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PERCEIVED EXTERNAL PRESTIGE, ORGANIZATIONAL IDENTIFICATION AND ORGANIZATIONAL COMMITMENT: AN EMPIRICAL EXAMINATION

Abstract. The relations among employees’ groups and corporate identification, perceived external prestige, and organizational commitment were measured in this study. Results show that perceived external prestige augments corporate identification and helps to explain organizational commitment. A strong positive link between corporate identification and organizational commitment as well as group identification was also found. There is a negative link between group identification and organizational commitment. The consequences of the results for the management of organizational identification and commitment are discussed.

Keywords: group and corporate identification, organizational identification, perceived external prestige, organizational commitment

Introduction

For numerous authors who specialize on the corporate communication field as well as other academic disciplines dealing with companies and organizational realities, organizational identification is one of the root constructs in organizational phenomena (Albert et al., 2000). According to different research findings it is clear that employees who identify strongly with their organizations are much more “beneficial” for the company (Smidts et al., 2001) and many authors argue that strong identity of an organization – identity that increases the identification of employees - can be indeed be an important competitive advantage. Among others (see Kreiner and Ashforth, 2004), a sense of organizational identification may prevent employees from becoming alienated and can contribute positively to job motivation and job satisfaction (van Knippenberg and van Schie, 2000). It can also contribute to a lower staff turnover and absentee rate and greater cooperative behaviour (e.g. Bartels et al., 2010). From a managerial perspective, identification
is advantageous in ensuring that employees’ decisions are congruent with organizational goals and the corporate brand, and are in the organization’s best interests, even in the absence of supervision (Miller et al., 2000). As Pratt (1998: 184) notes, organizational identification helps an organization to retain control over its members.

Although there is a consensus about the importance of organizational identification and its consequences for organizational life and individuals within organizations, a close reading of different conceptualisations of the construct reveals some confusion about what organizational identification is. One of the reasons is that authors dealing with the phenomena come from different theoretical backgrounds. What they have in common is their view of organizational identification as a process of self-definition, which is in congruence with social identity theory and social categorization theory (Tajfel and Turner, 1979; Turner, 1984; Tajfel and Turner, 1986) but has also roots in other theoretical perspectives such as psychoanalyses and symbolic interactionism. It seems that authors agree that the process of organizational identification is based on an individual sense of oneness with a particular social category and/or object. As such, organizational identification is perceived oneness with an organization (Mael and Ashforth, 1992). Similarly Dutton et al. (1994) define organizational identification as the cognitive connection between the definition of an organization and the definition a person applies to him- or herself.

Too often, however, scholars from different theoretical perspectives use the term organizational identification without explaining how they understand the term organization itself. Authors use the same term (organization) to describe two opposite views of organization – as a group of employees and as an autonomous entity respectively – without explaining which one they are referring to. From the observer’s perspective the first view is addressing the organization with the word “it”, the second one, on the other hand, uses the term “they” when describing the organization. Similarly, business ethics makes a distinction between an individualistic and a collectivistic approach when dealing with moral responsibilities of organizations (Podnar et al., 2011). An individualistic approach sees the organizations as a sum of individuals who are the only responsible agents (see Kaptein and Wempe, 2002), whereas a collectivistic approach sees the organization as a social entity, which, as a moral agent, is responsible for its actions (Donaldson, 1985). Thus this confusion seems to be in line with differences in using the term organization: it would be an oversimplification to depict an organization solely as an entity or solely as a network of groups (van Knippenberg and van Shie, 2000). Scholars agree that there are multiple foci of organizational identification, which can be linked to multiple group memberships (Ashforth and Mael, 1989; Ashforth and Johnson, 2001); also to the
organization itself as a social entity or a brand. As such, we have to distinguish between two levels of organizational identification: group identification and corporate identification (Podnar et al., 2011). Different level or foci of identification refer to the group or work team level on one hand, and the organization as a whole (i.e. social entity) on the other. Focusing only on one aspect of organization may result in serious oversight in a study of organizational identification (a detailed rationale see Podnar et al., 2011).

Until today the question of which level of organizational identification is more beneficial for the organization, remains unanswered. In addition, the relation between group identification and corporate identification has been overlooked in empirical analyses. Furthermore, although researchers have identified the importance of various foci of identification, empirical studies dealing with both levels of organizational identifications, and their antecedents as well as effects are rather rare.

