

Prepared for EGOS 2021: Sub-theme 09, Unpacking Paradoxical Nestedness across Level of Analysis

Corporate identity change and emotions:

A micro-level paradox perspective of coping mechanism dynamics for nonprofit middle-managers

Zoe Lee*, *University of Cardiff* (*corresponding author)

Annie Snelson-Powell & Sarah Glozer, *University of Bath*

Abstract

This empirical paper studies corporate identity change at a large UK-based disability charity. Corporate identity is important to nonprofit middle-managers who are particularly emotionally invested in their organization's activities. We draw on primary data (36 semi-structured interviews with middle-managers) collected across two time-intervals as well as secondary data sources to show how processes of coping with corporate identity change involve a variety of emotions and follow two important and distinct pathways, depending on the proximity of the middle-manager to the corporate identity change project. Both pathways involve work with multi-level tensions, sparked from the change, where we draw on the concept of a paradox mindset to explore how, at the micro-level, tensions generate energy and/or 'burn-out' for change actors and where change recipients respond with both resistance and/or acceptance. We contribute to the literature on corporate identity change as it relates to nonprofit contexts as well as the paradox mindset literature, especially where we show individual emotional dynamics across levels of proximity to corporate identity change. Further, we develop a theoretical contribution to corporate identity theory, by explicitly accounting for the role of emotion as it relates to middle-managers and their proximity to corporate identity change work.

Keywords: nonprofits, middle-managers, corporate identity change, paradox mindset, emotions

INTRODUCTION

Disability nonprofit organizations play a key role in organizing for an inclusive society. For paradox scholars, the goal to address social inequality, is often met with a series of nested and interwoven tensions (Schad et al., 2016). Disability nonprofits seeking to change to improve social inequality must gain attention and support from employees who are drawn to the organizational values, more than the salaries on offer (Canon & Kreutzer, 2018; Liu et al., 2015). The corporate identity of nonprofits is therefore particularly important to nonprofit employees who imbue it with meaning and purpose, as it reflects the values to which they are emotionally committed. This presents a puzzle. How do nonprofit employees maintain a relevant corporate identity in turbulent times? And what's more, what is the impact of changing of corporate identity (both visual and strategy) on employee commitments levels and emotions therein? (Toubiana & Zietsma, 2016). While corporate identity is far from a static construction, frequent corporate identity changes for nonprofits are likely to facilitate a range of responses at the micro-level, reflecting a complex web of nested tensions that involve competing demands that play out at a variety of organizational levels.

By bringing these tensions to the fore and seeking to explore how middle managers respond at the micro-level, we aim to learn how such tensions are navigated, and in particular, how they generate a variety of emotional responses. To address this aim, we inductively study interviews with 36 middle managers at a disability charity in the UK. Unlike other charities, Charity Alpha, has recently launched a new corporate identity and decided to sell off all its residential care services. The charity argues that this is to align with the changes to the disability movement and the government's policy for independent living, moving away from stereotypical residential homes. Such disruptive business model change has sound logic from an economic efficiency perspective, but how will the loss of key resources and associated

identities (in providing residential services) affect staff, volunteers and donors; those closest to embodying the social mission of the business? Such changes may encourage a complex interplay of emotions including fear, anxiety, excitement, thrill and self-doubt. It is yet to be seen how such emotions can be used to activate resilience over time in this evolving sector. This rich, longitudinal, qualitative data is combined with a variety of secondary data sources such as company archives, publicly available social media interactions, blogs and mass media websites to provide insights on a process of corporate identity change (both visual and strategy) that Charity Alpha underwent in 2018 and how those processes persist through subsequent years.

This short paper is structured as follows. We first identify the key concepts from the corporate identity change literature as it relates to nonprofit context. We then look at the role of emotions and micro-level responses to the tensions around corporate identity change in nonprofits. We then briefly explain our methods, before setting out our findings. Finally, we conclude with a discussion which summarise the key contributions arising from our research.

CORPORATE IDENTITY CHANGE IN THE NONPROFIT SECTOR

We are now witnessing a time when the nonprofit sector is under threat. Nonprofits must quickly adapt and in doing so are required to modernise their corporate identity. As explicit emphasis on financial sustainability increases, charities are stimulated to re-engage with their social mission to ensure it retains salience and can successfully compete for attention from funders (Lee & Bourne, 2017). In a setting where government funding is in decline (Hwang & Powell, 2009; Litrico & Besharov, 2019), there is stark competition for public trust (Edelman Trust Barometer, 2017). This increasing competition and the urgent need to differentiate requires charities to adapt or reimagine their existing external branding to form new, more salient, corporate identities (Simoes & Sebastiani, 2017). We argue that long-term

success of such change, 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.

Corporate identity is commonly referred to what an organization stands for (e.g Who do we think we are?) and the mix of the elements that give the organization its central and distinctive characteristics (Balmer, 1998). It has also been described as ‘all corporate expression’ (Cornelissen & Harris, 2001, p. 63) and the strategic choices (Abratt & Kleyn, 2012). These components are important as they form a ‘mental identifiers’ of multiple meanings associated with the core of a firm’s identity (Flint et al., 2018). Most studies of corporate identity management have focused on exclusively on the static nature of the construct; and over reliance in identifying consistencies across organizations. For example, focusing on tight coupling and closing the gap between vision, image and culture with organizational identity to minimise tensions (Hatch & Schultz, 2003)

Less work has focused on a more processual, co-constructed idea that waxes and wanes in line with societal development. For example, limited body of research showed that multiple meanings can coexist to form a corporate identity (Signori & Flint, 2020) and hence reducing tensions to achieve consistently in expression may not be as reliable. We try to find inconsistencies in how corporate identity is lived out. Despite ‘doing good’ as key part of the identity, comparatively little is known about corporate identity change in charities and how individuals at a micro-level respond to such change. We are therefore interested in understanding the stability anchors (Smith & Besharov, 2019) that might enable middle-managers to recommit as the firm approaches corporate identity change.

