

Globalism and Corporate Identity in the Post-crisis Economy

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Abstract. *The globalism of the post-crisis economy accentuates more and more the present risk and uncertainty condition. The normal corporate reactions in this situation can only arise starting from an “exploration” and understanding of the turbulence and chaos that manifest themselves increasingly clearly nowadays. The shift of the business environment towards what we could designate by the syntagm “the new normality” cannot marginalize the “communicational paradigm”. The latter is called to support the corporate identity and to assure the necessary framework for the construction of certain business scenarios and strategies meant to make the most of the capabilities of the modern organization.*

Keywords: globalism; corporate identity; communicational paradigm; turbulence; chaos.

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The interconnection and the interdependence of the contemporary society lead us more and more towards the question: “*What kind of socio-economic structure or model are we going to?*” At the same time, we cannot help noticing that the global aspect of its specifics, the informational-communicational system, can be highlighted as the main “motor force” of what is considered to be the “chaotics model”. The latter has drawn our attention because of its resonance in the present economic phenomenology and processuality, despite its old roots in the economic theory.

An eloquent example is that of the “new Keynesians” according to whom the state’s intervention is all the more necessary as it is requested by the “chaotic” behavior of the macroeconomic subsystems specific for the period under analysis. At the same time, the need to find a remedy for the economic chaos starting from the hypotheses of the “theory of the reasonable expectations” becomes a need just in order to demonstrate that the chaotic economic cycles are generated by the economic endogeneity. Finally, such a situation leads to the destructuring of the entire economic system unless the necessary corrections are implemented.

Today, more than ever before, we notice that chaos is omnipresent in the economic systems. The “chaotics” model developed by Kotler and Caslione concerning the so-called “new uncertainty” that manifests itself in the actual world economies approaches chaos from the perspective of the mutations on the level of corporate management and marketing.

So, what has been foreseen in theory can be seen manifesting itself in practice nowadays. If we simply carry out a brief “radiography” of the present situation of the world economies, we can notice the following things.

The world economic crisis is the result of the United States’ financial crisis, a crisis that destabilized the dollar’s central position in the world’s finances. To the latter can be added, and we think we should highlight this aspect, the subprime mortgage crisis, where the relaxing financial regulations and the continual deregulations have come together with a series of extra-accounting operations and a financial intermediation with an extremely high risk both in the short and long run.

At the opposite pole, the BRIC countries – Brazil, Russia, India and China – can interact, generating challenges and/or opportunities in the business environment. So, we notice that the globalism of today’s world, characterized by a synchronized fragility and the “chaos effect”, can be disseminated via global communication just like a virus. At the same time, the report *Global Trends 2025...* brings to light a series of “relative certainties”. So, it is forecasted that the conflict potential in the Middle East area will increase, and it is also considered that China’s and India’s ascension will finally lead to the

creation of a multipolar global system. Under these circumstances, we will witness a shift of the economic wealth and power balance from the Occident to the Orient, while the position of the United States will be preserved, yet to a lesser extent (National Intelligence Council, 2008).

Globalism and corporate identity – towards a new model

The projection of a perceptive business environment, able to withstand the pressures of the economic turbulences, leads towards a series of significant modifications.

Today we can speak about chaos not only on a macroeconomic level, but especially on a microeconomic level. This is the “economy of the new normality”, according to the so metaphorical denomination given to it by Kotler and Caslione. Within it, the economic chaos relies on the so-called “economic turbulence”. “*Yet what is economic turbulence and how does it affect us?*” According to the definition used in this domain, the economic turbulence represents nothing else but the “trajectory” of the rapid changes from an organization’s internal and external environment, impossible to predict, which affect the corporate performances (BNET, 2009).

The “chaotics” model imagined by Kotler and Caslione tends to become increasingly more, in our opinion, the actual model of the corporate practice. The central idea of the “chaotics” model seduces us by the simplicity and originality of its message – namely that of determining the organizations to think, function and evolve within the coordinates of some new parameters.