In this paper we will address the question of two different foci of organizational identification – corporate and group – and its links with perceived external prestige (PEP) and organizational commitment. PEP on one side, in accordance with social identity theory, is considered to be one of the most influential factors that positively affect organizational identification, since members feel proud to belong to an organization that is believed to be reputable by the public. On the other hand, organizational identification has been only recently empirically differentiated from an organizational commitment that refers to individual willingness and decisions to remain in an organization, and which has numerous cognitive and behavioural outcomes for the individual and organization.

The remainder of this paper is organized as follows. First, the theoretical framework is presented and the research model with hypotheses is developed. After the methodology section the results are presented and finally discussed together with the directions for future research.

Theoretical background and hypotheses

Organizational identification and commitment

Early studies on corporate identification and organizational commitment didn’t distinguish between the two concepts and they have been treated as synonyms (e.g. Postmes et al., 2001). In some cases commitment was considered to be a dimension of identification (Lee, 1971; Rotondi, 1974) and vice versa (March and Simon, 1958; Randall, 1987). Among the first authors who have pointed out the inconsistency of the understanding of both concepts were Barge and Schlueter (1988). With their extensive literature review they have shown that there is no consensus among authors about
the definition and conceptualisation of both concepts and that different measurement instruments for identification and commitment measure different things. Ashforth and Mael (1989) also doubt the validity and reliability of existing conceptualizations of corporate identification and commitment. Their argument was based on the research of Mael (1988) who has found that identification and commitment are two closely related but theoretically and empirically different concepts. According to Ashforth and Mael (1989), commitment can reflect individual goals that do not necessarily serve those of the collective as such, for example, an employee can be committed simply because the organization is a convenient vehicle for personal career goals, while this may not be the case for identification. In addition, while identification is organization-specific, this may not be the case for commitment. A strong belief and acceptance of the organization’s goals and values can be transferred to the another organization but identification is related with the specific social groups and organizations (Mael and Ashforth, 1992).

Pratt (1998: 178) states that identification explains the individual-organizational relationships in term of individual’s self concept, while organizational commitment does not. According to Pratt, commitment answers the question of happiness and satisfaction with the organization” while identification answers the question of how I perceive myself related to the organization. According to van Knippenberg and Sleebos (2006), the core difference between identification and commitment lies in the implied relationship between the individual and organization. Identification reflects psychological oneness, whereas commitment reflects a relationship between separate psychological entities.

As a specific form of social identification, organizational identification is defined as a feeling of sameness to some entity. Organizational commitment on the other hand can be defined as a strong belief in and the acceptance of the organization’s goals and values, a willingness to exert considerable effort on behalf of the organization and a definite desire to maintain membership in the organization (Porter et al., 1974). According to Allen and Meyer (1990), different ways of defining and conceptualizations of organizational commitment have in common a link with the fact that employees who are strongly committed are those who are least likely to leave an organization. They explained it as mindset that binds an individual to a course of action of relevance to one or more targets. Although common to different approaches is a link between the employee and organization that decreases the likelihood of turnover, it is clear that the nature of that link differs. Allen and Meyer (1990) distinguish between three types of organizational commitment. Affective, continuance and normative commitment are psychological states that characterize the person’s relationship with the entity in question and have implications for the decision to remain in it (Meyer and
Allen, 1997: 93). Employees with strong effective commitment remain in an organization because they want to, those with strong continuance commitment remain because they need to, and those with strong normative commitment because they feel they ought to do so (Allen and Meyer, 1990: 3). For our purpose we understand organizational commitment as an individual willingness and decision to remain in an organization.

More recent empirical studies also support identification and commitment as being two distinct constructs (Mael and Tetrick, 1992; Gautam et al., 2004). Gautam et al. (2004) also demonstrated that identification was empirically distinguishable from four organizational commitment measures. Van Knippenberg and Sleebos (2006) also demonstrated that identification and commitment were empirically distinct constructs. Riketta (2005) conducted a meta-analysis on identification and compared it with commitment. He observed that despite the overlap in shared variance, identification proved to be distinct from commitment with respect to its correlates. Cole and Bruch (2006) among others also empirically demonstrated that both constructs are empirically distinct.

