

CORPORATE IDENTITY WITHIN THE HEALTH CARE INDUSTRY

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Abstract

The objective of the paper is to research the latest literature on the corporate identity concept, its definition and dimensions, and general strategic management framework in the context of health care industry enterprises – hospitals and private clinics. The novelty of the paper is bringing together the framework of corporate identity concept with available research on the management of the health care organizations. This paper brings together findings by both, corporate identity researchers (Melewar; Balmer) and internationally recognised corporate identity development practitioners (Olins), and reflects strategic management frameworks related to the health care industry and its identity (Porter & Teisberg; Champy & Greenspun). The research methodology employed is a literature review implemented through the content analysis of recent scientific publications on corporate identity and health care management topics from the largest research paper databases, books and scientific conference materials, and review of other relevant secondary research data.

Keywords: corporate identity, health care, hospitals, strategic management.

JEL Classification: I10, L22, M10, M38, P46.

Introduction

The objective of the paper is to research the available literature on the corporate identity concept, its definition and dimensions, and general strategic management framework in the context of health care industry enterprises – the State-owned hospitals and private clinics. This paper presents evolution of corporate identity concept from 1970s until nowadays, reflects on the impact of changes in business environment to the development of corporate identity framework, introduces health care management theoretical framework in relation to corporate identity management and comments on the essence of the Internet in respect to corporate identity management and the health care.

The general corporate identity framework reflects on various managerial dimensions of the corporate identity (business environment, communications, visual identity, corporate culture and values, human resources), while health care management framework highlights respective importance of these dimensions in successful hospital and private clinic management, thus, also indicating how corporate identity management can contribute to overall improvement of health care service provision to the general population.

The significance of the paper is that it contributes to cross-linking the corporate identity concept and its management with the general principles of the health care industry enterprise strategic management by identifying similarities and differences in principles of corporate identity formation for general companies and the companies within the health care sector, and then aligning these conclusions to the latest findings in health care enterprise management. The findings of research are limited to health care enterprises providing paid services, exclusively or in addition to State-covered services due to the fact that the principles of such organisation management are closest to competitive business environment, which supports need for corporate identity management.

The structure of the paper is that first, the review of corporate identity framework is given, then it is followed by definition and general overview of health care enterprise management principles, and concluded by analysis of common theoretical aspects for further corporate identity management analysis within the health care.

Corporate identity definition

Corporate identity as a separate managerial concept and a strategic tool was first distinguished in 1970s by practitioners mainly in relation to design issues (Downey, 1987; Melewar, 2003). Along time its understanding has gradually broadened and received attention of academic researchers (Van Riel & Balmer, 1997) as managerial concept. Correspondingly, there have been introduced various definitions to describe the essence of the corporate identity and each of them relates to different mix of the organizational structure elements and management approach practices (Melewar & Jenkins, 2002). One of the first definitions of corporate identity proposed by Dowling (1986) is “the set of meanings by which a company allows itself to

be known and through which it allows people to describe, remember and relate to it” (Olins, 1989; Melewar, 2003). Other definition (e.g. Balmer & Soenen, 1998) assumes corporate identity to be “mix as being composed of the mind, soul, and voice. The mind consists of managerial vision, corporate philosophy, strategy, performance, brand architecture, nature of corporate ownership, and organizational history. The soul consists of the subjective elements including the distinct values, mix of sub-cultures, employee affinities, and internal images. The ‘voice’ is the total corporate communication and consists of its uncontrolled communication, controllable communication, symbolism, employee and corporate behavior, and indirect external/third party) communication”. This also relates to definition by Olins (1995) who assumes corporate identity management to be “the explicit management of all the ways in which the organization presents itself through experiences and perceptions to all its audiences”.