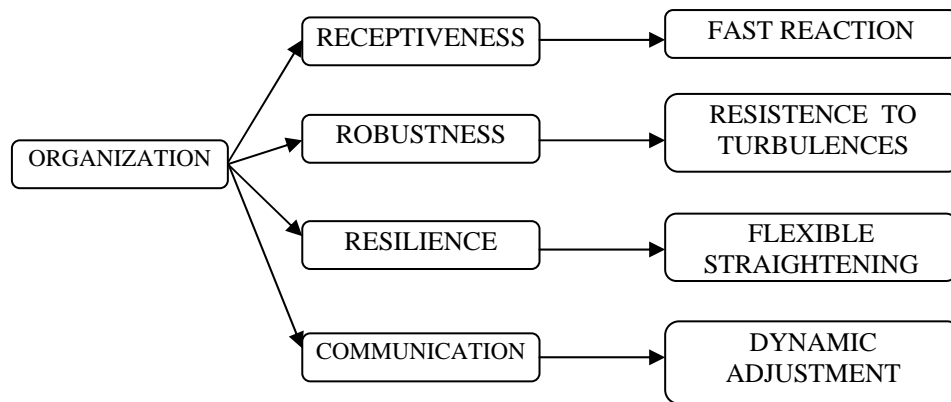
Here, “...turbulence is the *new normality*, punctuated by periodic and intermittent spurs of prosperity and downturn – including extended downturns amounting to recession or even depression. And turbulence has two major effects. One is vulnerability, against which companies need defensive armor. The other is opportunity, which needs to be exploited (...) and which occurs when a strong company can take away a competitor’s business or even acquire a weakened competitor at a bargain price. (...) If we are correct, companies need a chaotics system for dealing with uncertainty” (Kotler, Caslione, 2009, p. 12).

Globalism and corporate identity influence each other. We are witnessing the development of certain scenarios on the basis of which the “condition of normality” is nothing else but the manifestation of the “turbulence”. Consequently, business management requires a conceptual framework and a managerial system able to withstand this chaos and, at the same time, a stimulation of the strategic thinking concerning the planning of the business evolution tendencies in the long run.

At the basis of the corporate strategic thinking should lay the principle of business uncertainty and risk. At the same time, the fact of drawing near the turbulence, according to the Kotler-Caslioni model, requires the introduction of new strategic alternatives springing from the corporate management. These strategic alternatives are meant to realize the “protective shield” of the organization’s basic activity, and also to develop the organization, if possible, at the expense of its direct competitors.

The adoption of such an organizational attitude that defies conventional theory – namely that of corporate expectation before passing to structural changes – is beneficial. It results in the fact that from the economic turbulence there will emerge much more mature organizations, prepared to get and to keep their competitive advantage on the market and in the business environment.

So, the modeling of an adequate corporate behavior involves, according to the specialists’ opinion, three essential features that have to try their strength against the new “adjustments” in the business environment. These features are: receptivity, robustness and resilience (Hermann, 2009). To these, we think one should add the “activation” of the communicational component, aiming to attain a “dynamic adjustment” of the organizational behavior (Figure 1).



Source: Adapted from Kotler Ph., Caslione J.A., *Chaotics: The Business of Managing and Marketing in the Age of Turbulence*, AMAZON books, New York, 2009, p. 136.