Furthermore, in some recent studies, organizational identification is shown to have a positive relation with organizational commitment (e.g. Bergami and Bagozzi, 2000). Siegel and Sisaye (1997: 150) argue that organizational commitment is a behavioural construct, while organizational identification is cognitive-affective. In their study the strong influence of organizational identification on organizational commitment was shown. In their experiment Ellemers et al. (1997) have found that low identifiers perceived the group as less homogeneous, were less committed to their group, and more strongly desired individual mobility to a higher status group than did high identifiers. In addition, their second experiment has shown that even in the absence of an identity threat, low identifiers were less likely to see the groups as homogeneous, felt less committed to their group, and more strongly desired individual mobility than high identifiers. The findings of Kwon et al., (2010) indicated the strong influence of organizational identification on commitment.

According to the literature, the current study examines the extent to which organizational identification predicts an outcome of organizational commitment:

H1 Individual's organizational identification is positively related to his/her organizational commitment.

Following our rationale (Podnar et al., 2011) and distinction between corporate and group identification as two sides of the same coin of organizational identification, we must measure both foci of organizational
identification. In addition, the question of which one of those two foci of organizational identification is more important remains unanswered due to the lack of research. Van Knippenberg and Van Schie (2000) argue that organizations provide their employees with multiple membership opportunities, each of which offers a potential focus of identification, be it with the organization as a whole or within it. Authors propose that group identification is stronger than identification with the organization as a whole. In addition, their study also shows that work-group identification is more strongly related to turnover intentions, job motivation, job involvement, and job satisfaction than with corporate identification. Based on this research we can propose our two hypotheses:

**H1a** An individual's corporate identification increases the extent of his/her organizational commitment.

**H1b** An individual's group identification increases the extent of his/her organizational commitment.

**Perceived external prestige, organizational identification and commitment**

People utilize their associations with organizations to define their self-concepts (Ashforth and Mael, 1989). “Central to social identity theory is the premise that, because people are motivated to enhance their feeling of self-worth, they seek to belong to groups that compare favourably with their groups or, in other words, they aspire to belong to high-status groups” (Terry, 2001: 231). In this context, for individuals status-related issues in the organizations they belong to are particularly important and different authors have recognized the importance of perceived external prestige (PEP) also called constructed external image (Dutton et al., 1994: 248). PEP refers to a member’s own view of outsiders’ reputation of the company. It represents how employees think outsiders see the organization (Smidts et al., 2001). PEP represents how an employee thinks and believes outsiders view his or her organization and thus him or herself as a member of that organization (Smidts et al., 2001: 1052). Construed external image “refers to a member’s beliefs about outsiders’ perceptions of the organization” (Dutton et al., 1994: 248). According to Dutton et al. (1994: 250), construed external image “summarizes a member’s beliefs about how people outside the organization are likely to view the member through his or her organizational affiliation”. If organizational reputation refers to outsiders’ beliefs about what distinguishes an organization, construed external image captures internal members’ own assessment of these beliefs (Dutton and Dukerich, 1991). According to Dutton and Dukerich (1991), PEP provides more
than just information about the probable social evaluation of the organization. For members, the construed external image answers the question, “How do outsiders think of me because of my association with this organization?” As such, construed external image acts as a potentially powerful mirror, reflecting back to the members how the organization and the behaviour of its members are likely to be seen by outsiders (Dutton et al., 1994: 248). Elsbach and Kramer (1996) have even found that members of a particular organization change their perception and image of an organization according to information about its external image. Members’ identification is sensitive to how they think outsiders view the organization. PEP is considered to be one of the most influential factors that positively affect organizational identification, since members feel proud to belong to an organization that is believed to be reputable in public. When members construe the external image as attractive – meaning that they believe this image has elements that others are likely to value – then organizational affiliation creates a positive social identity (Dutton et al., 1994). As proposed decades ago by March and Simon (1958), when individuals believe their organization is held in high esteem by external parties, they tend to more strongly identify with the organization.

