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Strategy • Management • Competition Strategy & Business ...Booz, Allen & Hamilton

What the Heck Is A Company, Anyway?
Reflections On Identity

By David Berreby

To hear Gilbert F. Amelio talk at a meeting of Apple Computer stockholders last February, his job as C.E.O. has been an executive nightmare: leading a company that "acted less like a coherent organization than a loose coalition of projects. A collection of tribes instead of a modern industrial enterprise."

How could such a fractious thing ever hope to stay coherent enough to project an easily grasped image, inspire employee loyalty and keep customers? What any sensible executive would prefer to lead is an organization that knows its own essence, where being on the team means something stunningly clear to both those outside the enterprise and those who work for it. Some executives, for instance, boast of their company as if it were some proud, ethnically uniform and unambiguously bordered little nation with a coherent identity. "McDonald's isn't a job," Paul Preston, the president of McDonald's U.K., proclaimed last year. "It's a life. Our employees have ketchup in their veins."

Few executives, though, can be that confident. Many would identify with Mr. Amelio's description, even if it's closer to their anxieties than Monday's reality. Leadership is giving shape and direction to a collection of people, and that requires a vision. But a vision of what, exactly?

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Pronouncements like Mr. Preston's, commonplaces though they may be of business rhetoric, actually beg a question few decision-makers like to ponder: What really is the identity of the corporation? What is that which exists not in any one employee but is created somehow among them all, this spirit, or pattern, or ethos, that makes McDonald's, or Apple, or I.B.M. recognizable from year to year and decade to decade even as personnel and products turn over? An identity whose benefit, some would assert, is that it enables a company to react to challenges as a single unit -- quickly, orderly and without undue dissent.

A brand-like identity -- according to Harvey Golub, chairman of the American Express Company -- that helps a business make decisions faster because the principles that inform decision-making have been internalized by employees.

Such a corporation behaves as a single living being, its many separate individuals forming a group organism, like a beehive or some forms of jellyfish. Such organisms aren't uncommon in nature, and there are biologists who believe people form them too, when they throw themselves in with mobs of sports fans or close-working teams. Certainly, such an identity is an ideal many executives pursue, and it supports the "corporate identity" industry -- a handful of firms that handle name-changes and shifts in corporate culture.

In a time of rapid social change, the problem of identity is one that any leader must sometimes ponder, be the entity a nation, a church, an ethnic group or a family. But it is felt particularly keenly in businesses, because companies now operate in an environment that strips away many of the reassuring props of identity that keep other kinds of groups in one piece.

The iron rice bowl of a job that lasts a lifetime is a thing of the past, and the 30-year veteran with the institutional memory has been replaced by the temporary worker (use of temporaries has risen by 240 percent in the last decade). Mergers and acquisitions follow the logic of finance, not of corporate culture, mixing apples and oranges. The unchanging company logo, product or service has yielded to constant shifting in response to technological advances and the requirements of a global market. The American work force, once made up of a majority of white males, has given way to the work force of two genders and many ethnicities. By the year 2000, 85 percent of those entering the United States job market for the first time will be women and minority members, according to Labor Department projections. Even the common ground of a shared office building is giving way to networks of scattered workers and telecommuters linked by modems.

The effects of a fuzzy identity can be felt on the bottom line as trouble marketing brands and keeping customers as well as higher employee turnover, erratic decision-making, a lack of esprit de corps and more incidents of pilfering and sabotage. In the mid-1980's, a Lou Harris poll of middle managers found that 65 percent felt that salaried employees were less loyal than they were 10 years before. Another 80's-era survey found 92 percent of executives agreeing that loyalty to oneself had to come before unquestioning loyalty to an organization.

The problem for a corporate leader, though, involves more than the challenge of today's conditions. Unlike other institutions, the corporation rests on a principle that undermines group loyalty and yet somehow managers must cope: Corporations are supposed to serve, and be made up of, living exemplars of rational economic man, that cool-as-a-cucumber calculator of his own interests. However much a company may push teamwork and mission, the supposed reason the employees arrive every morning -- to get the best salary for the least trouble -- works against those goals. From the standpoint of rational economic men and women, group identity has to be a fiction. They come to work for the pay and the benefits, and their primal passion for their families, their Italian, British, African-American or French heritages and the Green Bay Packers are all left at home. Some anthropologists are convinced that an entity as abstract and far-flung as a corporation simply can't summon up powerful emotions.