In 1995 corporate identity researchers realized that defining corporate identity is problematic and came up with a statement, which communicates the multidisciplinary nature of the corporate identity and its difference from brand management. It was formulated in the “Strathclyde Statement” by International Corporate Identity Group (ICIG) that included academics from Strathclyde, Erasmus and Harvard Business Schools, together with leading practitioners and consultants (Van Riel & Balmer, 1997): “Every organization has an identity. It articulates the corporate ethos, aims and values and presents a sense of individuality that can help in differentiating the organization within its competitive environment. When well managed corporate identity can be a powerful means of integrating the many disciplines and activities essential to an organization’s success. It can also provide the visual cohesion necessary for ensuring that all corporate communications are coherent with each other and result in an image consistent with the organization’s defining ethos and character. By managing its corporate identity effectively an organization can build understanding and commitment among its diverse stakeholders. This can be manifested in an ability to attract and retain customers and employees, achieve strategic alliances, gain the support of financial markets and generate a sense of direction and purpose. Corporate identity is a strategic issue. Corporate identity differs from traditional brand marketing since it is concerned with all of an organization’s stakeholders and the multifaceted ways in which an organization communicates.” This statement also to large extent reflects the essence of findings by Alessandri (2001) on corporate identity definitions.

More recent research papers regarding corporate identity relate to cross-disciplinary examination of the identity concept and thus conclude that corporate identity should be analyzed broader than simple marketing concept. For instance, Cornelissen *et al.* (2007) explore issues of social, organizational and corporate identity indicating differences in the form and focus of research into these three topics. According to them, the social identity work generally examines issues of cognitive process and structure; organizational identity research tends to address the patterning of shared meanings; studies of corporate identity tend to focus on products that communicate a specific image. Nonetheless, across these areas there is general consensus that collective identities are (a) made viable by their positivity and distinctiveness, (b) fluid, (c) a basis for shared perceptions and action, (d) strategically created and managed, (e) qualitatively different from individual identities and (f) the basis for material outcomes and products.

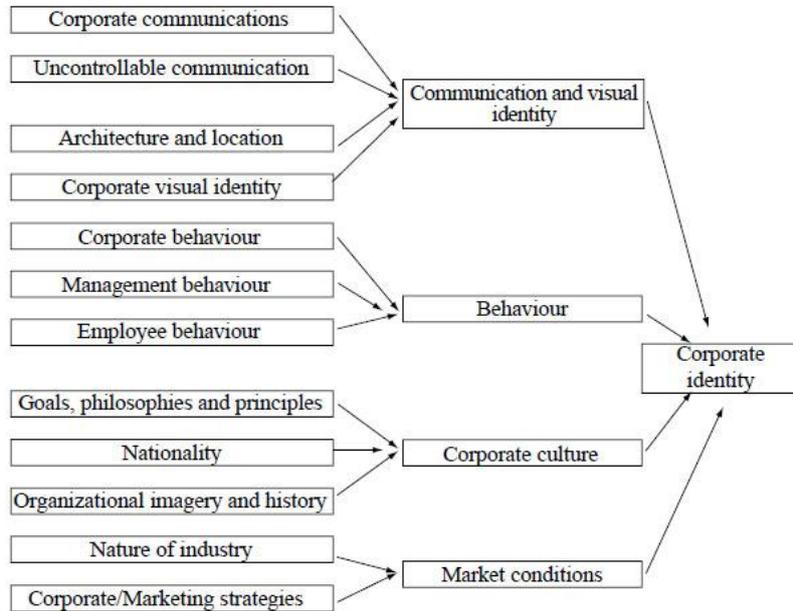
Bouchikhi & Kimberly (2008) argue that “visible elements of a firm are held together by a set of shared beliefs – sometimes implicit, sometimes explicit – that define its essence. This set of shared beliefs, called I-dimension, gives the visible elements of the firm coherence and puts boundaries around how much change is possible without altering its essence”. They interpret corporate identity through I-dimension that “resides in multiple anchors, such as core business, knowledge base, nationality, operating philosophy, a legendary founder, a governance structure, or combinations of these”. According to Bouchikhi & Kimberly, “any aspect that key stakeholders (employees, owners, suppliers, customers, bankers, shareholders) view as core, enduring, and distinctive about an organization is part of its identity.”

Fraser & Dutta (2008) analysed the power of online networks and their influence within the Internet environment to provide analysis of social networking sites at three levels: personal, organizational, and consumer. Additional comments are made regarding identity concept to distinguish between personal identities, personal communication and institutional values.