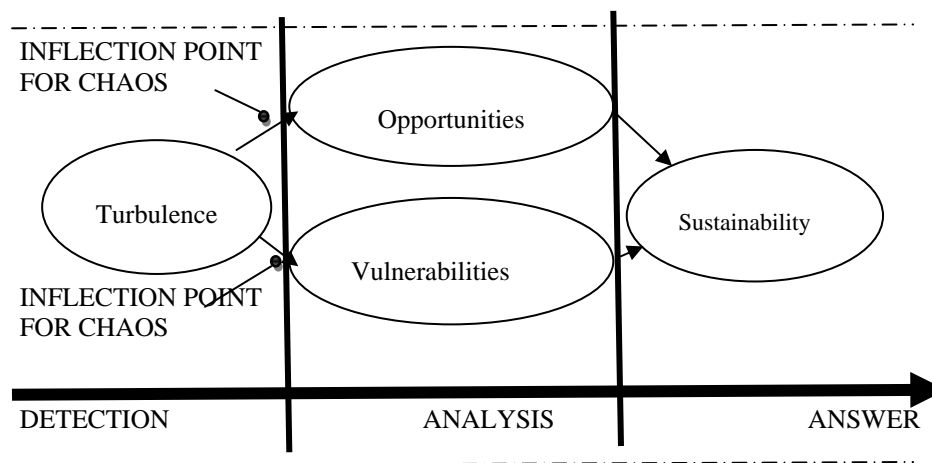
Figure 1. Corporate behavior projection

The projection of a reactive and at the same time synergic organizational behavior, keeping the pace with the disturbing “events” that can affect the business environment any time and any way, involves a reconfiguration of today’s corporate strategy and communication model. The adoption of certain new corporate procedures and behaviors can become unilateral, difficult and

monodirectional, from the viewpoint of the communicational message, unless they are accompanied by adequate tools, conceived in such a way as to be able to permanently adapt to environmental changes and at the same time to generate feed-back. The novelty of a so-called corporate “identity model” is, in our view, the fact that it will be permanently shaped by the influence of a series of factors, such as: technological progress, disruptive innovations, hyper-concurrence, targeted public’s skills, environment etc.

The adaptation of the corporate identity in the situational case of the Kotler-Castlione “chaotics model” will acquire new meanings. We are referring, on the one hand, to the relation established by the organization with its public, where its values in agreement to the market reality will acquire an increased significance and importance. On the other hand, the corporate identity will be built on the permanent and more often than not hardly perceptible “adjustment” of the corporate image shaped by the public, out of the wish to attain a new level – that of the “image desired and targeted” by the organization at that moment.

Corporate activity should focus on the development of a viable communication plan, as this is the first step towards starting a viable corporate strategy. The latter should focus, even during times of economic turbulence, on finding and exploiting business opportunities, so as to finally set off the activation of the sustainable business component (Figure 2).



Source: Kotler Ph., Caslione J.A., *Chaotics: The Business of Managing and Marketing in the Age of Turbulence*, AMAZON books, New York, 2009, p. 103.

Figure 2. *From turbulence to sustainability*

Corporate “sustainability”, as final message of the feedback established between the organization and its targeted publics in the framework shaped by the inflection points of the economic chaos will lead to the minimization of the prejudices that can be brought by the corporate-specific strategic and communicational vulnerabilities, which are to be brought to light by this context. So, we consider that the “sensitivity” of the corporate identity can be highlighted to the maximum by this situation.

Even though it represents a very dangerous state of affairs, we consider the economic turbulence to be beneficial, too. It can turn into a veritable strategic, managerial and communicational adjustment tool, measuring the organization’s capacity to support itself and to react like a “living organism” to the shocks that may appear.

