



A Model for Organizational Identity: Exploring the Path to Sustainability During Change

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Mergers and other change events dramatically transform organizational life, often altering an organization's essential nature—its identity. In an effort to more effectively manage the change process, it is important to understand the impact of change and those aspects that, if changed, put the organization's identity at greatest peril. This study qualitatively explored these issues by examining the content of identity and the effects of change in a commercial aviation company that was undergoing a merger. Drawing upon Albert and Whetten's definition of organizational identity, a model of organizational attributes emerged that consisted of core attributes and application attributes. The data illustrate that the organization's core attributes—its central purpose and distinctive philosophy—constitute organizational identity. The second category of application attributes—priorities, practices, and projections—have varying degrees of fluidity and may be altered without losing the central, distinctive, and enduring essence of the organization. The article concludes with propositions for future research.

Change, an inescapable phenomenon of modern organizational life, dramatically transforms the landscape of organizations and creates an environment of incertitude (Bastien, Hostager, & Miles, 1996). Even when organizational change is an avenue for survival, it has the power to stir up emotions and produce feelings of loss and uncertainty (Mirvis & Marks, 1992; Overmyer Day, 1993; Schweiger, Csiszar, & Napier, 1994). Much of this imbalance is rooted in employees' fears about the sustainability of the organization's identity. These fears can be exacerbated when employees possess strong feelings of identification with the content of the identity that is being altered.

The essence of an organization is its identity. It is a source of stability, a definition for its members, and a basis for action (Albert & Whetten, 1985; Ashforth & Mael, 1996). Given the potential for this loss, certain questions

about identity become significant, especially during times of change. In particular, what aspects of an organization must be preserved to sustain its very nature? Likewise, is there a way to undergo change without destroying an organization's essence? These are key questions for the human resource development (HRD) professional who often guides the organizational change process.

Although theorists see identity loss as an important issue, little inquiry has occurred in an actual merger environment (McEntire, 1994). Within the context of a merger, this study examines the identity construct using Albert and Whetten's (1985) definition. This change event was a useful context for studying identity content because mergers often ignite feelings of loss of identity, making the content of that identity more easily discussed. The primary purpose of this case study was to illuminate and develop organizational identity theory, which in turn can improve HRD practice.

Theoretical Frame

A review of the literature on the human issues in mergers (Buono & Bowditch, 1990; McEntire, 1994; Napier, 1989; Schweiger, Csiszar, & Napier, 1993) revealed that feelings of identity loss often cripple people emotionally not only during the change but also long into the future (Cartwright & Cooper, 1996; McEntire & Bentley, 1996; Nahavandi & Malekzadeh, 1993). Most of the research that touches on this loss is embedded in varying definitions of organizational identity. A great deal of literature on organizational identity exists that is theoretical (Albert & Whetten, 1985; Ashforth & Mael, 1996; Bouchikhi & Kimberly, 1996; Dutton, Dukerich, & Harquail, 1994; Dutton & Penner, 1993; Fiol & Kooor-Misra, 1997; Hatch & Schultz, 1997; Whetten & Godfrey, 1998). However, there is a limited but growing body of organizational identity research (Dutton & Dukerich, 1991; Elsbach & Kramer, 1996; Gioia & Thomas, 1996; Golden-Biddle & Rao, 1997; Gustafson, 1995; Gustafson & Reger, 1995). Much of this work is based on a noted article by Albert and Whetten (1985) that defines the three essential criteria for organizational identity: central character, distinctiveness, and temporal continuity. "Identity goes to the core of what something *is*, what fundamentally defines that entity" (Ashforth & Mael, 1996, p. 20).

From an organizational identity theory perspective, there has been limited research on the shared aspects of organizational identity (Dutton & Dukerich, 1991; Gustafson, 1995), what Dutton and Penner (1993) have labeled as "the collective version of organizational identity" (p. 104). A case study by Dutton and Dukerich (1991) revealed six attributes that members used to characterize the identity of the Port Authority of New York and New Jersey. One of these characteristics was similarly described by all informants—a professional organization with a uniquely technical expertise, ill

suited to social services activities. The remaining five characteristics were each suggested by fewer than half of the informants. Research by Gustafson (1995) revealed three organizational identity categories shared by a majority of the respondents, although two of these may have been biased upward because they were related to elements used in the instrument. Gustafson (1995) offered a preliminary classification of organizational identity attributes consisting of a limited number of intangible identity attributes that address "why and how things are done" and many more specific substantive identity attributes that deal with "what things are done" (p. 180).