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On the corporate leader's side of the ledger, though, is the fact that nobody really is rational economic man or woman.

People like being part of a group, as do most of our ape and monkey relatives. For all our species -- and thus, it seems likely, for our common ancestors way back on the evolutionary line -- group living is the equivalent of sharp teeth for a lion or powerful flukes for a whale. Functioning as a group allowed early humans to kill prey that no single hunter could bring down, for example. It allows everyone in the group to benefit from food discovered by one member, and grants to each member the protection of the whole. Indeed, so important is group living to a member's survival that many primatologists believe our vaunted human intelligence evolved to perceive and solve fine social problems -- Is he angry with me now? Where do I stand with her, compared with how I stood yesterday?

According to the animal behaviorist Frans de Waal, for example, leadership in a chimpanzee troop comes not to the meanest and nastiest animal, but to the one who can best make and keep friendships and alliances. Mr. de Waal believes humans, the chimp's close relatives, have also evolved strong instincts to form a tightly knit group and spend a lot of time keeping it harmonious -- a tendency that corporate managers can learn profitably to harness.

Prof. Robin Fox, an anthropologist at Rutgers University in New Brunswick, N.J., believes this drive toward "strong sociality and group identification" has been part of the human psyche for millions of years. "This is reflected in the earliest of hominid societies, the australopithecines, from at least three-and-a-half million years ago," he writes. "Small groups wandered the east African savannahs, scavenging and catching small game. As the scale of hunting increased with the advent of Homo erectus, the two-million-year upsurge in brain size and social complexity took off on its upward trajectory. By the close of the paleolithic [age], larger bands making up 'linguistic tribes' (up to 5,000 individuals) with ceremonial cave centers emerged. Then came the neolithic revolution -- agriculture and herding -- and the rest, literally, is history."

Our instincts, Professor Fox argues, evolved long before that short span called history and are still paleo-lithic. We like tight bands, in which everyone partakes of a shared identity.

But what if the group that claims people's loyalty is not one in which what Professor Fox calls "the paleo-lithic emotions" easily fall? Most of the other groups to which people can claim loyalty evolve out of the shared history or shared enthusiasm that makes Serbs Serbs or turns us into Packers fans. Corporations, those groups made to pursue bottom lines and rational interests, aren't likely to evoke such passion.

That's one reason, the writer Joel Kotkin argues, in his book "Tribes," that business in the coming decades will run along ethnic lines. Such primal loyalties, he argues, will outweigh the claims of abstractions like the company and the nation-state. That the pull of ties based on primal feelings is strong is illustrated by a recent Whole Earth Review article on the poor management of do-gooder organizations, which quoted an ex-Forest Service employee who had gone over to an environmentalist group. "I hate what the Forest Service does, but I have to say that when I worked for them, I felt as if I was part of a family, part of a team," he said. "In the environmental organizations I have worked for since, I have never had that feeling."

The pull of the paleolithic emotions is strong indeed. The challenge, then, in creating a powerful corporate identity is to satisfy not only the company's needs for efficiency and change, but also the primal longing of employees and customers for that family feeling.

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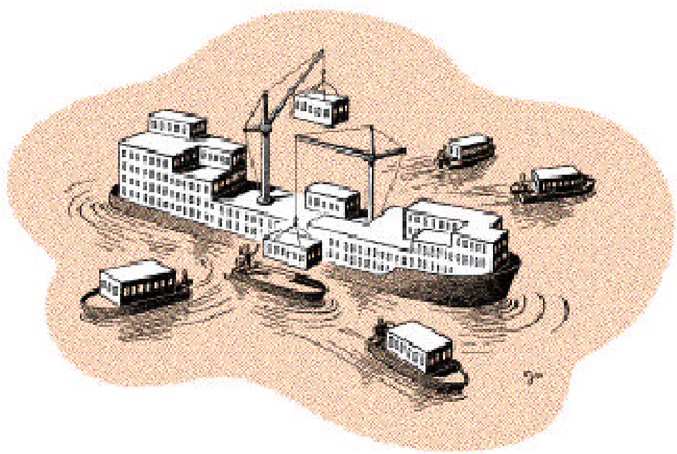

It's not a small task, because that warm feeling of belonging that marks identities like ethnicity or sports fandom usually emerges from the bottom up. Corporations are usually shaped, represented and changed from the top down.

