in multinational corporations, and incorporates the elements of organizational learning and MNC management in a way that has not been considered previously. At the same time, certain limitations are acknowledged that future research could address. First of all, the knowledge generated from this research is constrained by the initial theoretical framework that guided the study (Tsui 2004, 498). Thus, although the process advanced as recursive cycling among the case data, the emerging theory and the extant literature (Eisenhardt 1989), the chosen perspective strongly informed the processes of data collection and analysis and unavoidably delimited the analytical focus of the researcher. In addition, the choice of research setting necessarily shaped the variability of potential observations (Rousseau & Fried 2001, 3). The focal firm represents a well-established engineering company operating in two main interrelated fields of business. Headquartered in Finland, it has grown considerably through acquisitions over the years, and hence represents a heterogeneous MNC strongly influenced by the Finnish management culture (see Meyer et al. 2011, 239). Comparative studies in multinational firms headquartered in other countries, operating in other businesses and/or exhibiting a globally integrated nature would allow analysis of their specific contextual effects, and the possible distillation of a general pattern. Further, as Tsui (2004, 501) points out, "to expand global management

knowledge, there is enormous need for high quality single country indigenous research". The contextual considerations in this research were limited mainly to the incorporation of MNC characteristics, and did not cover the detailed effects of different cultural and institutional surroundings on the corporate-brand-construction process. Hence, future research could go deeper in this respect. It would also be useful to consider in more detail specific managerial practices in the construction of corporate brand meaning, and how they contribute to developing and establishing a shared understanding and coherent action in the MNC context. It would be especially interesting to investigate the interrelations between the proposed managerial practices supporting the emergent brand construction and actual organizational learning on different levels and in different contexts, at the same time contributing to narrowing the interdisciplinary gaps between strategy, organizational learning, and leadership (see Crossan et al. 2011; Berson et al. 2006). More research is also needed on brand-strategy practitioners and their respective roles in the process of constructing the corporate brand meaning. In particular, the role of middle managers as brand champions bridging the different MNC levels and contexts would deserve closer examination.

6.3   Managerial implications

Increased awareness of corporate brands and their potential is crucial in B2B markets in order for companies to be able to compete, grow and increase their profitability (cf. Urde 1994, 18). The aim of this study was to enhance understanding of how corporate brand meaning is constructed in multinational corporations. This entailed examining its constituents, and the managerial practices aimed at constructing a particular sense of the corporate brand in an MNC. The findings give rise to several managerial implications.

First of all, it is of utmost importance that the concept of the corporate brand be understood and treated in B2B companies as a *strategic* tool (cf. de Chernatony 2002; Ind 1997; Knox & Bickerton 2003) that helps the company to develop differentiation and preference among its stakeholders thereby improving its overall performance. All too often, corporate brands are developed and managed according to product-branding logic (cf. Blombäck & Axelsson 2007), thereby failing to acknowledge the major differences between the two constructs (see Chapter 2.3). Consequently, the corporate brand is seen as a mere promotional device managed by dedicated marketing or communications personnel, and the crucial role of *brand enactment* in the meaning construction (cf. Ind 1997) goes unnoticed. Indeed, employees play a decisive role in the brand construction. Although senior management assume overall responsibility for the strategic endeavor (e.g., Balmer & gray 2003; Balmer 2012; Topalian 2003), it is the organizational members who form the interface between the internal and external

environments (Harris & de Chernatony 2001), and communicate the(ir interpretation of the) brand meaning to others (e.g., Ind 1997; Hatch & Schultz 2003; 2001; Wilson 2001). Hence, their understanding, motivation and commitment are essential if the brand-construction endeavor is to reach its full potential (cf. de Chernatony 2002; Hatch & Schultz 2009).