Morgan (1997) stated that autopoiesis is a useful metaphor when thinking about how to achieve change in a social system. According to this biological model of a living system (Kickert, 1993), created by Humberto Maturana and Francisco Varela, relationships with the environment are structured to maintain identity. Rather than adapting to the environment, the autopoietic organization sees the environment as a projection of itself; therefore, change can best be understood as an evolution of self-identity. The system must reorganize its perspective to the environment to align its actions with its essence.

Without understanding the underlying assumptions (Schein, 1990) that are the essence of the organization and the core of the culture, organizational change will be met with resistance and difficulty. As Schein explained, "As individuals do not easily give up the elements of their identity . . . so groups do not easily give up some of their basic underlying assumptions" (p. 116).

But what are the elements of identity? It appears that scholars possess a variety of perspectives on how they define the concept. There are disagreements about the definition of identity (Barney et al., 1998), the enduring nature of identity within a context of change (Gioia & Thomas, 1996), and the need to discuss dimensions of identity (Barney et al., 1998). This lack of agreement gives need to build theory to offer greater precision in clarifying the fundamentals of this construct.

With these theoretical issues as a frame, the following focus questions guided this study: (a) What organizational attributes constitute organizational identity, based on the Albert and Whetten (1985) definition? and (b) How does an organization sustain its very essence when undergoing change? The focus of this research was on the content of identity and how organizational change can take place without altering members' perceptions of what is central, distinctive, and enduring about their organization.

Method

Using an inductive and emergent process, this qualitative case study provided an opportunity to uncover insiders' perceptions of organizational identity within the context of a merger experience. The identity definition by Albert and Whetten (1985) guided this study's research design. The case

offered a unique setting because the organization used a merger to transform its image in order to remove the stigma attached to its name.

Context of the Study

The setting for this research was a company that we labeled Company A. Company A was a public company in the business of commercial air transportation, which offered low-fare passenger air service. Company A was extremely profitable and growing until its accident. The crash, which the study's participants referred to as "the accident," not only resulted in the loss of all lives on board but also led to extensive negative media coverage. The accident was followed by a massive reduction in service and then a 15-week shutdown and furlough of employees. After scheduled service resumed, losses continued to accumulate in spite of efforts to attract customers back to the company. Just 14 months after the accident and with continuing declines in profits, the company announced a merger. This holding company merger with the parent of another small airline was specifically targeted as the best vehicle for transforming the company's image that had been damaged because of the intense and unrelenting negative media exposure since the accident. Although this change was defined as a merger, Company A was the dominant player in the deal, with more than 4 times the number of employees, more than 3 times the sales, and 3 times the fleet of aircraft. This was viewed as a necessary change to keep the company in business. The local newspapers described the merger as a "marriage of convenience" because Company A needed a fresh image and the company it was merging with needed cash. Company A was forced to lose its name because of the tarnished image attached to it. This change was significant in that as the premerger advertising of Company A indicated, "Our name says it all!" Even 2 months prior to the official merger, the company enacted the name change. The new merged company extensively publicized many of the changes through its advertising and marketing; in fact, the new marketing phrase was "It's something else." Data collection began 2 months after the merger was announced and was concluded 3 months after the merger went into effect, totaling a 6-month period.

Participants and Interview Protocol

A semistructured interview process was employed by the study's lead author to conduct 52 interviews with company employees. The study's focus questions framed the interview guide. The questions were derived from the three major dimensions in the identity definition (Albert & Whetten, 1985): central character, distinctiveness, and temporal continuity.

A broad question asking for words to describe the organization initiated the questions used in the interview. This was followed by questions that asked informants what was the central character or essence of this airline and then what was distinctive about this airline that distinguished it from others with which it may be compared. Of those attributes described as either central or distinctive, informants were then asked whether each of the attributes had been and continued to be enduring to the airline. For each of the three dimensions—central character, distinctiveness, and temporal continuity—questions were also asked using synonyms for each dimension to ensure reliability in the informants' responses. For all attribute responses, informants were asked for examples of what they meant by the attribute. Members were asked to describe the changes that were taking place in their organization and the impact of those changes on their perceptions of what was central, distinctive, and enduring to the organization.

A senior officer at Company A served as the study's key "gatekeeper" (Bogdan & Biklen, 1992, p. 81), providing access to the company to conduct the study. This individual had knowledge of all aspects of the company and quickly introduced the lead author to the managers in the various departments. These managers who served as the key informants (Spradley, 1979) for their areas helped schedule the employee interviews and made recommendations for opportunities for observations.