"No identity program can succeed without a champion at the top," says Hayes Roth, executive director for corporate identity at Landor Associates, the San Francisco-based identity and design firm. The sudden changing of a logo or a name, the shedding of a division, the accession of a new chief executive with new ideas about the nature of the company -- all these things can lead employees to a kind of alienation that's harder to feel when one has been part of a slow and self-directed social change.

"There are three things you can do to the Paleolithic hunter that is Man," Professor Fox writes: Deny him his evolved need to belong to a group; meet those needs by providing a satisfying group to join; or fool the emotions into doing something not natural but useful. Insisting against all instinct that the guys in the mail room are brothers with "the suits" in Mergers and Acquisitions might be an example of the Deny Strategy. Crowds of happy, baying sports fans whooping it up all over town after their team wins the championship are illustrating how well a modern institution can follow the Satisfy Strategy. As for the Fool the Instincts Strategy, Professor Fox cites modern huge nation-states, in which people with nothing in common are called upon to summon up fellow-feeling for other Americans or brother Brazilians.

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A company with offices all over the world is an even more abstract entity, harder to envision and love. Hence the stereotype of the large corporation in Hollywood films from "Robocop" to "Local Hero" -- a heartless, faceless entity ("Engulf and Devour" is the name of the corporation in Mel Brooks's "Silent Movie") against which are pitted the human feelings of warmth and mutual concern.

WHAT CAN BE DONE

What, then, is a corporate leader to do, as he or she tries to balance the need of employees and customers for a feeling of tradition and belonging against the need for efficiency and economic rationality?

The first thing to do is to recognize that people need to group up, and they will do so whether their bosses want them to or not. The key to managing and projecting a corporate identity is to understand how these tendencies to form groups operate -- and then to work with them, not against them. (For a list of practical tips, see the box on page 43.) People quickly and easily form tight group bonds, and use those bonds to reckon where they stand in the world. Even people lumped randomly together will start to feel a sense of Us versus Them with little prompting. Research done more than a decade ago by the social psychologist Henri Tajfel revealed that people would show favoritism for members of their own group, even if the group had just been created by the researcher that morning and consisted of all the volunteers who shared a particular last digit in their Social Security numbers.

The loyalty that people have for a company, then, can feel primal even if, objectively speaking, it can't be that deep. "I've never done a name and position project in which there weren't many people in the company saying, 'Why are we changing?' " Mr. Roth says.

Indeed, people are so attached to the notion of their corporate existence that they tend to exaggerate the stability and tradition of the past. Like Scots who can be passionate about the clan tartan even though that tradition dates only from the 19th century, corporate people can be passionate about sticking to a logo or a slogan, as if it were the flag or church on Sunday.

"People at Lucent thought, how could we live without the Blue Globe?" says Mr. Roth, referring to the 1996 spinoff of the former Bell Laboratories from AT&T and the loss of the parent's ubiquitous logo, which looks a bit like Darth Vader's death star. "I said, 'Hey, guys, this has been your deep long ancestral tradition since all of 1984.' "

Such experiences suggest that even though a corporation may never warm the heart the way a family tree might, it nonetheless pays to take on the trappings of older social institutions -- flags, rituals, signs of mutual care and obligation. Mr. Roth, whose late father worked at Procter & Gamble for 35 years, points out that that company "is a brotherhood." Employees came to expect and value gestures that reminded them that they formed a community, whose benefits extended beyond the paycheck. "Every Christmas my mother still gets a Christmas basket," Mr. Roth says.