Empirical research supports this claim. Several studies found that members in an organization who viewed the PEP of the firm highly attractive identified more strongly with their organization than members in a matched firm where PEP was lower. The positive correlation between PEP and organizational identification was reported by Bhattacharya et al. (1995), Iyer et al. (1997), Fisher and Wakefield (1998), Bergami and Bagozzi (2000), Smidts et al. (2001), Bamber and Iyer (2002), Carmeli and Freund (2002), and Carmeli (2005). Riketta’s (2005) meta-analysis of 16 studies also indicated a strong positive correlation between construed external image and organizational identification. The study of Fuller et al. (2006) was consistent with prior research; however their results indicate that the positive relationship between construed external image and organizational identification is a conditional one. According to the authors it depends on the level of an individual’s need for self-esteem.

Although PEP is found to be positively associated with organizational identification, in literature the relation between PEP and organizational commitment is not well developed. According to Carmeli and Freund (2002), there was no prior research testing the link between the two concepts. Their argumentation to link both concepts was build on the proposition that PEP as an output resource is most likely associated with organizational effectiveness, which is true also for organizational commitment. They have confirmed a positive relation between affective commitment and PEP, but not between PEP and continuance commitment. In the second study dealing
with PEP (Carmeli, 2005), results indicated that PEP augments employees’ effective commitment to their organization. At this point we must be aware that solid theory that would explain the relation between the two concepts is not yet fully developed.

According to the above rationale and findings, the following hypotheses are proposed:

H2 The higher the perceived external prestige of their organization, the more strongly members will identify with it (as organizational identification).

H2b The higher the perceived external prestige of their organization, the more strongly members will identify with it (in terms of corporate identification).

H3 The higher the perceived external prestige of their organization, the higher employee’s organizational commitment.

Methodology

For our purposes we have used a survey. All variables were drawn from the literature and all measures were assessed on a five-point (Likert) scale. In constructing the survey we first define the two levels (or foci) of organizational identification and then search for appropriate items to measure them. In addition, we provide information about measuring organizational commitment and perceived external prestige. A detailed description is provided below.

Organizational identification as a Likert type variable is consists of group and corporate identification.

Group identification. We define the first level of organizational identification - also named identification with the psychological group - as individual perception of sharing characteristics of the group members or individual sense of oneness with the company as a group of people (see Mael and Tetrick, 1992). This type of identification process is characterized with a sense of oneness with an interacting group (e.g. co-workers) (Henry et al., 1999). For measuring this construct we chose to use a tripartite model and measures developed by Henry et al. (1999) who distinguish group identification from related constructs and propose an integrative view of group identification consisting of three sub-dimensions: affective, behavioural and cognitive. The multidimensionality of identification was also considered both in terms of collective identities and organizational contexts (Bergami and Bagozzi, 2000; van Dick et al., 2004). The affective dimension refers to the emotional attachment to the group; the behavioural dimension is linked
to behavioural interdependence and shared group objectives, and the cognitive dimension represents the knowledge of being a member of a certain group (Henry et al., 1999; van Dick et al., 2004). Factor analyses reveal two dimensions, cognitive and affective items loaded together in a single factor (α=0.85), along with the separate behavioural dimension (α=0.76). In their study, the cognitive and affective sub-dimensions were also combined, leaving “behavioural” as a sole second dimension. They concluded that, in the case of very diverse groups, two-dimensional solutions of group identification should be expected.

**Corporate identification.** The second level of organizational identification, named corporate identification, is defined as the individual perception of sharing characteristics or an individual sense of oneness with the company as an entity. It is characterized by member identification with the company as a whole (the company as a social unit or the company as a brand) (see Dutton et al., 1994). Due to the lack of well-validated measures of corporate identification, we developed our own instrument to measure the construct. Also, in order to test the instrument properly, we decided to explore its possible multiple dimensions. A comprehensive item pool was developed for the construction of the “organizational identification” scale, consisting of items measuring the tri-partite model of group identification (Henry et al., 1999) and (in the same manner) items measuring corporate identification with some of the items from existing social and organizational identification scales. These items were then reviewed by authors as well as by two independent academics to identify any misleading or ambiguous items. Some items were rejected as unclear, biased, repetitive or otherwise unsuitable and the remaining ones formed the basis for a questionnaire. All other items used were believed by authors to capture the essential aspects contained in the theory and definitions. The questionnaire was then pre-tested on employees of a selected company and some additional amendments to the layout and questions were carried out. The scale was one-dimensional and reliable (α=0.94).

