

# **When in Rome, be(come) a Roman?**

## **Building organizational identities in networks**

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### **Competitive paper**

#### **Abstract**

Organizational identity scholars claim that how one acts depend on who one is, and consequently that an organization's identity affects its strategy. From an industrial network perspective, a firm's strategic network identity has traditionally been seen as depending on who others are; i.e. a focal firm's relationships define its identity. This work builds on the notion of 'identities in networks' and provides a balanced account of how organizational identities and strategies co-evolve with emerging network relations. Particular attention is given to distinguishing between actions/doings, and the 'being' of organizations. This is achieved with help of a longitudinal narrative case study, focusing on the development of a multinational corporation and one of its subsidiaries.

**Key words:** Identities in networks, co evolution, doing-being, authentic organizations.

## Introduction

I eat when I'm hungry.  
I drink when I'm thirsty.  
I sleep when I'm tired.

Zen poem

*“Being Norwegian in Chile is an impossible policy; in Chile we must be Chileans”*

Cermaq CEO Geir Isaksen (Verdensmagasinet X, 2007  
[www.xmag.no/id/130.0](http://www.xmag.no/id/130.0).)

When St. Augustine arrived in Milan in 387 A.D, he observed that the Church did not fast on Saturday as done at Rome. He consulted St. Ambrose, bishop of Milan, who replied: *“When I am at Rome, I fast on a Saturday; when I am at Milan, I do not. Follow the custom of the Church where you are.”*<sup>1</sup> The saying ‘When in Rome, do as the Romans do’ also concerns a fundamental issue facing multinational corporations (MNCs): how should these firms behave in their various locations?

In comparison with the focus on doings (practices and strategies), there is considerably less literature on the identity processes of MNCs, making potential differences between the classical saying and the advice ‘When in Rome, be(come) a Roman’ unclear. Whereas research on organizational identity has evolved significantly the past years, surprisingly little has been done regarding MNCs. However, not only does the MNC provide a rich setting for the study of organizational identity dynamics; it is also an entity of which enhanced understanding would be obtained through profound consideration of its ‘being’.

Scholars acknowledge the present confusion regarding what organizations do and ‘who they are’ (cf. Corely et al 2006); i.e. the identities of organizations are often equaled with (and possibly reduced to) what they are doing. Indeed, firms are portrayed as *behavioural* entities that co-evolve with the environments in which they are embedded (Coriat and Dosi 1998). The doings of firms are core even when identity is an acknowledged issue, such as in Kogut and Zander’s (1996: p 516) contribution to the foundations to a theory of what firms are *in terms of what they do*. In the language of the Actor-Resource-Activity (ARA) framework; activities seem to exist as proxies for actor identities.

The research questions which are addressed are the following: How do organizational identities in networks evolve? Are there reasons to distinguish more clearly between the ‘doings’ (i.e. activities and strategies) of firms and their ‘being centered’ (actor level) identity? The study addresses being-doing interdependencies and develops further the notion of ‘identities in networks’ (Huemer , Håkansson and Prenkert, 2009). This notion builds on the arguments that identities emerge and are constructed through an interplay between internal features and successful control, and the internal features of others and their successful influence. Internally and control focused MNCs may ignore the different geographical

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<sup>1</sup> <http://www.trivia-library.com/b/origins-of-sayings-when-in-rome-do-as-the-romans-do.htm>

contexts and the specific knowledge developments taking place in various locations. This may restrain their identity development. On the other hand, MNCs also face the risk of becoming overwhelmed by the endless stimulus of the emerging networks they exist in. The approach used thereby differs from the traditional industrial network emphasis on network identities, implying an outside-in view (e.g. Gadde et al 2003) where the identity given to a focal actor depends more solely on its network relationships.

The paper builds on a case study that combines elements of a narrative approach with processual and contextual analysis (cf. Buchanan and Dawson, 2007). It presents narratives related to the development of one of the largest salmon farmers in the world, Norwegian Cermaq, and in particular the HQs relationship to Mainstream, one of its subsidiaries. In the paper is proposed that a clearer distinction between actor traits (their being) and their doings is justified and would aid in the analysis of organizational and strategic development. As part of this, the notion of the authentic organization is introduced; an expression which builds on a distinction between 'essential being' and 'conditional being'.

### **A traditional focus on 'doing' and 'having'**

There is an abundance of disciplines in the organizations science focusing on the doings of organizations; expressed in behaviors, practices and activities. Strategic management scholars focus on the possible creation of sustainable competitive advantage by emphasizing activities, as articulated in Porter's (1985) value chain model. Work in the 'strategy as practice' domain is fundamentally concerned with the doing of strategy (e.g. Jarzabkowski and Spee 2009), focusing on human actors and their actions as well as strategizing activities which are linked to wider societal practices (Whittington 2007). Institutional theory offers tools to evaluate foremost the behavior of firms, such as MNCs, and how these entities are influenced by institutional contexts. Institutional theory has been widely used for studying the adoption and diffusion of organizational practices among organizations (e.g. DiMaggio and Powell, 1983; Kostova and Roth (2002). The MNC is expected to experience strong pressures to conform to rules, regulations and norms of the societies where it operates. Subsidiaries in turn face legitimacy pressures from both countries where they operate and their HQs.