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That kind of reinforcement largely went out of American corporate culture in the 1970's, and the 80's were, as Mr. Roth puts it, the decade of "every man for himself." Now, he speculates, the pendulum may be swinging back to a concern for community and shared purpose within the corporation.

"My guess is we're sort of reinventing the corporate connection now," he says. "One key difference from the 70's is that I can reach anyone in our company in 30 seconds. I think the wired network is changing the future. Might we be getting back to a more loyalty-driven company? Hard to say."

If indeed loyalty is coming back, it may well be because wise leaders know that their people need the tokens of belonging -- the "family feeling" that employees and customers alike praise when they find it. So it behooves managers to look for signs of group identity that promote good work -- gung ho team spirit, a company emblem of which employees can be proud -- while watching out for the formation of groups that might pull against corporate goals: the regional office that thinks of headquarters as the enemy, for example. In some cases, this means leadership requires not giving direction, but taking it. In other words, not declaring what groups may exist in your company, but going out and seeing those that have already spontaneously formed.

Perhaps the most important reason a corporate manager should pay attention to such matters of group solidarity is that they will come up anyway. People don't like to feel alone. If you don't provide a structure of group identity for your employees -- and sometimes even if you do -- they will develop their own. It is, it appears, human nature.

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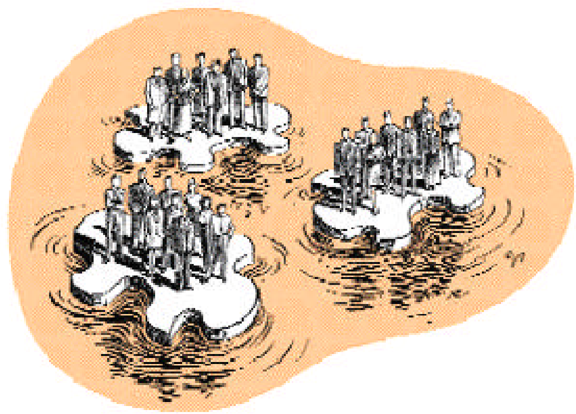

The late Donald T. Campbell, an evolutionary biologist, found that the most intense feelings of solidarity rose up among people who had constant face-to-face contact. Those sorts of feelings, he found in his studies, tended to arise within two hours of the members first sitting down to work together.

You might call it the "platoon syndrome": Everyone in the mail room, or all the guys who work the midnight-to-8 A.M. shift, will tend over time to see work as a game of us against the world. That outside world may include "the suits" -- management in general -- and the people who work on the next floor and the entire home office. This sort of behavior in the "primary group," as Mr. Campbell calls it, is, as he wrote not long ago, "likely to work against, rather than for, the purposes of larger collectives."

In short, the lesson from group dynamics is that there are limits to management approaches that stress the team, internal competition, "creative tension" and other concepts from the smaller-is-better era of American business. There's a tension between freedom and coherence, between responding to current conditions and preserving tradition. Business-school academics who try to apply evolutionary principles to corporate history refer to it as the difference between what biologists call a genotype -- what you pass on in your genes -- and a phenotype: your body, with all the bruises and fractures that were milestones in your particular life.

A paradox of such a double existence -- which companies share with living things, including people -- is that you can neither change completely nor stay the same completely. Just as a person can't sprout wings because we have no genes for wings, a company cannot turn itself overnight from software to cleansers. At the same time, just as a person has to respond to a charging bear by running, so a company has to respond to technological change, competition and globalization. But as its constituent groups respond to change, the company can lose its sense of itself. Identity, then, is a knife edge. A company that doesn't risk flying apart risks atrophy.

A place where this tension is often apparent is in relations between home and regional offices, Mr. Roth says. "A global company has to have flexibility built into it, but not too much flexibility," he notes. Companies, like cells, have to be porous to their environment but not too porous. "You want your regional people to be empowered," Mr. Roth says, yet standardization and rules are essential to maintain a certain integrity. "Anybody with kids knows that a school dress code eliminates a lot of wasted time an hour before school," he says. "It's the same principle. We call it 'brand harmony,' but you could call it 'corporate harmony.' If management doesn't take it seriously, corny as this sounds, it can start to fly apart."