**Organizational commitment.** “Organizational commitment characterizes a person’s relationship with an entity in question and has implications for the person’s decision to remain in it” (Meyer and Allen, 1997: 93). For measuring organizational commitment we used and tested Meyer and Allen’s (1997) three-component model and their scale measuring affective, continuance and normative commitment. The scale was translated from English into Slovene. Because of a distinction between identification and commitment affective commitment, the original scale has been revised and all items that measure identification with organization were excluded from
the instrument. Principal axis factoring and Oblimin revealed three dimensions (normative, continuance and affective) as predicted and the scales were reliable.

**Perceived external prestige.** Perceived external prestige refers to a member’s own view of outsiders’ reputation of the company. It represents how employees think outsiders see the organization (Smidts et. al., 2001). For measuring perceived external prestige, we used the most common instrument recommended, tested and used by other authors (Mael and Ashforth, 1992; Smidts et. al., 2001). The scale was one-dimensional and reliable (α=0.83).

**Sample**

The sampling frame for the primary sample was a list of the members of the Slovenian Advertising Chamber, which includes approximately 400 employees of 40 marketing communications agencies: an especially knowledge-based expert sector, in which the employees of typically small firms are often more loyal to the industry as a whole than to a single employer.

We selected the respondents within the individual agencies by systematic random sampling, with a sampling interval of 3 for the agencies and 2 for the respondents, to minimize selection bias and ensure as representative a sample as possible. The questionnaires were administrated personally, and data were collected from 200 employees of 12 agencies; 145 (72%) of returned questionnaires were usable in the data analysis. The sample composition was 38% male and 62% female, and almost half the participants were under 30 years of age.

**Results**

We tested the hypotheses using hierarchical regression analysis. The main statistics are presented in Table 1. In our multiple regression analysis we employed the Stepwise method, which enters the variables according to their highest F-value. The models consist of only those variables that significantly influence the dependent variable. In our case we obtained four such models.

The first model, with organizational commitment as a dependent variable, is statistically significant (p<0.001) and independent variables explain 44% of variance in organizational commitment. Coefficient Beta is not significant for variables PEP and group identification. Thus, hypotheses H3 and H1b are not supported. However, we can support hypothesis H1a that predicted a positive relation between corporate identification and organizational commitment.
Table 1: REGRESSION MODELS

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1 Organizational commitment</th>
<th>Model 2 Organizational commitment</th>
<th>Model 3 Organizational identification</th>
<th>Model 4 Corporate identification</th>
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<tbody>
<tr>
<td></td>
<td>$\beta$</td>
<td>$t$</td>
<td>$\beta$</td>
<td>$t$</td>
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<tr>
<td>PEP</td>
<td>-0.026</td>
<td>-0.301</td>
<td>0.098</td>
<td>1.112</td>
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<tr>
<td>Group identification</td>
<td>0.023</td>
<td>0.321</td>
<td></td>
<td></td>
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<tr>
<td>Corporate identification</td>
<td>0.688</td>
<td>7.753*</td>
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<tr>
<td>Organizational identification</td>
<td>0.541</td>
<td>6.110*</td>
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<td>F</td>
<td>34.454*</td>
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<tr>
<td>R²</td>
<td>0.449</td>
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<td></td>
<td>34.631*</td>
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<td></td>
<td>0.354</td>
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<td></td>
<td>64.439*</td>
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<td></td>
<td>0.328</td>
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<td></td>
<td>83.255*</td>
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<td>0.389</td>
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</table>

*p<0.001

Table 2: THE RESULTS OF THE HYPOTHESIZED RELATIONSHIPS

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Model</th>
<th>Status</th>
</tr>
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<tbody>
<tr>
<td>H1: Individual’s organizational identification is positively related to</td>
<td>Model 2</td>
<td>Confirmed</td>
</tr>
<tr>
<td>his/her organizational commitment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1a: Individual’s corporate identification increases the extent of his/her</td>
<td>Model 1</td>
<td>Confirmed</td>
</tr>
<tr>
<td>organizational commitment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1b: Individual’s group identification increases the extent of his/her</td>
<td>Model 1</td>
<td>Not confirmed</td>
</tr>
<tr>
<td>organizational commitment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2: The higher the perceived external prestige of their organization,</td>
<td>Model 3</td>
<td>Confirmed</td>
</tr>
<tr>
<td>the more strongly members will identify with it (as organization id.).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2b: The higher the perceived external prestige of their organization,</td>
<td>Model 4</td>
<td>Confirmed</td>
</tr>
<tr>
<td>the more strongly members will identify with it (as corporate id.).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H3: The higher the perceived external prestige of their organization,</td>
<td>Model 1</td>
<td>Not confirmed</td>
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<td>the higher employee’s organizational commitment.</td>
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</table>

In the second model with the same dependent variable, independent variables account for 35% of variance. The influence of organizational identification is statistically significant whereas the influence of PEP is not. This model confirms hypothesis H1 – high organizational identification is related to higher organizational commitment. However, we cannot support H3.