Corporate identity dimensions

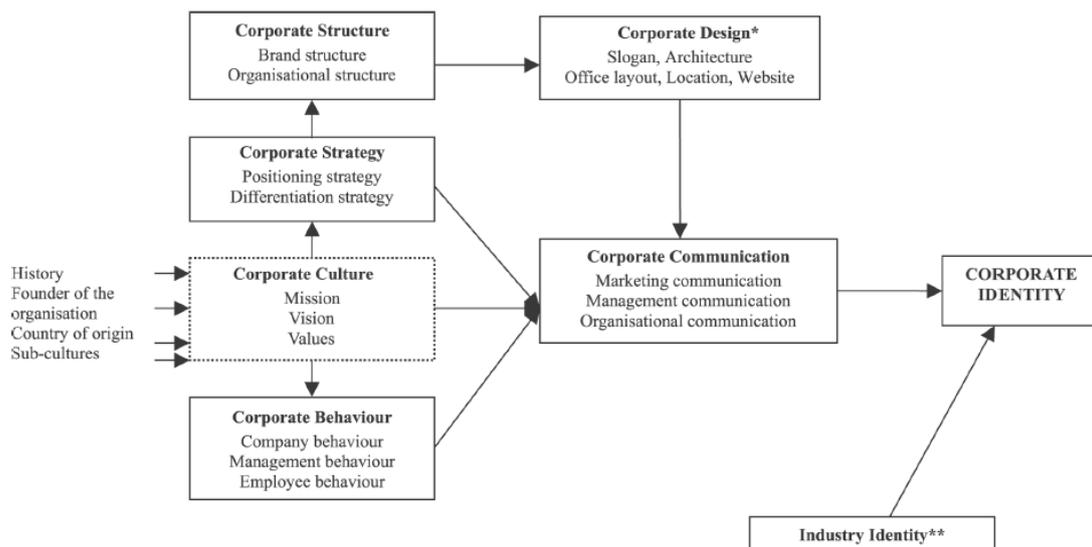
One of the most comprehensive and generic corporate identity frameworks bringing together findings from most of previous corporate identity studies and defining separate corporate identity dimensions is the model by Melewar & Jenkins (2002), depicted in Figure 1. It covers four main corporate identity dimensions - corporate communications and corporate design (visual identity); behaviour; corporate culture, and market conditions.

This framework was further developed first by Melewar & Karaosmanoglu (2006) and along with revised list of corporate identity dimensions (see Figure 2), then by Bartholme & Melewar (2009) by adding sensory (audible) dimension, and a common definition of corporate identity was established: “Corporate identity is the presentation of an organisation to every stakeholder. It is what makes an organisation unique and it incorporates the organisation’s communication, design, culture, behaviour, structure, industry identity and strategy. It is thus intrinsically related to both the corporate personality and image” (Melewar & Karaosmanoglu, 2006).



Source: Melewar and Jenkins (2002). Corporate Identity Model

Figure 1. Corporate identity model by Melewar & Jenkins (2002)



Note:

* Corporate Design (Visual Identity)

** The most salient external factor mentioned by the interviewees

Figure 2. Revised version of corporate identity dimensions and their sub-items by Melewar & Karaosmanoglu (2006)

As noted by Melewar & Karaosmanoglu (2006), the varying range of factors contributing to formation of corporate identity dimensions and the degree of overlap between them raises the question how these different dimensions are acknowledged and managed in practice and how to evaluate and modify corporate identity in relation to changing market situations. They conclude that the importance given to these mechanisms will vary from firm to firm and from sector to sector and in relation to products and to target customers.

Therefore, review of health care specifics and relevant theoretical framework is needed to highlight key characteristics, similarities and differences between regular business and health care sector enterprises. However, the scope of the health care enterprise research is primarily aimed and limited to those State and municipality hospitals and private clinics that provide paid services to any public member. This is mainly due to the fact that corporate identity management is relevant for companies acting in a more or less regulated, but still competitive free market environment and therefore, reflecting need for attracting customers and correspondingly growing business.