The transfer of practices within MNCs is seen as a critical strategic activity for organizations operating across borders, where the practice configuration in subunits has been claimed to reflect a central balancing act between integrative and responsive actions (e.g. Prahalad and Doz, 1987; Rosenzweig and Singh, 1991). How practices are transferred within subunits, through a process of replication by subunit imitation or through a process of construction and re-creation adapted to suit the recipient (e.g. Szulanski, 1996) is another area of debate. Work on international strategy typologies (Bartlett and Ghoshal 1989) involve a focus on organizational doings in the shape of different product/market strategies, which in turn are influenced by forces in different institutional environments. For instance, the global model is based on doings in the form of centralized global scale operations. Activities also represent one of three central industrial network dimensions.

Besides focusing what organizations do, the literature also illustrates what organizations have. The resource based view (e.g. Wernerfelt 1984; Barney 1991) is about what firms are from a resource standpoint. This results in a focus on tangible and intangible resources and their influence on a firm's competitive advantage. Work on dynamic capabilities (e.g. Ambrosini and Bowman 2009) is related in its focus on the ability to continuously adapt and reconfigure

the resource and capability base. From a resource standpoint, the global model in the typology of international strategies represent a 'having' in the form of standard product offering to a unitary world market, whereas the view of the embedded MNC (Forsgren 2008) highlights relationships as the core resource category. The weight given to relationships to other actors in the development of an actor's network identity can be seen as a general indication on the importance of a 'having'; i.e. relational resources in IMP thinking.

### **Justifying a 'being centered view' of organizational development**

From an identity perspective it can be argued that 'who we are' influences the doings of firms as well as their resource base. That is, firm heterogeneity may also originate from identity, influencing perceptions regarding resource functionality, resource recombination and resource creation. The actor dimension is also central in IMP thinking. If we return to the introductory Zen poem, scholars interested in organizational doings would focus on the 'eating, drinking and sleeping' and relate this to wider societal practices (eating in Milan but not in Rome, acknowledging both institutional pressures and the room for agency); resource based scholars focus on food sources and availability, knowledge and competence in acquiring food, relationships to food suppliers etc.

The identity approach here advocated emphasizes the hunger and the thirst. The distinction between being and doing highlights the fact that hunger does not necessarily lead to eating, and that eating can be done for other reasons than hunger (such as boredom, joy, loneliness etc). These are distinctions which may get lost if the identity question becomes transformed to focus on doings.

The discussion of 'Tit for Tat,' as presented in Axelrod (1984) provides an additional conceptual distinction between being and doing, and also illustrates their interdependencies. The idea in Tit-for-Tat is that in a long-term game situation, we respond in accordance to the other player's actions (i.e. his or her doings). If the other player cooperates, we will always cooperate. If he or she defects, we will change our own behavior accordingly. If the other actor returns to a cooperative mood, we follow suit. If the Tit for Tat player's identity is to be defined according to doings, a transforming and non-stable actor appears; changing from cooperative to non cooperative actions.

The key issue here is if this focus on doings gives an adequate identity picture; what if we would focus explicitly on who the Tit for Tat player is? A being centered view would be concerned with the traits of the actor. Consequently, the central and distinctive, and in this situation also enduring (cf. Albert and Whetten 1985) characteristics of the Tit-for-Tat actor are an interesting combination of *intolerance* (not one single uncooperative action is accepted) with persistent and immediate *forgiveness* (it does not matter how many times the other actor defects; a cooperative attitude is always well received). Despite more or less frequent sequences of uncooperative actions (doings) from the other player, these core parts of the Tit-for-Tat player's being endure, whereas his/her doings change (cooperating or not) depending on the other's moves. In other words, the Tit for Tat player lets the other actor influence its doings, but not its own being. A doing focused theory and a being centered view thereby provides significantly different understandings of the actor itself and the related strategies.

## Research approach and methods

In a recent article, Fry and Kriger (2009: p 1687) stress that the direct experience and understanding of ‘being’ has atrophied in the world today, largely owing to an overemphasis on ‘observables’ in the shape of ‘having’ and ‘doing’. In order to capture dimensions of being, the paper’s case study combines elements of a narrative approach with processual/contextual analysis (cf. Buchanan and Dawson 2007). The use of narratives has become increasingly popular in identity research (e.g. Humphreys and Brown 2002; Chreim 2005). From a narrative perspective, organizational identity is a discursive (rather than, say, psychological) construct, and ‘resides’ in the collective identity stories that people tell to each other in their conversations, write into corporate histories, and encode on websites (Brown 2006).

Contrary to the lack of identity related studies in recent research on MNCs, the identity notion was visible already in Perlmutter’s (1969) classical study. The ethnocentric firm was characterized by a ‘home made’ performance criteria and ‘exported’ the national identity of the HQs. The polycentric firm maintained that local firms should be as ‘local in identity as possible’ (p 12), whereas the geocentric firm was characterized by an organizational self that proceeded from the inside–out as well as from the outside–in; expressed in the view that Unilever wanted to “Unileverize our Indians and Indianize our Unileverans” (Perlmutter 1969, p 13).