Second, in order for the corporate brand to assist the company in building differentiation in the marketplace and preference among its stakeholders (Knox & Bickerton 2003, 999), its core essence should clearly express not only what the organization is and what it wants to become in the future, but also what makes it unique in the market place and what its stakeholders value in the firm. Hence, the desired essence (i.e. the brand identity) should be based on the four interlinked elements of organizational identity, corporate strategy, strategic (brand) positioning, and stakeholder relationships. The brand identity distilled from these core elements should imply a promise to the organization's stakeholders (e.g., Aaker 1996; Balmer 2012; de Chernatony 2002) to which its members are able to commit themselves (de Chernatony 2002; 2001a), and which the diverse activities and interactions within and across its borders should aim at keeping (cf. Balmer 2012).

Third, it should be acknowledged that as a bundle of meanings different constituencies attach to the organization, the corporate brand is continuously constructed and co-constructed within and across organizational borders (cf. Bengtsson et al. 2010, 533). From this perspective, corporate branding can no longer be conceptualized as a linear, top-down process of consecutive activities (such as conducting analyses, setting objectives, constructing the brand's identity, communicating its position, and monitoring performance: see Chapter 3.1), as traditional models propose, but should be seen as an ongoing, goal-oriented, and distributed process of interactive meaning construction, within which the context strongly influences the sensemaking and sensegiving activities of the parties involved. The context affects not only how the meaning of the corporate brand is interpreted (Bengtsson et al. 2010; see also Crossan et al. 1999; Michailova 2011) and understood, but also the extent to which its proposed essence and the related practices are regarded as relevant, appropriate and/or value-adding in the local contexts (Kostova & Roth 2002; Forsgren 2008; Pérez-Nordvedt et al. 2008; Ipe 2003). Consequently, it is rather naïve to assume that management could dictate a certain core essence for the brand and expect it to be absorbed and enacted by the organizational members in various cultural and institutional contexts in as far as it is clearly enough communicated to the lower ranks (cf. Järventie-Thesleff 2011; Järventie-Thesleff et al. 2011; de Chernatony 2002; Bergstrom et al. 2002). Managerial efforts should rather concentrate on facilitating the sensemaking of employees by ensuring that the organizational environment is conductive to brand-aligned behavior, and that there are mechanisms to support it (Ind 2003, 398). In particular, it is essential to acknowledge that the

process of corporate brand construction necessitates learning on the different MNC levels and in different contexts. In other words, if the organizational members are to understand, appreciate and subsequently enact the desired brand essence, it is not enough for them to become aware of the brand identity or the practices its communication involves; instead, they need to become brand practitioners (cf. Brown & Duguid 1991) contextualizing and embedding the brand meaning in their daily practices in the various local contexts of the MNC (Becker-Ritterspach et al. 2010; Saka-Helmhout 2010).

Fourth, it is not enough to acknowledge that the construction of the corporate brand meaning involves deliberate (top-down) and emergent (bottom-up) processes (Järventie-Thesleff 2011), it is also essential to understand what this implies in terms of corporate brand management. It is therefore suggested that the diverse structural, administrative, interactive and discursive brand-strategizing practices (Jarzabkowski 2005) supporting and structuring the deliberate brand-construction process (see Chapter 3.2.1) should be balanced with specific practices fostering the emergent construction process. In particular, the engagement and active participation of the organizational members (Ind 2003) should be encouraged through *participative strategizing practices*, which facilitate the creation of shared interpretations and experiences (Daft & Weick 1984; Crossan et al. 1999), and common knowledge (Nonaka 1994; Nonaka & Takeuchi 1995) and their transfer (Pérez-Nordvedt et al. 2008; Ipe 2003), which in turn fosters coherence in terms of activities (Crossan et al. 1999), and brand alignment. In addition, enabling and empowering participation foster identification vis-à-vis the strategic endeavor, thereby strengthening motivation and commitment in terms of contributing and performing in a coordinated, goal-oriented and brand-aligned way (Osterloh & Frey 2000; Wenger 1998; van Riel & van Bruggen 2002). *Contextual strategizing practices,* on the other hand, should be used to foster the process of adapting the brand and related practices to and embedding them in the various organizational, cultural and institutional contexts of the MNC. These practices not only ensure the local relevance of the proposed essence of the brand (see Kates & Goh 2003; Bengtsson et al. 2010; Michailova 2011) and its communication (cf. Kostova & Roth 2002; Pérez-Nordvedt et al. 2008), but also help to embed it in everyday local activities (Becker-Ritterspach et al. 2010; Saka-Helmhout 2010) and thereby further the institutionalization of brand-aligned behavior. Finally, *integrative strategizing practices* help management to achieve operational integration and coherence in brand communications on a global scale in terms of providing opportunities and platforms (e.g., cross-organizational work groups and training, inter-unit decision forums) for sharing understanding and experiences (see e.g., Bartlett & Ghoshal 1988; Ghoshal et al. 1994; Gupta & Govindarajan 2000; Roloff et al. 2011; Ipe 2003), as well as procedures, mechanisms and systems (e.g., the use of managers and/or expatriates as brand champions, job rotation and the temporary transfer of key