A classic example of such centrifugal forces -- and an illustration of how much the problems of group coherence are the same, whatever the kind of group -- comes from the recent history of the Southern Baptists. Bill J. Leonard writes in The Christian Century magazine that the fundamentalists who succeeded in taking control of the Southern Baptist Convention have not reaped the rewards they expected. Instead of a unified church in their image, he says, the fundamentalists face "dissolution and schism." Though they proved skillful at taking over the apparatus of leadership, the fundamentalists found they could not redefine the identity of the church at will. In fact, Mr. Leonard suggests, that identity had evolved as a careful compromise that allowed different segments of the huge organization to manage the tension between freedom and coherence.

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"I would submit that the genius of the SBC was its ability to shape a center -- an identity and mythology -- around which a diverse regional, theological and popular constituency could cooperate," he writes. "The center did not eliminate diversity and conflict -- far from it -- but it created an environment in which numerous factions could join together (unite would be too strong a term) in common endeavor."

Set up in a way that consciously mirrored the old-style stable American corporation, the Southern Baptist Convention, Mr. Leonard writes, developed doctrinal statements that were "specific enough to be peculiarly Baptist but general enough to include some theological flexibility."

GOING WITH THE FLOW

How might a company work with, rather than against, the tendency of people to form small tight groups?

In the late 1940's, Mr. Campbell, the evolutionary biologist, studied an insurance company that had once organized its clerks by function, so that one group handled new accounts, another took claims, a third did billings and so on. The company had recently divided the clerks into teams, each assigned to handle all functions for its own small group of agents. That made each team comparable to the others, as all were engaged in the same work, and that got their competitive juices flowing. The lust to excel as a team led each group to work more efficiently and diligently. Ultimately, the company was able to make do with as few as half the old number of clerks.

The larger lesson, Mr. Campbell argued, is that managers should go along with this inclination to group up. Setting up competing comparable groups had worked for this company. Another approach might be to reward a team as a whole for good performance, rather than rewarding individuals. Of course, such creative-tension competitions are also subject to the stresses of freedom versus coherence. A team that develops an "Us against the World" mentality may not behave as if it is part of a larger entity anymore.

Thinkers in the West have debated for centuries about the reality of group experience. Some have argued that the character and structure of a social group, as the sociologist Talcott Parsons would have had it, is "as real as a sea shell." For others, group identity is a kind of mass hallucination, easily punctured by the smallest speck of gritty self-interest, where true motives lie. What you make of the idea of corporate identity depends in large part on how important a role you think pure self-interest plays in the psychology of your employees.

To those who believe people's decisions and allegiances are mostly rational, a corporation's identity is a kind of fiction. The company may present itself as if it were a tribe or family, but it's really better understood as a complex system, whose shape emerges from patterns in the interactions of many separate actors. The solar system, with its planets, moons and asteroids affecting each other's movements, is one such system.

So is the world's weather. So is a city's traffic in rush hour, which settles into predictable patterns even though no single driver is worrying about the overall flow of cars and trucks. So too a stock market -- with its thousands of traders each pursuing his or her own interests -- will respond to news as if guided by Adam Smith's famous "invisible hand."

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"Complex systems," with patterns of action that emerge without some coordinating intelligence or grand design, have been studied by complexity theorists, who take particular interest in the way such systems seem to be able to respond to their environments and even evolve in response to changes. Often, it seems a complex system will evolve the optimum solution to some problem, even though no intelligence planned such a solution. Some managers have applied this complex systems approach to organizations -- for example, replacing a carefully calibrated central-control system for painting trucks with one in which computer-driven painting booths compete to paint the most trucks. Such a system quickly arrives at a solution that uses less paint to cover more trucks in less time. (See "Between Chaos and Order: What Complexity Theory Can Teach Business," in Issue 3 of Strategy & Business.)

