

Working paper abstract

Virtual PDW: Studying Paradox and Grand Challenges

Organizing corporate identity change and multi-level tensions: A paradox perspective

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Introduction

A disability nonprofit organization's mission is to improve the social inequality that flows from the discrimination experienced by disabled people in a multitude of contexts. For paradox scholars, the goal to address social inequality, is often met with a series of nested and interwoven tensions (Schad et al., 2016). Some tensions relate to the social mission vs. business tension for NPOs (Smith et al., 2013). Others deal with tensions of change (Smith et al., 2017). This is because NPOs today are required to modernise and digitize, to be financially sustainable operating entities. This context generates persistent and complex pressures, where NPOs are routinely asked to 'do more with less' (La Piana, 2010).

The intersection of these tensions for NPOs provides a complex but compelling context within which is to explore the process of identity change from the perspective of those inside these organisations (Hwang & Powell, 2009). Change involves an intricate set of conflicts (Smith et al., 2017) and it is only by understanding the type and nature of the tensions that emerge through these transitions that corporate identity change in NPOs can be effectively managed.

This empirical paper aims to draw insights from strategic paradox theory (e.g. Smith & Lewis, 2011) into the corporate identity literature (Gambetti, Melewar & Martin, 2017; Gotsi & Andriopoulos, 2007) as it relates to NPOs (Hwang & Powell, 2009; Maier et al., 2016). We followed an award-winning British disability nonprofit that embarked on a radical brand strategy change. They sold off all regulated day services which was over 50% of its income in order to be an agile and social change organization.

Context for corporate identity change

In a setting where government funding is in decline (Hwang & Powell, 2009; Litrico & Besharov, 2019), there is competition for public trust (Edelman Trust Barometer, 2017) that requires NPOs to reimagine a more salient mission (Olins, 1991). We argue that long-term success depends on embracing paradoxes, rather than trying to make them disappear (Smith et al., 2013). While social and business missions are contradictory, they can also reinforce one another.

Comparatively little is known about corporate identity change in NPOs; and how individuals at a micro-level respond when their relationship with the NPOs' identity that is 'doing good' is key. We are therefore interested in understanding the stability anchors (Smith & Besharov, 2019) that enable middle managers to recommit to new mission. Moreover, scholars of corporate identity management are not in consensus about whether NPOs are better or worse equipped to organise corporate identity change than other kinds of organization.

It is widely accepted that the alignment between identity, corporate image and culture is key to success (Gotsi & Andriopoulos, 2007; Hatch & Schultz, 2003). By applying a paradox perspective, we theoretically identify an extension to corporate identity theory involving an alternative path that tolerates misalignment of the three elements. Our empirical study finds support for this idea that the successful management of corporate identity management does not always have to rely on alignment, as previously assumed.

Empirical data

This study adopts an inductive perspective and a view of corporate identity as a socially constructed phenomenon (Melewar et al., 2012). We explore managers' interpretations about 'who we are' and responses involved in driving and maintaining commitment to the new mission. Data consist of a) transcripts from 20 semi-structured interviews with middle-managers, senior management team, from communications, fundraising, service development and campaigning; b) corporate documents including minutes of meetings, launch event documents, promotional material and web pages, and c) observation notes. Data were coded to identify meaningful narratives (Gioia et al., 2013) and iterate between data and literature (Eisenhardt, 1989).

Our data revealed a variety of tensions that were lived out in the narratives of managers as they reconciled the new corporate identity with their own views of their NPOs (see Figure 1). The study contributes to our understanding of how corporate identity change is organized in multiple levels and involves vicious and virtuous cycles (Smith, 2014). Further, it leverages Sharma and Bansal's (2017) insights that separate and then bridge between the cognitive efforts to find meaning and efforts to engage in practice. The study reveals four distinctive narrative trajectories in our data – Embodying Work, Justifying Work, Relational Work and Escaping Work. Each characterised by distinct cognitive, affective and behavioural patterns. We conclude that while the dominant approach of alignment is well documented (Melewar et al., 2012), the success of NPOs as agents for change may require pathways that tolerate misalignment across organizational identity, corporate image and culture.

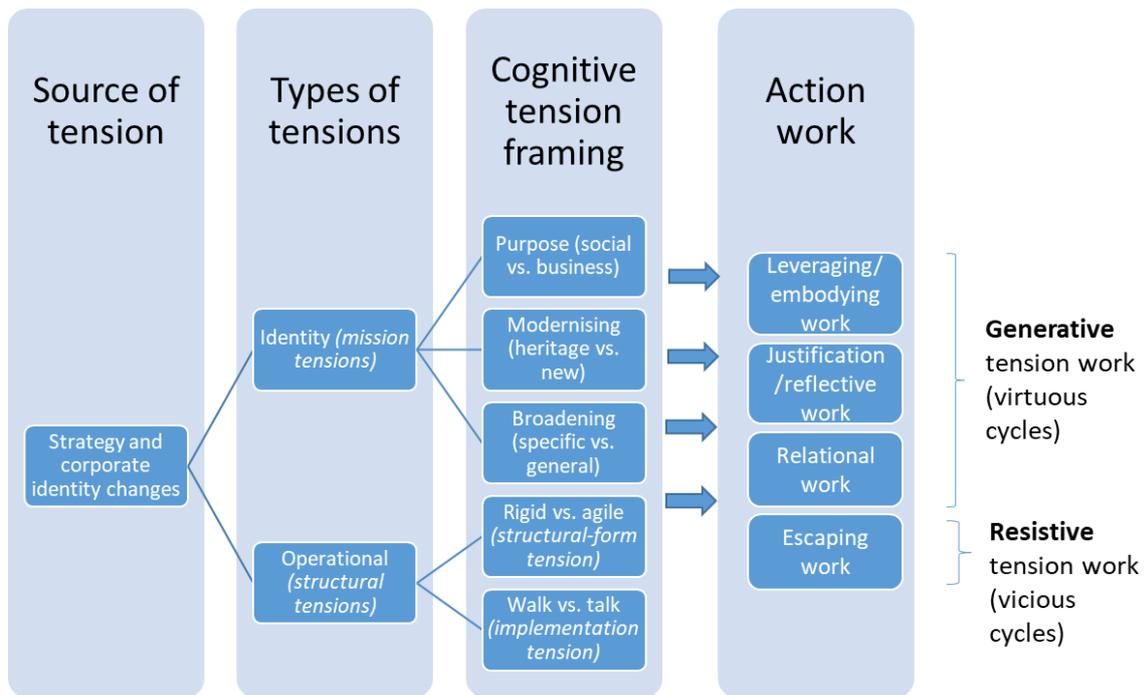


Figure 1: Context of nested and interdependent tensions surfaced in corporate identity change

References on request