personnel, unit-level performance criteria aligned with corporate objectives, and common information systems) that enhance overall interconnectivity within the MNC (Child 2005; Gupta & Govindarajan 2000; Crossan et al. 1999; Lawrence et al. 2005; Berson et al. 2006; Björkman et al. 2004).

On the other hand, denying and/or failing to support the agency of actors in different local contexts, restricting their opportunities to contextualize the brand communications in their particular local settings, and falling short in aligning communications on the global level severely compromise attempts to achieve large-scale organizational commitment to the effort as well as the integration of communications on the MNC level. Failing to secure commitment and coherence in brand communications reduces the overall corporate branding effort to a series of unrelated promotional acts, which may in the worst case even lack real substance and/or any local relevance.

7   SUMMARY

The original motivation for this study arose from the need to find an efficient method, or a tool with which to integrate an MNC's communications on a global scale in a way that would enable the international organization to convey coherent overall messaging to its stakeholders and thereby establish and further develop a strong and distinctive position in the market. The corporate brand is regarded as such a tool in the literature (e.g., Bergstrom et al. 2002; Einwiller & Will 2002; Knox & Bickerton 2003; Schultz & de Chernatony 2002). However, although interest in corporate branding has been growing among scholars, it is still unclear what effective, day-to-day brand-construction work in organizations involves (Knox & Bickerton 2003; Järventie-Thesleff 2011; Järventie-Thesleff et al. 2011), and how it should be managed in an international context (Knox & Bickerton 2003; Wong & Merrilees 2007). At the same time, in the face of tightening global competition as well as homogenization and shortening life cycles of products, more and more companies are developing their corporate brands in an attempt to gain competitive advantage (Hatch & Schultz 2009, 117; see also Urde 1994, 19; Kunde 2000, 3). In order to assist practitioners in this task, new theoretical structures must be developed that relate the constructs and dimensions of corporate branding to the empirical phenomenon (Mukherjee & Balmer 2008). In addition, a new set of management practices should be established on the organizational level (Knox & Bickerton 2003) in order to tackle the challenge of corporate brand construction.

In order to address the apparent gap in current academic understanding, and to provide practitioners with solid, theoretically and empirically-grounded knowledge that will help them to tackle the challenge of corporate branding in international settings, this study examines *how the meaning of the corporate brand is constructed within a multinational corporation (MNC).* Two main research questions are addressed:

1) What constitutes the meaning of a corporate brand?

2) How do managerial strategizing practices contribute to the construction of the brand meaning in a multinational corporation?

In responding to these questions the study draws on multiple streams of literature: corporate branding (e.g., Hatch & Schultz 2003; 2009; Knox & Bickerton 2003; Balmer & Gray 2003; Järventie-Thesleff 2011), strategy-as-practice (e.g., Jarzabkowski 2005; Whittington 2003; 2006; Jarzabkowski & Spee 2009), organizational learning (e.g., Levitt & March 1988; Crossan, Lane & White 1999; Lave & Wenger 1991; Wenger 1998; Hong et al. 2006; Saka-Helmhout 2009; 2010), and MNC management (e.g., Forsgren 2008; Kostova & Roth 2002; Ghoshal & Bartlett 1990). It also touches on the literature on sensemaking in organizational change (e.g., Gioia & Chittipeddi 1991; Rouleau 2005). Accordingly, corporate brand construction in multinational corporations is regarded as an ongoing, goal-oriented and socially accomplished process of

interactive meaning construction. Within this process managerial efforts should focus on facilitating learning among organizational members in the different cultural and institutional settings of the MNC in order to align their interpretations and behaviors with the proposed brand essence.