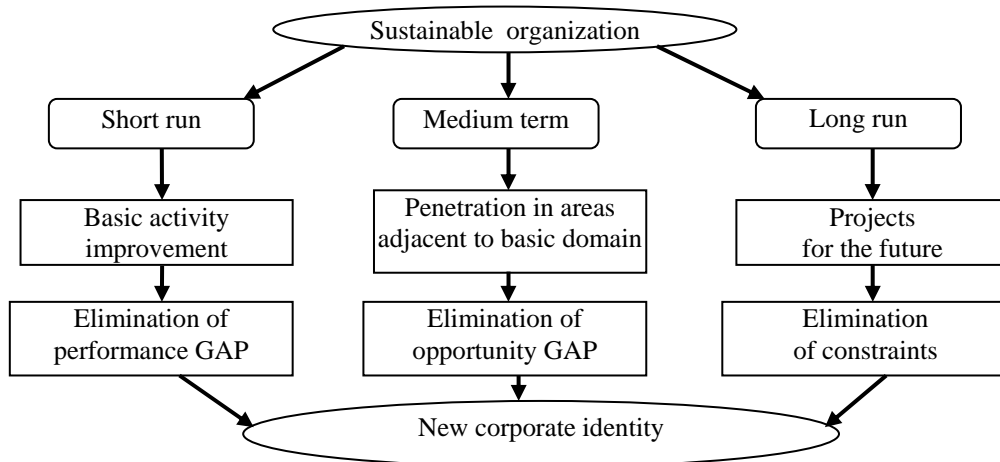
Failure on the business level may appear when the organization will not be able to overcome the period of passage through an inflection point of the chaos. Such is the situation, for instance, of General Motors, Ford and Chrysler. Here, the overcoming of the strategic inflection points has not brought about, according to the specialists’ opinion, the remodeling of the organizational activity and, implicitly, the necessary adjustments for the corporate identity. On the contrary, we are witnessing an “obstinate” conservatism, with quite disastrous consequences for the business: the struggle to stay alive (Hamel, Välikangas, 2003) So, it would be necessary to adopt a new mentality, in the center of the change being required the development of a true “communicational culture”. “*Why are we in favor of such an approach?*” We support it because the creation of a sustainable – but also extremely dynamic and flexible – organization, an organization able to respond to market signals, can bring to light the hidden corporate vulnerabilities much more easily.

At the same time, the corporate change has consequences on the corporate identity as well. The adoption of a new behavior by the organizations submitted to economic turbulences automatically implies the development of their communicational culture because “...the way in which an organization conceives and manages its communication speaks more about its culture than any other element involved in this process” (Sanchez, 2006, pp. 40-41). At the same time, the communicational feedback comes to create the so needed framework of the corporate success by involving the organization’s own employees and by motivating them not only as far as the development of the external communication with the targeted publics is concerned, but also regarding the development of the internal communication. In this context, the corporate managerial and functional capabilities will be able to go through a mutual interconditioning with what we usually call “communicational capability”. By means of the latter, in the organization, an intrinsic connection will be created between its communicational component and its social capital.

So, "...the social capital is defined (our note) as the organization's capacity to create, maintain and use relationships in order to attain corporate goals" (Kennan, Hazleton, 2006, p. 322). So, the communicational capability is all the more important, as it develops and activates the public relations system, characterized by a high degree of trust, regardless of the targeted public categories that the company turns to.

The activation of a sustainable corporate relationship actually pursues the conception of a strategy or of a set of strategies meant to maximize the companies' value in the long run, concomitantly to the optimization of the corporate performance and value in the short and medium run. Starting from this last aspect, our attention has been drawn by the model of the "triple planning", as we have called it, proposed by Vijay Govindarajan. According to his opinion, the corporate "normality" is built in the short, average and long run, and the corporate projects and initiatives should be sorted out according to the three cases identified pertaining to the three temporal horizons: short, average and long run (Govindarajan, 2008).

Based on the ideas presented by Govindarajan in 2008, we consider that the corporate "present" can only be understood in inter-relation with the corporate identity (Figure 3).



Source: Authors' processing.

Figure 3. Corporate identity "readjustment"

Everything we have highlighted so far does nothing else except to reinforce our statements concerning the need to build a new corporate identity. This is a major problem as the organizations have to survive, to develop and to prosper, whether they like it or not, in this world of the "communicational paradigm", characterized by change and turbulence.

Conclusions

In order to withstand the chaos and uncertainty dominating today's economy, organizations need a new architectural model: *the chaotic model*. The essential ideas on the "new normality" taking becoming visible in the actual business environment are indissolubly related to the advantages brought within the organization by the activation of its communicational capabilities.

The corporate evolution, performance and prosperity in the new era that we have just entered, namely the turbulence era, require the use of a non-conformist approach of the corporate management and communication, an approach in which the system has to be extremely dynamic, flexible and reactive, in order to manage and overcome with minimum risks and losses the possible crises that the organizations may face at a certain point.

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