Organizational identity could be of considerable importance to MNCs for several reasons. In general it has been claimed that identity influences how environments are made sense of, or enacted (Weick 1995). This claim is of particular interest to organizations facing multiple and often different environments. Consequently, an organization’s identity is supposed to affect strategic choice and actions taken (Rindova and Fombrun 1998); influence which environmental stimuli are and are not noticed (Stimpert, et al 1998); and explain how organizations respond to institutional pressures (Kostova and Roth 2002). This paper regards such links in the salmon farming industry. Norway and Chile account for over 70% of the farmed salmon in the world. The largest MNCs are Norwegian, and their presence in Chile is significant. The industry is often criticized for not expanding workers’ rights to include better remuneration, endorsed unionization and social support and protection, issues which are of considerable less concern in Norway. Like most MNCs, the Norwegian salmon farmers must thereby consider that they are situated in different institutional fields, where they operate under different pressures.

In January 1995 Statkorn was established when Norway’s Department for Agriculture commercialized its grain operations. In February 2001 Statkorn was renamed Cermaq. The group developed from being a Norwegian state owned monopoly in the grain trading business with a national market focus, to become a multinational aquaculture giant listed on the Oslo stock exchange in 2005 (see figure 1 for a description of focus and major events in the becoming of Cermaq).

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Interviews with members of senior management facilitated identification of other organizational members to interview, and additional stakeholders were used to identify

external interviewees. The main sources of data for this study consisted of 70 interviews with informants within and outside the Cermaq group, particularly the HQ's and Mainstream, the farming subsidiary. These interviews were conducted 2003-2009, primarily in Chile and Norway.

### **Identity dynamics in a HQs-subsidary relationship**

Cermaq HQs gathered its subsidiary managers for a weeklong meeting in Barcelona in 2003, to discuss the strategic development of the group. One of the themes for the meeting concerned the basic identity question: who are we as an organization? An outcome of the meeting was the creation of Cermaq's 'Passport to Sustainable Aquaculture'. A passport is a document which certifies, for the purpose of international travel, the identity and nationality of its holder. Similarly, the Cermaq passport is an organizational artifact intended to tell a story about the bearer, and to assist the young MNC in its international travel. The following case presentation regards the establishment of the young MNC's official values and the already existing identity of one of its subsidiaries.

#### ***Cermaq's official corporate values***

Establishing the group's Passport was perceived as both important and challenging by the participants. The HQs emphasized the need for people 'at the top' with the right attitudes and values: *"And that they understand what we mean. We use a lot of time on that, and when we are there in Chile we spend a lot of time travelling around to talk to people, particularly in farming. To get to know them, and them us."* Figure 2 (a-d) presents Cermaq's official corporate values, and its subsidiary Mainstream's narrated and evolving identity themes.

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Please insert figure 2 a-d about here

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Considering the group's young age there was no pronounced 'theory of who we are' at the time. This continued to be a theme; for instance, two years later (2005) a Mainstream manager stated that *"nice colorful brochures are not enough, there is no flesh to the passport today. The passport is looking for simple important things, but does not include much of the correct company values. Simple and important, but we cannot say that we have an established culture in Cermaq so far, it is still in the making."*

Sustainability was a core feature of the Passport, and it was presented as a theme before the Barcelona meeting, *"but the content was unclear-we wanted to make it our own concept. Otherwise it is just a word, and many use the word"* (Cermaq manager). The focus on sustainability was particularly awkward for Mainstream, the farming subsidiary; *"We became part of the Cermaq system, and about half of the time the meetings were about sustainability. We preferred to discuss about fish, conversion rates and mortality, things like that"*.

The HQs also realized the different views which were present: *"We need to understand Chile's interpretation of our European way of thinking. They may see another reality..., I am quite sure there is another reality"* (Cermaq manager). The HQs was therefore clear on the necessity of a 'local flavouring' process to make the Passport actionable in different locations.

### ***Mainstream's identity themes***

The 'Mainstream way' was a common expression in the managers' discourse, representing a clear and consistent understanding of the desired organizational traits. The central theme, according to figure 2b, was 'Business Mindedness'. This included the perception of business cycles in the salmon industry (*"We have always had an understanding that this business is cyclical and volatile. It is at its best when you have money and the times are bad (time for acquisitions); attitude towards innovation ("we are slow movers in terms of innovation, it is often too costly. Let others develop, if they go short of money we buy them, if they succeed we copy them."); the view of the official passport and sustainability ("The passport is only valid if you make money in the long term"; Be green, neither for the environment nor the government, but for the sake of business.); and finally 'being businessmen' ("I am not a salmon farmer, I do not know how to change a net. I think we are more businessmen. With knowledge about the fish, for sure. But we focus on the results, on the costs")*).

Another theme was the firm's commodity understanding. Mainstream had always produced for the commodity market, regarding its product and the markets as being very simple. The commodity understanding directed the firm towards an articulated low cost profile, including efficient production and logistics: *"We have always produced for the commodity market; it is a very simple product with a very simple market."* Although many competitors considered value added products and combinations, Mainstream insisted that they were not *"in the business of adding sauce to the fish"* (Mainstream manager).