This research approaches the focal phenomenon from a constructionist perspective, and applies an exploratory design and a single-case-study approach emphasizing qualitative methods (see e.g., Ghauri & Gronhaug 2002). This allows for the holistic examination of the construction process (Marschan-Piekkari & Welch 2004, 8), and enables addressing various social, organizational and managerial processes of meaning construction (cf. Eisenhardt 1989; Ghauri & Gronhaug 2002), as well as the influence of various contextual factors (Yin 2003; Koskinen et al. 2005; Eisenhardt & Graebner 2007) that could either facilitate or inhibit the creation of a common understanding and coherent action. The empirical study was conducted in an industrial, multinational corporation headquartered in Finland. It focuses on the elements and processes contributing to the construction of brand meaning from the perspectives of managerial strategizing (*deliberate*) and organizational learning (*emergent*), taking into consideration the challenges related to the use of centralized control (e.g., Kostova & Roth 2002; Geppert & Williams 2006; Forsgren 2008) and knowledge transfer (e.g., Gupta & Govindarajan 2000; Cohen & Levinthal 1990; Björkman et al. 2004; Ipe 2003; Pérez-Nordvedt et al. 2008), and the leveraging of learning (e.g., Brown & Duguid 1991; Child 2005; Saka-Helmhout 2009; 2010; Becker-Ritterspach et al. 2010; Taylor & Ostland 2011) in MNCs.

Contrasting the two perspectives and analyzing the empirical data against the carefully formulated theoretical framework and pre-assumptions resulted in the identification of four interrelated and inter-influential elements - *organizational identity, corporate strategy, strategic (brand) positioning, and stakeholder relationships* - constituting a framework for the construction of corporate brand meaning in B2B organizations. In addition, three specific sets of managerial strategizing practices are identified - *participative, contextualized and integrative practices* - which are seen to provide brand management with effective ways of supporting the emergent brand construction processes within an MNC by taking into consideration not only the different levels and processes of organizational learning but also the special characteristics of the context in terms of achieving coherence in interpretation and activities. The identified practices balance the managerial efforts of deliberate brand strategizing, which take place through various structural, administrative, interactive and discursive practices (Jarzabkowski 2005), and hence offer brand management a more holistic, contextualized and humanistic (de Chernatony 2002) approach than existing frameworks of corporate brand management are able to offer.

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APPENDIX 1: THE INTERVIEW GUIDE

Introduction

In this interview, I will focus on the Wärtsilä brand and how it has developed over the past years. The main purpose of the interview is not so much to ask you any facts or "right answers" concerning the brand and the brand construction process but rather to collect your own experiences and thoughts regarding the brand and the branding process at Wärtsilä.

In the interviews, I am interested in your own experiences. The data and tape are confidential, and individual interviewees will not be identifiable in the final reports. I will conduct about 20 interviews. This research is part of my doctoral dissertation, and Wärtsilä is not commissioning this research. They have only given their consent to the research and data collection.

The questions in this interview are divided into four main sections. First, I have some general questions about the company and the industry Wärtsilä operates, and then I will ask about the changes that have taken place in Wärtsilä during the last decade. After that I will move to the brand-related questions, and ask you to describe your perceptions of the Wärtsilä brand as well as the process of corporate branding at Wärtsilä.

Please answer the questions freely and openly. Do you have any questions at this point regarding the research?

Respondent

- What is your current position at Wärtsilä? Please describe what your work is all about?
- How long have you worked at Wärtsilä?
- In which positions / units have you worked at Wärtsilä?

The company and the industry

- How would you describe Wärtsilä as a company? What is special about it? What are the main factors differentiating it from competitors?
- How would you describe Wärtsilä's position on the market?
- How do you think external stakeholders perceive Wärtsilä?
- How would you describe the organizational culture(s) at Wärtsilä? Do you think that there is one common Wärtsilä culture, or are there also subcultures in different locations?
- What is the role of organizational values? In what ways are they visible to the external stakeholders?
- How would you describe the organization's general attitude towards change?
- How would you describe the special characteristics of this industry?