Interview procedures consisted of three rounds of employee interviews. The first round ($n = 22$) took place after the merger announcement but before the name change and merger; the second round ($n = 15$) took place after the name change but before the merger was official. The third round ($n = 15$) took place after the merger. All interviewees in the first two rounds were chosen based on their job duty and employment that dated prior to the accident. Following the framework of purposeful sampling (Patton, 1990), the employment date was important because of the enduring nature of identity, based on the identity definition. For employees to assess whether attributes were enduring, they needed to have experience with the company over a period of time. Various functional groups in the organization—pilots, in-flight, maintenance, and reservations—were fairly equally represented. The largest personnel group was customer service ($n = 14$) because that category consisted of several subgroups: ticketing, gate, baggage, ramp, transfer, and operations employees. During the final round, criteria for the sample were expanded to include employees who were new (6 months or less in employment) to the company to determine if there was a significant difference in the perceptions of new employees. In this final round, interviews were conducted to revisit and focus on patterns that emerged in the first two rounds. Ten of these interviews were with employees included in the initial rounds of interviews, 2 from each functional area.

Triangulation and Rigor

Triangulation occurred through the use of multiple and different sources and methods (Denzin, 1970). Examples of data from interviews, observations, and document analysis are indicated in the charts in the appendices of this article. In addition to the 52 interviews, there were 21 hours of observations of employee activities, including reservations, gate activities, ticketing, baggage service, and in-flight open house. Another form of triangulation consisted of reviewing company-produced materials, such as annual reports, press releases, brochures, promotions, advertisements, and flight-related documentation. In addition, numerous articles from local and national newspapers and magazines were also examined. Observation (Spradley, 1980) and document review protocols (Merriam, 1998) were followed. Additional rigor was established through prolonged engagement as the data collection was spread over 6 months, totaling 85 hours in the field. All data from the first two rounds of interviews were transcribed and verified for accuracy with the person interviewed.

Member checks were conducted for confirmation of categorical development. Participants in the final round of interviews were asked for feedback on the classification of content, emerging patterns, and interpretations.

Findings

Categorical Development and Classification of Data

In response to the interview questions, observations, and documentation, certain clusters of data emerged. These clusters of informant- and organization-generated data consisted of two main categories and five subcategories. The five subcategories emerged out of the clustering of attributes based on the nature of the content and the presence of the identity dimensions. These five subcategories then were clustered into two main categories: core attributes, which satisfied the organizational identity definition, and application attributes, which did not satisfy the organizational identity definition, based on the Albert and Whetten (1985) criteria.

In the typology of categories that emerged, the first main category, core attributes, included two subcategories, purpose and philosophy, that together as a unit met all of the criteria of the identity definition (see Figure 1). The second main category, application attributes (see Figure 2), included three subcategories, whose content were manifestations of the purpose and philosophy. The three subcategories of application attributes were priorities, practices, and projections. None of the attributes in these three subcategories met the central character criterion of the Albert and Whetten (1985) definition. Members clearly differentiated between those aspects that they believed were the central essence of the organization that defined

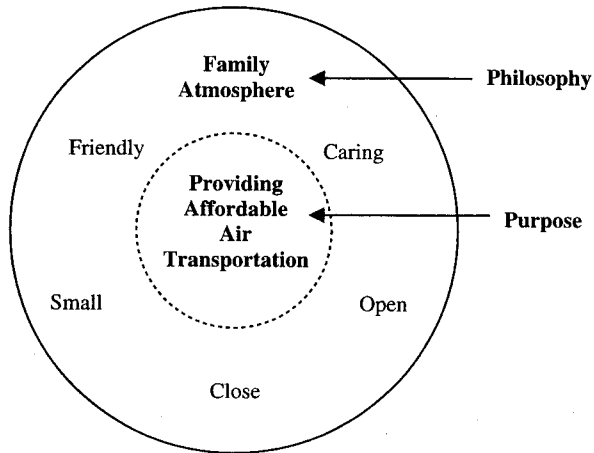


FIGURE 1: Core Attributes for Company A That Constitute Organizational Identity

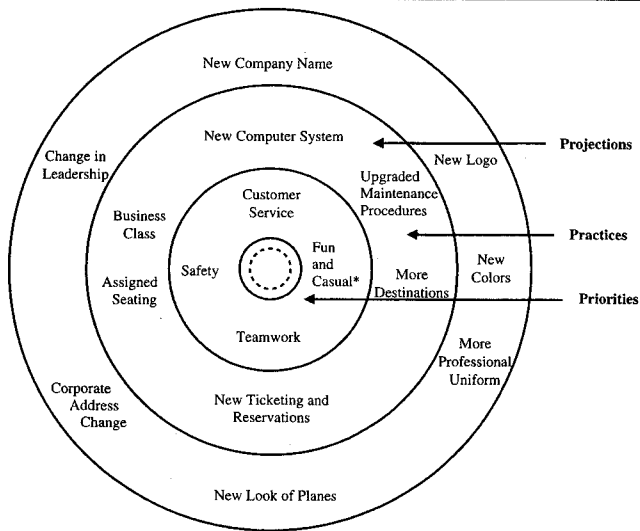


FIGURE 2: Application Attributes for Company A That Do Not Constitute Organizational Identity