Mainstream's 'competitive spirit' constituted another identity theme. Expressions such as *"second place is not good enough"* and the desire to *"eat the competitors"* were common; *"I do not care if we are driving 80 or 120, as long as we are driving faster than the competitors"*. This theme has an obvious external dimension in relation to competing firms, but also an internal dimension. Mainstream's middle managers had a different profile than what was common in Chile. They did not come from the traditional schools, universities and families. They were local people who had worked their way up in the organization. The social status of managers is not an irrelevant issue in Chile, but Mainstream was willing to deviate from traditions since its top managers experienced a significant value in creating career paths within the company: *"Our most valuable jewels do not have the typical managerial Chilean profile"* (Mainstream CEO).

The managers regularly had to evaluate their results towards their peers. It was seen as challenging and even a bit scary to manage in Mainstream, but *"there is adrenalin in that, it is fun"* (Mainstream CEO). Related to its competitive spirit was the *Attila theme*. Mainstream had throughout the years grown through acquisitions nationally in Chile where it had introduced 'the Mainstream way' in the acquired firms. The idea was to be clear on the working rules and the company policy, and one thing was given according to Mainstream's top management; *"We will NOT be an amalgamation of cultures, NO. Our culture will be imposed, we are Attila"*.

### ***Doing in 'the Mainstream way'***

Mainstream's commodity understanding coexisted with lean and hands on operations, with an articulated focus on the fish. As expressed by one manager: *"For us operations are*

*everything*”, and operations take place at the farming sites. The lean approach was also expressed when the Chileans were given the responsibility to perform turn around operations overseas; for instance, production managers who planned to stay four out of five days in the office were told to spend one day in the office and four by the site, and the North American sales organization was reduced from 15 to two employees.

The focus on operations was linked to the competitive spirit and the resulting practice of internal promotions. That is, the competitive spirit was maintained by internal promotions: “*We do not hire managers, never. We recruit them from within.*” (Mainstream CEO). Instead of looking for managers from the ‘Santiago aristocracy’, as expressed from a Norwegian standpoint, Mainstream employed local people from southern Chile. The result was a management team that strongly identified with the firm and committed to its success. Salary was not seen as an attraction to work in Mainstream, since “*it is given*” that the firm did not pay premium wages. The feeling of working in a successful company and the fact that employees could grow with the company to higher positions explained its attractiveness. The potential for promotion maintained and reinforced the competitive spirit.

Finally, like Attila, Mainstream acted as a conqueror during acquisitions, where changes were done within three months: “*we do not sacrifice our company policy..... we are conquerors*”. An indication of this was that 80%, on average, of the managers in the acquired companies left Mainstream within the first months. Experience told Mainstream’s managers that it was difficult to change the minds of people, “*to learn the Mainstream way*”; it was easier to replace them.

### **Mainstream’s influence on Cermaq**

The identity themes and corresponding actions of Mainstream had three very different effects on Cermaq. Mainstream became Cermaq’s centre of excellence (cf. Frost et al, 2002) regarding salmon farming. Mainstream assumed an active subsidiary role (cf. Jarillo and Martinez, 1990) as a supplier of unique competence with extended responsibilities for the entire group. Finally, at to some extent paradoxically, the ‘Mainstream way’ also resulted in a number of legitimacy issues based on external stakeholder criticism. These effects are further illustrated below.

Mainstream became a controversial subsidiary for Cermaq. Particularly in Norway, the HQs home base, the subsidiary became a symbol of questionable foreign operations conducted by Norwegian multinationals (see e.g. Ergo, 2003; [www.memo.no](http://www.memo.no), Dagsavisen 2009). The HQs continuously acknowledged that Mainstream’s reputation was an issue, it came up again and again: “*People who travel down from Norway come back and say ‘but we are the worst’*”. The criticism was not unique to Mainstream as such, and covered both social and environmental dimensions such as safety issues, union rights, working conditions and sanitary controls.

When the first wave of criticism was reported in the media in 2003, the Cermaq HQ’s spent considerable time with its subsidiary to get a thorough understanding of the situation. Briefly stated, the HQ’s view was that it was OK to make mistakes, but one had to be clear about them and assume responsibility. Mainstream stressed that “*we’re not perfect, but we’re decent*”.

However, Mainstream’s commodity understanding and the following focus on low costs resulted in a view where most inputs were seen and treated as costs, not as potential sources



of value creation. The Attila attitude had spill over effects towards various stakeholders; suppliers for instance expressed that Mainstream pressured them almost to the extent that “*you don’t want to do business with them anymore*”.

### Being citizens of Mainstream

Cermaq acquired farming operations in Scotland and Canada, and these were failing in many ways with respect to the official corporate values; in terms business mindedness, prudence, and sustainability. Mainstream was given the assignment to solve these problems. In Canada the situation was seen as particularly dramatic, “*the worst sites I have ever seen*” according to one Mainstream manager; “*here was a company trying to do too many things, ending up with doing nothing good.*” The problems included long production cycles, fish mortality and escapes, and dirty sites full of garbage. The latter problem was a particular concern since the farming sites were located in popular tourist areas. Consequently, authorities, NGOs and tourists were all against the producer.

Expressed in Mainstream’s identity themes, the fact that the focus was not on the fish was the basic problem in the acquired firms:

*Commodity understanding – lean operations focusing on the fish:* Chilean managers initially spent two years in both Canada and Scotland. In Canada in particular “*the first thing was to keep the fish alive, let’s be decent with the fish*”. The Chilean managers stressed that they had only done their job, and that means that they had been “*as close to the fish as possible, that is where the money is*”.