- What have been the main development trends in the industry during the past five-six years?

The strategic change process – towards one company

- You've been working for Wärtsilä for x years by now, how would you describe the development of the company during that time?
- What has been the motivation behind the change? What is the objective of the process?
- How would you describe the current state of the process?
- Can you name some concrete measures that have been taken within Wärtsilä to promote closer integration of different units?
- How have the employees reacted to / coped with the changes?

The corporate brand

- How do you understand the concept of brand – what is a brand?
- For whom is a corporate brand created?
- Who is responsible for the brand? What is the role of top management?
- What is branding – what kind of activities/practices it involves?
- What is the role of organizational values in branding?
- What is/was your job as a brand manager? What kind of activities it includes/d? How do/did you perform them? Please give some examples.
- What does the Wärtsilä brand stand for? What are the first things that come to your mind when you hear the word Wärtsilä?
- What is the purpose of corporate branding at Wärtsilä? What are the expected benefits from corporate branding?
- What is the role of the corporate brand in Wärtsilä's strategy?
- How would you evaluate the importance of a common corporate brand for a company like Wärtsilä?
- How would you describe the role of the corporate brand in every-day business – how does it affect the everyday operations at Wärtsilä?
- How would you evaluate the influence of the multinational/multicultural operating environment in the brand?

The branding process

- How would you describe the process of corporate branding at Wärtsilä? How has it been organized? What kind of activities and/or events were/are involved? What were the main activities/events with regard to brand construction/transfer? Was there any training involved?

- When did you become aware of / involved with the corporate branding process and how?
- Are there any specific stages in the process that you could name?
- What was/is done regularly? Who was involved? What were their roles?
- Who were/are the key actors/units in the corporate branding process? Who made/makes the decisions? Were those people the same throughout the whole process?
- What was/is the role of local actors in the process?
- Were there any external consultants involved? If yes, what was their role?
- How would you describe your own role in the brand construction process?
- If you think of the overall branding process, what have been the critical factors, phases and/or episodes along the journey?
- How would you evaluate the overall process? What went well, and what do you see as the main challenges in the process?
- What is the situation at present?
- What have been the main ways of communicating / sharing information about the brand / process internally?
- What was/is done at the corporate versus local level?
- Who is responsible for communicating the essence of the corporate brand (brand meaning) internally / externally and what are the main ways / channels of communication?
- Were/are you given some instructions on how to implement/transfer the brand in your unit/organization?
- Are there any brand-related routines that have been established? Something that is done repeatedly with regard to the corporate brand?
- How is the coherence and consistency in global brand communications ensured? How are the local activities followed? What kinds of coordination mechanisms are used?
- What kind of cultural issues have affected / are affecting the branding activities?
- How did the brand launch affect practices / routines in the organization in general or in your unit – what changed?
- How has feedback been gathered (and from whom) / handled during the process?
- If you think about the branding activities, what kind of influences they have had internally?
- How would you describe the interrelation between the strategic change process and the corporate branding process?

- How do you see the future of the Wärtsilä brand? How would you wish the brand be developed in the future?

Finally

- Is there something you would like to add on any of the themes we have discussed or do you have something in mind that I haven't asked?
- May I contact you later if I have something that I would like to specify with regard to the issues we just discussed?

APPENDIX 2: THE INITIAL CODES USED IN NVIVO

(The concept of) corporate brand - what is it?
Activities - corporate brand communications
Actors - practitioners, their roles and hierarchies
Added values
Competitive positioning
Construed corporate image
Core values
Corporate branding - what is the work all about
Corporate strategy and vision
Critical events
Effects of multicultural environment
Global coordination and diagnostic systems
Organizational culture
Organizational identity
Organizational values and their role
Overall development of the company
Overall development of the industry
Practices
Rationale for branding
Relevant stakeholders
Routines, procedures, systems, rules and infrastructures
Strategic change process
The Wärtsilä brand - essence, role and future