Note: *Indicates the priority lost.

its very nature—core attributes—from those attributes that supported that essence and therefore were not inherently the identity—the application attributes. It was in the application attributes that the merger caused significant and immediate change. Therefore, application attributes also did not meet the enduring criterion. Some application attributes were described as distinctive, but with the merger, many of these distinctive features and sym-

bols did not endure. Members did not feel that the essence of the organization was in jeopardy as long as the purpose and philosophy were sustained and as long as any changes in application attributes were viewed as relatively consistent with those core attributes.

The names of the subcategories were generated from the language used by informants in describing the organization. This section will present definitions and examples of each attribute category.

Core Attributes of Organizational Identity

The findings revealed that a small number of attributes constitute organizational identity. The data suggested that the first main category of core attributes was composed of two subcategories: purpose and philosophy. Informants defined the purpose as the reason why it was important for the organization to exist and the philosophy as the source for how members do their work in a distinctive way. Together, the purpose and philosophy met the three organizational identity criteria: central character, distinctiveness, and temporal continuity.

Purpose. Greater than two thirds of the study's interviewees identified the purpose of Company A—to provide affordable air transportation—as what was central and enduring to their organization. All members in the third round of interviews confirmed this view. An interviewee said, "They started the company with that in mind, low-cost transportation out of City A, and that's been the theme all the way through from the very beginning and still is." The participants explained that Company A was created for this special "affordable transportation" niche, and even with the merger, this focus was never diminished. The notion of affordability was linked to the need to bring fairness to a transportation system that promoted inequality. Members stated, for example, that it was not right to demand high prices for the privilege of visiting a relative or spending vacation time with one's family. Fundamentally, members described their company as one that was taking a stand, in spite of the bigger competition, so that it could help families who previously could not afford to fly. This company was also doing what was right, because prices for air transportation were unnecessarily high for all travelers. Even with the addition of business travelers as a target customer, the central purpose since the company's inception, of providing affordable air transportation, was not altered. This patriotic cause was consistently described in interviews, speeches, and through printed materials as an attribute of the organization that had been central and enduring to who they were as an organization. Throughout the premerger and postmerger period, company leaders consistently delivered this message to the public through significant marketing and advertising activities. The press regularly shared the same broad message when it described the company, although it often used a negative slant in portraying this image.

Philosophy. The philosophy, a subcategory within the main category of core attributes, of Company A that served as the source and framework for how members did their work in a distinctive way was their family philosophy. This family atmosphere was characterized as being friendly, caring, open, close, and small. A majority of the members portrayed the family feeling in terms of their closeness and feeling of genuinely knowing people and sharing special friendships. They described Company A as having an open feeling, even with 2,000 employees. They genuinely had the comfort of knowing almost everyone at all levels of the organization. When individuals met while walking down the hall or the concourse, they regularly hugged each other and spoke using first names. An interviewee made the following remark: "When I came to work here, it was like welcome home. It was almost like going to my new family. It's almost like I was adopted." So many said, "It feels like family." One of the signs at the company open house for prospective employees read, "We are all one family under the same sky." The open house experience promoted and modeled the friendly, caring style. With this nurturing atmosphere, members expressed a trust in management; they felt that all doors were open and that their voices were valued. These employees were a family of workers who cared about each other.

Members considered this family philosophy as the source for the distinctive way they did their work. Members believed that they offered a humanitarian service to other families in a caring manner that was quite distinctive in the industry. In comparing their company's philosophy to that of other airlines, this family emphasis was quite unique. The family philosophy, which was described as central and enduring to the organization, was the distinctive way that their purpose was delivered.

This family feeling was extremely strong prior to and at the time of the name change, but after the merger, although the unique family atmosphere was still present, there were increased concerns as to whether it would continue. This anxiety was the product of significant organizational change that included moving corporate headquarters to a different city, greater formality in corporate structure, and an increase in staff. To support the merger, members accepted the need to alter processes and procedures; however, they were unwilling to sacrifice their family spirit. Members explained that they could deal with change as long as the change did not threaten their family philosophy. The family philosophy along with their purpose defined the distinctive essence of their organization and the core attributes that members were personally connected and devoted to.

Core Attributes Applied

In the typology of categories that emerged from the data, the second main category, labeled application attributes, included three subcategories: priorities, practices, and projections. These application attributes do not constitute organizational identity. Application attributes are not the central char-