The Canadian operations were downsized significantly, from 350 people to 60 at one point in time. The harvest process was speeded up and the processing plant was closed for about half a year. Mainstream also spent about 1,5 million US dollars just to take away all the garbage that had been accumulated through previous operations. In Scotland, the workforce was reduced from 230 persons down to 130. With 100 employees less, the production volume remained the same.

*Competitive spirit- Internal promotions:* The Chilean manager in charge of the Canadian turn around operation stressed that “*we were there to win, that is my point. To reach our targets*”. The employees that remained after the acquisition worked closely with the Chilean managers in order to learn ‘the Mainstream way’ and to be ready to take over managerial responsibilities. For the Chilean managers, resuming responsibility for foreign operations was to become essential moves in their further careers.

*Attila attitude – Conquering acquired firms:* In order to keep focus on the fish and operations, the people that remained working for Mainstream in the acquired companies were relocated from nice offices to remote, often rainy and cold farming sites. Only one manager from the acquired Canadian company was still working in Mainstream Canada in 2005. A problem, from Mainstream’s viewpoint, was that the acquired firm lost focus when they were bought by a rich Norwegian parent: “*They said that we are Cermaq now, the owner is the Norwegian government or whatever, and we have money to spend. It does not matter. When Cermaq bought us, nothing happened at the beginning. We did not say ‘we are not Mainstream now, we are Cermaq’. Those guys had the Cermaq logo everywhere; Cermaq Cermaq Cermaq.*”

### *Cermaq's influence on Mainstream*

Being part of multinational group successively influenced Mainstream's own identity development (see figure 2c). It was Cermaq that approved of Mainstream's overseas experiences, and the group's official values became more manifested. As a result, the 'Mainstream way' became transformed.

In 2004 and 2005 Cermaq acquired Norwegian farmer Follalaks, a well managed company that did not require any turnaround operation. The Chileans expressed some concerns about their future role after this acquisition. After all, Norway has the longest traditions regarding salmon farming, and the group's HQ's was located in Oslo. However, Cermaq HQ's was clear that the groups farming operations were still to be managed by Mainstream Chile.

Compared with the situations in Scotland and Canada, where Mainstream managers believed that the acquired firms "*were like our children*" (i.e. they had to teach them about farming), the new situation in Norway opened up for mutual learning, which was incompatible with the conqueror practices commonly used. Mainstream therefore reconsidered its Attila attitude; captured in the interpreted expression 'the diplomatic Attila'. A higher degree of "*political correctness*" (Mainstream CEO) was internalized, acknowledging the facts that the new subsidiary was both well working and placed in the HQ's home market.

Moreover, Mainstream's UK experience was characterized by long-term relationships with customers and retailers who were trying to differentiate themselves towards their end customers. Mainstream actually begun to 'add sauce to the fish' as the group got somewhat involved in more value added processing. This increased complexity, but also resulted in more channels to the market and less dependence on spot market sales. This did not imply that low costs and focus on the fish became irrelevant, but these issues became balanced with respect to the market.

The 'Competitive spirit' principle remained intact, as did the corresponding practices of internal promotions. However, the basic view of 'Business mindedness' started to change, from a focused to a more broadened conception. This claim was present in arguments such as "*when we were a Chilean company, there used to be 'too much' focus on the business, now there are more on the Passport issues*" (i.e., more in accordance with the official Cermaq Passport's broader view of sustainability). A Chilean executive argued that "*Geir Isaksen (Cermaq's CEO) was very clear with us ... That we as managers are responsible for applying certain strategies, which are more related to the employees. We are not only to worry about the market or the results, but the employees. To be honest, when I started in this business, I did not think in that way*".

### A new becoming- transforming the Mainstream way

Until 2007 Mainstream was, despite the changes described above, essentially being true to itself. Above all, it was a proud and self confident subsidiary. It had succeeded abroad, in a new position in a young multinational group.

In 2007 the HQ's experienced that Mainstream Chile and Mainstream Norway (old Follalaks) had "connected". There was mutual recognition and respect, and the subsidiaries shared the same basic attitudes in terms of operations and focus on the fish. The firms inspired one another in a positive way. However, the Chileans could also see that the Norwegians scored better on a number of biological dimensions and other key performance indicators. That was

to become a growing concern for the proud and competitively oriented Chilean unit. From having a very positive self image, Mainstream Chile started to question its own performance (see figure 2d).

The relationship between Mainstream Chile and Mainstream Norway further highlighted the difference that existed with respect to business mindedness and the view of human resource management. Whereas the focus on the fish was something the subsidiaries shared, the focus and attitude towards people differed. Were employees fellow members of the organization or costs, and how should they be trained; these were issues for debate. The subsidiary's business mindedness implied, from a Norwegian standpoint, that issues such as security and HR not became as developed as they should be.

A simultaneous development was the significant increase of value added processing in the Cermaq group. The entire organization, including Mainstream Chile, became interested in other matters; even Mainstream forgot to stay close to the fish. That is, while the managers maintained that lean operations and a strong focus on the fish were core, the actual practices did not correspond.

An operative re-focus on the fish, in combination with escalating biological problems in Chile, successively became the group's main issue. Despite the recent developments, it was, again, the Chilean subsidiary which came to play an essential role in the changes that were to be made for the entire group. Mainstream Chile eventually realized that it was not true to itself and gave birth to the 'Focus on the core' project.