Health care management

History of hospitals is dated back to ancient Egypt and Greece (Risse, 1990). The first documented recordings about organised approach for curing people using systematic approach are dated around year 400-300 BC (McGrew, 1985). Nowadays hospital is perceived as a health care institution providing patient treatment by specialized staff and equipment either for free or as a paid service, depending on the status of the hospital (State-owned, private), or eligibility of patient's insurance plan as well as type of treatment required.

According to organisational management theory, hospital can be best described as close to "ideal bureaucracy" by Weber (1905) due to its formal hierarchy within the organisational structure, performance rationality, and strict internal culture governed by set of rules and regulations. While often criticised for lack of flexibility and inability to implement prompt changes, the main advantage of hierarchy is that it provides opportunity effectively coordinate mass of people in order to achieve goals actual for general public. In contrast, voluntary organisations are usually not related to either State or municipality (Sills, 2010), while total organisations are described as specific form of bureaucratic organisations that aim to maintain public interest and where individuals are isolated for long-term from general public – in order to obtain principally new behaviour norms (e.g. army), implement re-education (e.g. drug-addict rehab), prevent society from possibly deviant behaviour (prisons, psychiatric hospitals), or take care of those who cannot do it themselves (e.g. homes for elderly people or those with special needs, shelters) (Goffman, 1961).

Neugeborgen & Slavin (1991) define the main difference between health care institution and Weber's bureaucracy in terms of input resource – in case of health care organisations, primary "input" resource is a human being with specific characteristics, and "output", correspondingly, the same human being with adjusted characteristics. Hasenfeld & English (1999) define social institutions, including hospitals, as organisations established with aim to improve well-being of a human, taking into account relevance of services provided and their compliance with solving individual needs of a customer.

Main findings from researches on social institutions (Goffman, 1961; Billingsley, 1964; Perrow, 1967; Warner & Havens, 1968; Harris, 1996) highlight general differences between regular business organizations and health care enterprises (i.e. hospitals providing daily and stationery care paid services) are summarised in Table 1.

Table 1. Differences between classical and health care enterprises

Managerial aspects	Regular business enterprise	Health care enterprise
Founders	Individuals with specific business vision	Individuals with vision regarding delivery of social function
Resources	Product or service	A human
Mission	Related to personal goals of founders	Related to specific values, norms, ideology, environmental requirements
Performance efficiency	Depends on personnel professionalism	Depends on personnel professionalism, know-how
Utilized technology	Specified	Unspecified, unique mix of available procedures
Staff-customer relationships	Approach for promoting product or service	Basis for all activities

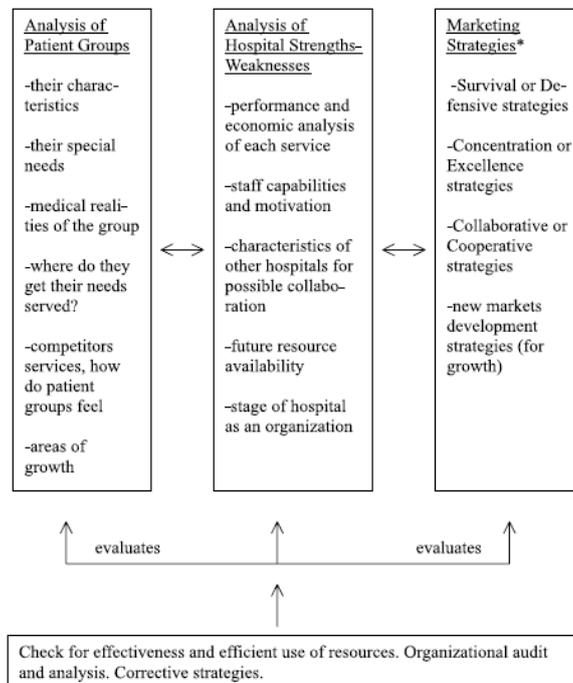
Managerial efficiency	Determined by company management	Determined by customer (patient) satisfaction
Responsibility	Responsibilities related to positions and management levels	General responsibility of an organisation towards public
Performance dynamics	Determined by management vision and strategic priorities	Determined by public demand, demographics
External factors that may leave impact on daily management	Innovations, shortage of stock or inability to deliver enough services, creative approach, legislation	Legislation, improvement of society well-being

By comparing list of factors outlined in Table 1 with list of corporate identity dimensions in Figure 2, it can be concluded, that there exist differences between regular business enterprise and health care enterprise. Corporate identity dimension factors related to mission, values, staff behaviour (especially, employee-patient interaction), and general industry identity are likely to be the ones having strongest impact on formation and management of health care enterprise corporate identity.