It is not hard to envision a corporation as such a complex system, its actions emerging out of the actions of thousands of people each pursuing his or her own agenda, its evolution governed by the same general principles that seem to apply to markets and weather systems. Movie studios, for example, might be seen as the result of the need of actors, producers, directors and theaters for a stable distribution system -- an inevitable consequence of people's willingness to make movies and go to movies, not the child of some idiosyncratic business genius. Markets fall because of hundreds of thousands of separate events, not because they decide to -- just as sand piles up and then at a certain point collapses. It doesn't decide to, either.

Some business professors, applying similar reasoning, study companies as if they were whole ecosystems, whose members are constantly affected by one another and by outside events, but which nonetheless do seem to settle into predictable patterns. Snowfall varies from year to year, but winter is always colder than summer in a temperate region. So too, a computer company may have its ups and downs, but will have certain abiding characteristics. A corporation, write Prof. Joel A.C. Baum of New York University and Prof. Jitendra V. Singh of the University of Pennsylvania, can be seen as an "ecological entity" -- a self-regulating system that responds to changes in conditions, even as it is made up of separate actors all responding as individuals to outside forces and to one another.

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However, Professors Baum and Singh note, the systems view isn't sufficient to explain what corporations are about. A company is not only an "ecological entity." It is also, they write, a "genealogical entity" -- a living thing, striving to keep itself alive and to reproduce. In this interpretation, groups of people are not collections of individuals, but entities, which have intentions, moods, fears and phobias. A group entity, like France or I.B.M., has an existence in which those who belong to it partake, but which isn't lodged in any one of them.

This view looks at the corporation through the lens of biology, instead of physics. It treats the institution as a living thing, whose human members are like the cells of your body -- part of you but not your essence, whose arrival and departure don't affect your continuing presence in the world. This model may sound more far-fetched, but in fact it's just as common in people's worldviews. Companies can be said to be in a down mood after a bad quarter, to react furiously to hostile takeover bids, to be disoriented by a rapidly changing market. Indeed, a vision of groups of people as superorganisms is embedded in phrases like "France is reported to object to the appointment of an Anglophone Secretary General" or "Microsoft and Netscape are engaged in a fierce battle for the browser market."

There is ample evidence that group organisms exist in nature. Thomas D. Seeley of Cornell University, for example, has shown that honeybee hives use a sort of group mind -- a hive makes comparisons among food sources even though no individual bee has traveled to all the sources. In other words, as the theoretical biologist David Sloan Wilson of the State University of New York at Binghamton puts it, "the hive is smart but no one bee is smart."

A group, Mr. Wilson says, can be a "community superorganism" -- not in the metaphorical sense that Thomas Hobbes called the state "an artificial man," but literally. The same equations, Mr. Wilson says, can be used to make predictions about superorganisms as can be used to analyze individual animals. As an example, he cites the Hutterites, a Christian sect whose religious texts compare their communities to a single "Body governed by Christ" and to a beehive. To the extent that Hutterite communities suppress selfish urges in their members, respond to their environments as a unit and share their fate as a single community, Mr. Wilson says, they are an organism. He believes human beings in small groups also display this kind of shared mind, in which the little group seems to solve problems in a style that's not the same as that of any one member.

So it seems likely that the most successful corporations of tomorrow will not be those best tailored to serving the self-interest of each employee, but those that acknowledge that economic self-interest is a paltry carrot and a feeble stick -- that human beings yearn for belonging, community, kindness and love, emotions that the groups for which they will fight and even die have always been able to stir.

The successful C.E.O.'s of the next century will recognize that corporations that deny such yearnings will not long endure. The tom-tom of Us versus Them beats deep in the human spirit. Corporations that succeed are those that can learn to be economically rational while marching to that primordial step.

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MANAGING IDENTITY

It may sound like a college bull session topic, but corporate identity is a subject of intense study among academics and among the curious industry of "identity consultants." Their experiences suggest an executive can do much more than muse and gab. Some practical tips:

Work with the grouping instincts, not against them. People will form teams and bands whether you want them to or not -- especially people who work face to face. So organize the office with these teams in mind.

Find people who are at ease being part of something. Beth Israel HealthCare, a Boston-based network of health care services, tries to hire people who are used to group environments -- those who do volunteer work, join organizations and so on.