The first part of the project was to separate farming and value added activities, which were seen as different 'doings' requiring unique attention. The second step involved a reorganization of the entire farming structure. Essentially, this change was based on the same underlying notion; "*we must stay close to the fish and be hands on in our operations*". As European farming increased in volume, due to acquisition in Norway, Mainstream Chile realized that it could not be loyal to itself and fulfill the needed activities. The Chileans therefore suggested that they were to manage Mainstream Americas (Chile and Canada) and Mainstream Europe (Norway and Scotland) was to be managed from Norway.

### **Towards a being centered understanding of identity development in networks**

The issues addressed in this paper concern how organizational identities in networks evolve, and if there are reasons to distinguish more clearly between the 'doings' (i.e. actions, activities and strategies) of firms and a more 'being centered' organizational identity.

The case illustrates that whereas the subsidiary had a clear and articulated 'sense of self', the young MNC HQ's was in the process of building its identity. Identity development was based on an interplay between the different actors' identities and actions. Actions were influenced, not only by one's own identity, but also by the identity projects and actions of others.

The subsidiary, Mainstream, significantly influenced the corporate HQ's. The emphasis on business mindedness in the official Passport is one illustration. Mainstream's managers recurrently stressed business mindedness, even expressing a concern that the HQ's was not enough business oriented. Mainstream's focus on costs and concerns about operations and results were appreciated by the Cermaq HQ, and acknowledged by their competitors. The lean and fish oriented operations, the use of internal promotions to reinforce the competitive spirit, and the conquering approach to acquisitions all added to Mainstream's view of business

mindedness. The Cermaq HQ also noted that “*for the Chileans business mindedness is point one, two and three. ... They are very focused on the bottom line. And of course, seen from the HQ’s viewpoint that is very good.*” This created a challenging balancing act of legitimacy for Cermaq HQ, since they felt they were dealing with two extremes, because in Norway “*we cannot only be soft and nice and do environmental politics; we need to make some money too.*”

Cermaq’s CEO expressed a desire to “be Chilean in Chile” and they achieved this in certain ways through its subsidiary. Interestingly, whereas Mainstream’s parent felt a need to become Chilean in Chile, becoming Canadian in Canada or Scottish in Scotland were of little concern for the subsidiary when it assumed responsibility for turnaround operations in those countries. The successful turnaround operations increased Mainstream’s status and legitimacy in the group, and helped to reinforce its identity. The subsidiary’s international success was, arguably, explained by its strong awareness of ‘who it was’ - its identity, and how to translate this into the ‘Mainstream way’. It kept on conquering, focusing on the fish and the business, thanks to its core identity themes; its motto was more like ‘When in Rome, be yourself’.

The Mainstream managers that were part of this success developed valuable international experience, in addition to the fact that they had reached these positions in the firm without having the traditional Chilean background. Their extremely good hands on skills and focus on operations outweighed the handicap that followed on not having, from a Chilean standpoint, the expected social background (in terms of family, education etc) according to the CEO. These unlikely expatriates were part of a *positive and reinforcing* cycle between top managements desire to maintain a competitive spirit and the focus on internal promotions. In other words, the strong belief in ‘who they were’ made possible an unusual practice.

However, other identity themes and associated doings did not follow the same cycle. Over time also Mainstream started to change, both its practices and arguably its being centered identity themes. Cermaq influenced Mainstream in significant ways in this respect. This happened both directly and indirectly through the experienced Mainstream gained by being part of the international group.

It seems as if Cermaq HQ’s entered Chile not only with an ambition to be Chilean, but also with an intention to transform their subsidiaries. On a manager-employee level, the competitive spirit and the strong identification with the firm was not as pronounced within Mainstream. Mainstream’s way of working started to slowly change due to Norwegian human resource practices. However, the mutual understanding and recognition which was required for the ‘sharing of success and concerns’ (the HQ’s core idea) did not necessarily correspond with the performed practices. That is, the Attila attitude remained and did not fully correspond with the new doings.

This occurred while the HQ’s seemed to accept Mainstream’s view of business mindedness, but only contextually and temporally. From a narrative perspective, it is interesting to note that in English, the verb ‘to be’ can be used to tell *how* something is (the condition) and *what* something is (the essence). Spanish captures these nuances in an alternative way. Different verbs are used to express ‘to be’ depending on whether the intention is to address a condition or an essential quality. ‘Estar’ and ‘ser’ can both be translated as ‘to be’. When talking about *what* something is, the verb ‘ser’ is used; when talking about *how* something is, ‘estar’ is used.

These distinctions may be used to expand nuances in the case. For the HQ’s, even if the ambition, partly at least, was to become Chilean in Chile, another aspect of its entrance was the human resource attitude it promoted. This was part of its essential being, whereas it could

become 'Chilean by proxy' in a conditional way thanks to its subsidiary. Similarly with respect to Mainstream, an aspect of conditional being is visible in its transforming view of 'commodity understanding'. New practices emerged (changing focus from the fish to include markets and value added processing) and coexisted with new narratives of their underlying principles (towards a multi-market attitude). However, the Attila attitude and the corresponding competitive spirit were, under this period of study, part of Mainstream's essential being, all fuelling their notion of being business minded.