Health care and corporate identity management

Review of research papers on corporate identity management reflects very limited availability of research relating to corporate identity management in the public sector. Among few available, those relate only to research of corporate identity of universities (Melewar & Akel, 2005) or educational system in general (Mohamad *et al.*, 2007). Hospital marketing research papers mainly focus on behavioural or human resource issues – e.g. some papers are more focused on hospital personnel social identity issues (Russell *et al.*, 2010), employer image within recruitment process (Heilmann, 2010), job organisation in the operation room (Bleakley, 2006), social dynamics and behaviour in elderly house environment (Bland & Bland, 1983), but there were none found regarding general health care or hospital corporate identity management. Ford *et al.* (2012) acknowledge importance of the hospital image within the Internet and highlight need for clearly structured websites and presence in social networks to maintain patient accessibility to hospitals instead of frightening them away.

Still, Godiwalla & Godiwalla (2002) have introduced a framework for hospital marketing strategy formation, implying that this can also serve as part of hospital corporate identity management for few of its dimensions relating to corporate communications or market conditions.



Note: *These are not mutually exclusive strategies. They may be combined, or, pursued concurrently for different areas or activities of a hospital

Figure 3. Hospital strategic process for hospital marketing strategies (Godiwalla & Godiwalla, 2002)

As for general health care management theories, Porter & Teisberg (2006) analyse how participants in the health care system compete on costs, accumulate bargaining power, and restrict services instead of creating value for patients. They provide recommendations for hospitals, doctors, health plans, employers, and policy makers, how to switch to value-based competition on results which would bring improvements in treatment delivery quality and efficiency. Champy & Greenspun (2010) introduce reengineering methodology in health care throughout physician practices, hospitals, and entire health systems by relevant configuration of people, processes and technology.

Conclusions

Review of corporate identity research reflects availability of quite broad spectrum of corporate identity definitions that have appeared along with evolution of corporate identity concept, but rather limited choice of empirically applicable corporate identity management models or frameworks for actual analysis. Therefore, it can be concluded that empirical research of corporate identity management in health care may turn out to be challenge and in order to carry such research, a generic corporate identity model should be aligned with research methodology taking into account specifics of health care sector.

Still, limited availability of literature on strategic health care management and lack of any research on hospital corporate identity research provides an opportunity to introduce new framework for corporate identity management research in relation to health care sector. As noted by Bouchikhi & Kimberly (2008), the corporate identity management as infinite process, through which several aspects of general company management and organizational structure influence each other and instantaneously affect formation of the corporate identity. Therefore, it can be assumed that there is no single one best framework or recipe for proper corporate identity management, but instead corporate identity management should be perceived as generic process where given corporate identity dimensions should be adjusted according to overall strategy. From the other side, available organisational management theory highlights and confirms existence of key differences between regular business enterprise and regular health care enterprise.

Existing attempts of exploring various corporate identity dimensions have resulted in general corporate identity framework developed by Melewar & Jenkins (2002) and further improved by Melewar & Karaosmanoglu (2006) and Bartholme & Melewar (2009) that can be used for corporate identity analysis within the health care industry. Recommendations by Porter & Teisberg (2006) on general health care management improvement can be attributed to individual corporate identity dimension management in relation to communication and interaction between various hospital stakeholders.

The existing available research of corporate identity management in public sector (i.e. universities) provides general methodology framework and benchmark approach for corporate identity management analysis in respect to health care sector and also suggests expert surveys as the most suitable research methodology for obtaining empirical findings on corporate identity management.

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