Chapter 7

Use of Brand Heroes in Strategic Reputation Management: The Case of Bacardi, Adidas, and Daimler

Joost Bücker
Radboud University, The Netherlands

Kees Ernste
Radboud University, The Netherlands

ABSTRACT

The last decade witnessed a renewal of historical approaches towards business management that emphasize the malleability of the past in order to serve the present. This chapter studies the use of heroes when organizations pursue strategic change, which the authors term hero-molding. The aim is to incorporate a postmodern approach towards the analysis of the representation of heroes within organizations. To explore the use of heroes, a framework of ways in which hero-molding could be established is developed and tested by the use of a longitudinal document analysis. Data showed that hero-molding is a practiced phenomena and is used to showcase continuity, despite of strategic change. Hero-molding could be achieved through the editing of the composition and/or the meaning of labels and by help of highlighting labels attached to the hero. This chapter contributes to the enrichment of the newly developed “uses of the past” approach by showing the malleability of the interpretation of prominent members of an organization in the wake of strategic change.

INTRODUCTION

If an organization changes its strategy, does it also change its history? This question combines strategic change research with a revisionist history perspective (Goia et al., 2000). The world is in a constant development and organizations have to keep up with this changing world. Put in the famous words of Jack Welch, former CEO of General Electric; “change before you have to”. Because of above reason, strategic change is a dominant theme within business management literature. Strategic change can be defined as a shift in the organization’s alignment with its external environment. With the organization’s

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alignment is meant, quoting Rajagopalan and Spreitzer (1997), the “fundamental pattern of present and planned resource deployments and environmental interactions that indicates how the organization will achieve its objectives” (p. 48).

This paper is concerned with the aspect of identity when strategic change occurs. Within this area, research is concerned with the interconnectedness between strategic change and the (management of) identity within an organization (e.g. Gioia and Thomas, 1996; Nag et al., 2007; Hannan et. Al., 2006).

Starting point of this research is that strategy, and thus strategic change, is a much broader concept than the conventional notion which threatens strategy as the combination of resources, target markets and activities. This study adopts the standpoint of Pascale (1984) stating that strategy includes “all the things necessary for the successful functioning of organization as an adaptive mechanism” (p.64).

In line with the reasoning of Pascale (1984), we propose that within a strategic change process, the history of an organization, and more specific the corporate historic hero is of high importance. Recently, scholars have begun to acknowledge the malleability of history and the use of this malleability in business management to manage identity (Gioia et al., 2002; Wadhwani and Bucheli, 2014). This type of using history in the service of the present is known as “uses of the past”. One striking outcome of this newly developed approach towards historical usages in business management is that history is mainly used to underline a sense of continuity and tradition. Paradoxically, especially when pursuing strategic change this underlining of continuity is widely applied (Levitt and Nass, 1989; O’Connor, 1995).

The use of the past is often centered around the cultural heritage of an organizations (Hatch and Schultz, 1997). Organizational heroes could occupy a prominent place within this cultural heritage. Examples are Steve Jobs as embodiment of “think different” or Walt Disney of “experience the magic”. Yet, the usages of historic heroes by organizations when attempting strategic change to manage their identity is not yet well understood. Purpose of this research is to analyze if and how organizations use their own heroes when pursuing a new strategic direction.

This research presents a framework of the possible uses of historic heroes by organizations in dealing with strategic change and identity management. This study is established by the help of a postmodern approach. Although, there are several studies in existence about the concept of postmodernism within management studies (Rowlinson & Procter, 1999), practical applications are scarce. The question this article aims to answer is: “How are organizations dealing with their internal historic heroes when initiating strategic change?”.

It is anticipated that this research will be of use to researchers to gain further understanding in the ways history is “used” within organizations and to decision makers in managing their organizations identity. Besides that this study showcases a practical application of a postmodern approach within business management. What’s more, whether or not organizational members could identify themselves with the organization has major implications for the performance of an organization (Millward and Postnes, 2002). Therefore, it is critical for decision makers to be aware of the possible ways of managing identity in the wake of strategic change.

To come to a theoretical framework that deals with the possible ways in which heroes could be used by organizations to succeed in their strategic change efforts, examination of the research fields this issue touches is needed. To provide this theoretical framework with empirical evidence, three cases are studied. These results are discussed and summarized in the last two sections of this article.