These dimensions were so core to the organizations that in order to 'maintain itself' (actually to become what they used to be), the subsidiary took an initiative which reduced its own unique positions as the salmon farming centre of excellence in the group. In order to be business minded, it needed to let go of Europe.

It appears as if a parallel can be drawn with the Tit for tat analysis previously presented; changes and adaptations in doings do not necessarily equal or correspond with the underlying dimensions of being. A being centered view of the firm acknowledges that an identity may make some practices, and businesses, notionally inconsistent with each other (Kogut and Zander 1996), irrespective of 'what is being done in Rome'.

What appears to be important over time however is that organizations maintain their authenticity, internally as well as externally. Change in conditional being is proposed to be part of a continuous becoming, whereas change in essential being implies a transformative becoming which requires a renegotiated authenticity; towards stakeholders, in MNC HQs-subsidary relationships and also with respect to organizational members' own understandings of who they are (as expressed in their stories and narratives). The notions of conditional and essential being relate to whether strategic change requires identity change, and whether single and/or multiple beings are used during strategic reorientations.

## **Conclusion**

The classical saying 'When in Rome, do as the Romans do' provides a strong focus on institutional forces, and there is little if any room for an organizational identity (as constituting a distinctive entity) to develop. Regarding local norms, the saying suggests a strongly relativist and reactive approach to morality (Dunning 2003). However, the suggestions 'when in Rome do as the Romans do', and 'when in Rome be(come) a Roman' are equally unhelpful. Whereas the traditional saying creates a questionable relativism, the alternative suggests that multiple identities could help firms to cope with location specific demands and appeal to a heterogeneous set of stakeholders.

In this paper is argued that previous accounts in favor of multiple identities do not necessarily stress multiple beings, but multiple doings. It is not clear, for instance, how multiple doings vs. multiple beings influence stakeholder attitudes and legitimacy issues. Neither is it clear what the organizational identity concept will add if it does not investigate 'the being' of firms, but follows the more common paths of activity and resource studies.

Here is proposed that the notion of the *authentic organization* may be helpful in dealing with multiple stakeholder demands and external influences which affect the development of organizational identities in networks. Whereas the traditional, and somewhat radical IMP argument, is that firms receive their identities from their relationships, the notion of identities in networks provide a more balanced inside-out/outside-in view. The strategic problem for the

individual firm is to participate in the process of relationship evolution in such a way as to become a winner; that is, being seen as a viable participant in the networks that evolve (cf. Wilkinson & Young, 2002). If firms are 'to be seen' in the first place they cannot be hollow (cf. Baraldi, 2008); there must be something to *identify with* (Huemer, 2004).

Firms striving for authenticity balance the demands of being seen as legitimate by their partners, while also acknowledging the necessity of being genuine with respect to their 'essential beings'; principles or values that are lasting, although not necessarily unchangeable. The notion of the authentic organization may be used to further study how identities in networks evolve. It may also help to shed some light on identity-strategy interdependencies, such as our understanding of strategic re-orientations and organizational change. Current literature often embraces a multitude of identity dimensions and occasionally confuses these with transforming strategies (doings). It is questionable, however, how such organizations will be perceived in terms of their authenticity.

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**Figure 1. The research process**