The third model includes organizational identification as a dependent variable. PEP as the only predictor accounts for 35% of variance. The model is statistically significant (p<0.001) as it is Coefficient Beta for PEP. We can

...
conclude that PEP is positively related to organizational identification (H2). The fourth model includes PEP as a statistically significant predictor of corporate identification that explains 39% of variance. H2b, predicting that PEP and corporate identification are positively related, is thus supported. Compared with the third model we can observe that PEP is relatively more strongly connected with corporate rather than organizational identification (Table 1).

The results of the hypotheses testing are summarized in Table 2.

Discussion, limitations and further research

Our findings have important implications for the existing literature and practice of organizational identification and corporate marketing. Because the concept of corporate marketing is holistic by its definition it must acknowledge both realities of corporation for its employees and their identification. The main argument of our paper was that organizational identification is a two-level construct comprising group and corporate identification. Identification is defined as a psychological process in which individuals either connect with or distance themselves from one or both sources of identification, which in this case is represented by a group of people on one side and a company as a social unit or a brand on the other. We have focused on the question of which one of those two foci of organizational identification is more important. We didn't confirm Van Knippenberg and Van Schie's (2000) proposition that group identification is more important than corporate identification. On the contrary, in the case of advertising agencies employees' we can say that corporate identification is more strongly related to organizational commitment compared with group identification, whereas we didn't find the correlation with commitment. Hence, if group identification is high in a particular organization and corporate identification low, we can expect that such employees will not remain committed to the organization. In some cases we can expect that they will probably move to a new agency. In fact, the history of some agencies in Slovenia proves that. Agencies should therefore invest in their internal and external reputation and foster corporate identification.

Certain limitations of our study provide an opportunity for future research. First, the discriminant validity of the organizational identification construct could be more rigorously tested, either by verification of the distinction between our “dual-foci” construct and similar constructs developed by others such as Van Knippenberg and Van Schie (2000) and Smidts et al. (2001), across every measuring scale in a single survey, or by the procedure advocated by Campbell and Fiske (1959), which combines a number of methods to assess several items.
Second, since the primary research sample was drawn from small firms where group identification could have been confounded with work-group or work-team solidarity, we would recommend either testing the measurement scale in larger organizations, or simultaneous exploration of those lower-order varieties of identification. Future studies could usefully examine the matrix of possible consequences of corporate and group identification for organizations and individuals.

The relation between corporate brand and corporate and group identification would be an interesting focus for further research. Obviously, as some authors suggest (e.g. Alvesson, 2000), in many cases there is a mix of identification with the organization (corporate identification) and a near-experience part of it (e.g. work group; i.e. group identification). Accordingly, what are the consequences for the organization and individual if corporate identification and group identification are in a mutual conflict, if one prevails over the other? Our study also gives rise to the question of which level of organizational identification is more important in the sense of organization management and success.

The important question is also to what extent do individuals define themselves as either a collective or a social entity, or even both? This is important especially in the context of different types of organizations or/and cultures. What are the relations between corporate and group identification and other foci of individual identification? Is there any difference between local companies (such as in our sample) and big global corporations? How do corporate and group identification separately influence different types of organizational commitment and other behaviours of employees, or how are they influenced by other variables such as corporate reputation and identity? We should also point out the significance of the company as a brand and the importance of communication between organization and its members. Our study has also raised an important strategic question: which focus of organizational identification has the most important effect on corporate performance? For instance, solidarity with a work-group could prove to be a serious obstacle to management action if downsizing and redundancies became necessary, yet it will obviously be an important asset when the priority is to project a positive image to clients and other external stakeholders. On the other hand, strong corporate identification can also have negative affects and deviations.

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