Pay attention to the "organic" aspect of your company's identity -- the ways in which it resembles something living. Some companies, with fewer and fewer veterans around to serve as living connections to the past, have used technology to create "knowledge bases" that can serve as repositories of the company way of doing things. Booz-Allen & Hamilton has such a system in place, called Knowledge on Line; other organizations do, as well. (See "Finding the Knowledge Needle in the Data Haystack," in Issue 5 of Strategy & Business.) Such a knowledge system also counteracts the scattering effects of far-flung offices and telecommuting, by making everyone's expertise available to all. That enhances the "genealogical" side of your company -- the sense of it as an enduring tradition.

Ponder identity. It's an easy question to evade, but the costs of doing so could be high. No need for conventional methods. Camillo Olivetti, the founder of the typewriter company, employed artists at the turn of the century to paint their impressions of Olivetti's identity.

Use trappings that have worked. Manufacture symbols, flags, corporate rituals.

Make sure the esprit is about the right corps. Beware groups you don't want, like the team that feels alienated from the front office or the regional office playing by its own rules. The deeply rooted habit of grouping together in a band seems to be a small-scale phenomenon. A large corporation is an abstract and rational entity, hard to muster emotion for.

Settle for what you can get. The company needn't come first for it to be important to people. Modern identity is a pack of cards. An employee who is also a mother, a Democrat, a softball coach and a Trekkie can still get into the spirit of the company picnic.

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MAKING AN IDENTITY

"The first thing we decided," recalls Hayes Roth of Landor Associates, the San Francisco-based corporate identity firm, "was nothing with Tel or Com or Sys. That has been done to death."

His team's mission, as brand consultants, was to come up with a new name and a new identity for the soon-to-be-spun-off entity that had long been Bell Laboratories.

The procedure for such identity surgery, Mr. Roth says, is to go in "and interview senior management and customers and ask, what do we want to keep from the old days? What do we want to jettison? And what do we want to add?"

Many people spout clichés, but never mind. The interviews generate a profile of history and hopes, which then goes to a staff of people charged with naming the new entity. The report also goes to the client company, and is the basis for further discussion. "We're inventing a new culture," Mr. Roth says.

For the name of the successor to Bell Labs, "we came to Lucent, in part because light is our theme, light is what carries the information in fiber optics," he explains. "Lucent is a real word connoting lucidity, luminousness, intellectual clarity. That's good. And, it's short."

Identity tinkering is not always a matter of change for change's sake, he adds. "When we handled the switch from General Electric to GE, we thought we'd get rid of 'the meatball' -- the G.E. logo. But it became clear that people all over the world recognized it."

That was probably a break for the Landor team, because almost universally, executives' reaction to the prospect of a change in identity is usually: Let's not and say we did.

"We presented a strategy today to a company that you would know, and we showed them a couple of names," Mr. Roth says. "They said things ranging from 'Yech!' to 'maybe.' And that was a good response."

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FURTHER READING

"Evolutionary Dynamics of Organizations," Joel A.C. Baum and Jitendra V. Singh, editors (Oxford University Press, $35, 1994). A collection of papers premised on the idea that the study of evolution and of ecology can shed light on how corporations handle the tension between the need to change and the need to stay the same.

"Tribes: How Race, Religion and Identity Determine Success in the New Global Economy," by Joel Kotkin (Random House, $13, 1994). An argument that racial and ethnic "tribes" will come to dominate business.

"Reputation: Realizing Value From the Corporate Image," by Charles J. Fombrun (Harvard Business School Press, $29.95, 1996). Ponders the question of corporate identity from the outside -- by considering how a company's reputation is made and burnished or unmade and trashed.

"Corporate Identity: Making Business Strategy Visible Through Design," by Wally Olins (Harvard Business School Press, $38, 1992). Reflections on the nature of corporate identity by the chairman of Wolff Olins, the London-based corporate identity firm. "In order to create loyalties, the organization has to manufacture the symbols of loyalty: the flags, the rituals, the names," he writes. "The organization must celebrate what it is and what it stands for through rituals and ceremonies. Affirmation of faith must be followed by constant re-affirmation."