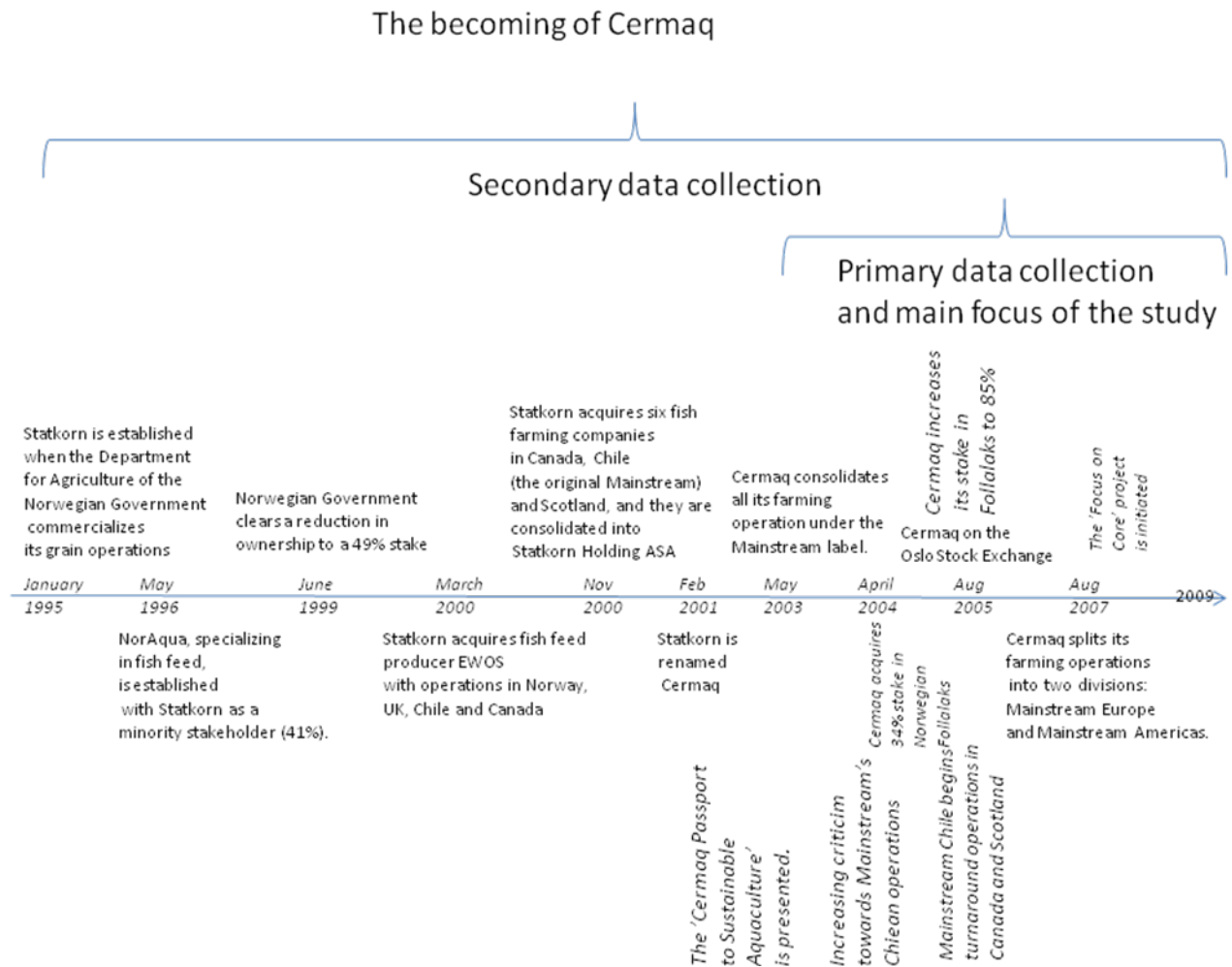
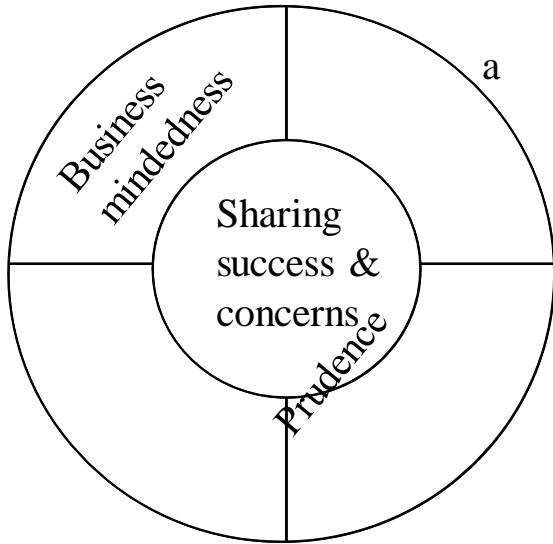


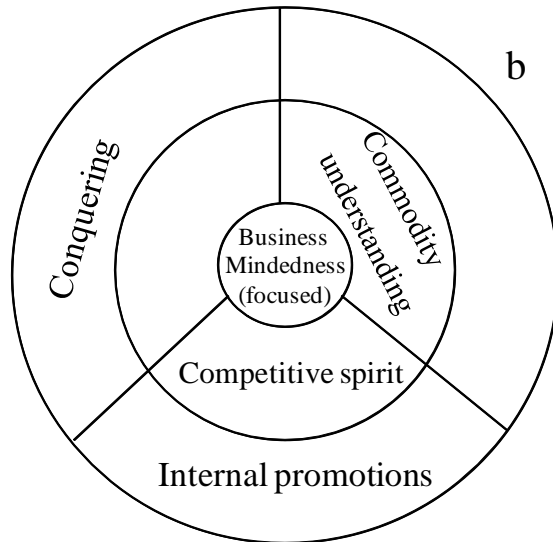
Figure 2. Evolving identity themes

**Corporate and subsidiary 'Passports'**

Cermaq  
(officially endorsed values 2003)

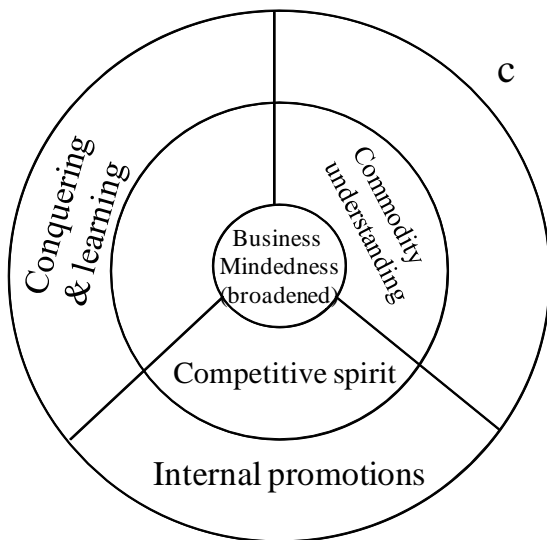


Mainstream -2004



For Mainstream's Passport:  
Inner circle = core identity theme  
Second circle = associated identity themes  
Third circle = 'doings'/practices

Mainstream 2005



Mainstream 2007