TENSIONS AND EMOTIONS IN CORPORATE IDENTITY CHANGE

Smith and Lewis (2011) outline three factors that are likely to spark tensions. These relate to change, resource scarcity and plurality. These are key, overlapping dimensions of the context of a nonprofit undergoing corporate identity change. A nonprofit context is naturally pluralistic, in that aim to achieve the financial sustainability required to support their societal mission (Besharov & Smith, 2019). And at the same time as the change is happening, resources are increasingly scarce for nonprofits due to the evolving contemporary competitive setting for funding.

Our study focuses on tensions as they manifest at the micro-level. Here we are guided by paradox mindset literature (Miron-Spektor et al., 2017) and anticipate emotional escalation (Toubiana & Zietsma, 2016) when studying middle-managers with high levels of emotional investment. Simoes & Sebastiani (2017) argue that corporate identity change can be emotionally charged. Nonprofit employees typically developed a strong unconscious attachment to the brand (Liu et al., 2015) and changes to the brand may evoke feeling of loss or defensiveness - denial, dependency and anxiety (Vince & Broussine, 1997). Instead of controlling such emotional escalation, less is understood how these managers lived and work through the variety of emotions when dealing with contradictory demands.

Miron-Spektor et al. (2017) explain that adopting a paradox mindset can help individuals to adjust to change in such a way that leverages competing demands to exploit new, mutually beneficial opportunities. Natural tendencies however are to attempt to reduce inconsistency, resolve tensions and resist change, even if such actions are sub-optimal perhaps by simply prioritising one demand over another (Miron-Spektor et al., 2017). This can be a vicious cycle however, perpetuating negative outcomes. Miron-Spektor et al. (2017) suggest that key to changing the way the problem is viewed is to first take time to accept the issue,

begin to develop “comfort with the discomfort” such that alternative perspectives can be entertained, enhancing chances that new possibilities or ways forward become apparent.

Our work seeks to respond to a gap in the corporate identity literature which has hitherto overlooked processes at the micro-level and failed to discuss the role of emotions. We select a nonprofit context as a salient setting, such that with complex tensions at play, contradictions are easily sparked by change efforts, and we can expect to learn about the dynamics with which middle-managers navigate the changing terrain.

METHODS

This study adopts an inductive perspective and a view of corporate identity as a socially constructed phenomenon (Melewar et al., 2012). We explore middle-managers interpretations about how they are responding to the corporate identity change. The dataset consists of a) transcripts of 36 semi-structured interviews at two time-intervals with middle-managers, senior management team, from different functions (e.g. communications, fundraising, corporate partnership, service development, campaigning etc) in a UK-based charity – these include both change agents (those close to or involved in the change process) and change recipients (those dislocated or uninvolved in scoping the change project) (Hay et al., 2020), b) corporate documents including minutes of meetings, launch event documents, promotional material and web pages, and c) observation notes taken by researchers during multiple visits to its headquarters. See Table 1 below. Data were coded to identify meaningful narratives (Gioia et al., 2013) and iterate between data and literature (Eisenhardt, 1989).

****Insert Table 1 here****

PRELIMINARY FINDINGS

In the first phase of data collection we were alert to notions of tension and resilience to change, in the emerging narratives of middle-managers as they grappled with the highly

tension-laden context, immediately following the corporate identity change. That nonprofit contexts involve tension is well established (e.g. Besharov & Smith, 2019) and tensions were clear in the data. We were able to identify a set of coping mechanisms that nonprofit managers described as important sources of resilience in the face of these changes and established a set of codes, categories and, eventually themes to describe four ways middle-managers respond to tension. We present these findings in Figure 1.

****Insert Figure 1 here****

In collecting the initial primary data, and as we conducted the analysis of it, we became aware of the emotional intensity in the accounts provided, beyond the coping mechanisms described. As we looked more closely there seemed to be two important groupings, where the emotions described followed quite distinct patterns (Barberá-Tomás et al., 2019). First, those managers close to the change, were often talking about initial excitement and eventual exhaustion. Second, other managers, spatially separated from the change work, were much more detached, and were relaying feelings of first resistance and then acceptance.

As we developed our theorising, we returned to the charity to collect further data, 12 months later. We decided to concentrate these follow-up interviews on our ideas relating to proximity to corporate identity change and explore the extent to which the processes identified in the first tranche of data collection, remained present, or whether the tension had resolved and the situation had stabilised. These later accounts from participants allowed us to strengthen our understanding, as we developed the detail around dynamics of the two pathways. Further, we found that the intensity of the emotions remained high, even many months into the change project, and that the two distinctive patterns of response remained evident.

****Insert Table 2 & Figure 2 here ****

DISCUSSION AND CONTRIBUTIONS

This empirical paper draws insights from strategic paradox theory (e.g. Smith & Lewis, 2011) and especially the concept of a paradox mindset at the micro-level (Miron-Spektor et al., 2017) into the corporate identity literature (Balmer, 2017; Melewar et al., 2012; Simoes & Sebastiani, 2017) as it relates to charities, to examine our micro-level data. We find that, depending on the proximity of the middle-manager to the change project, they experience different emotional dynamics, as they approach the tensions sparked by corporate identity change. This insight has important implications for our understanding of how to support corporate identity change in nonprofit context. Those close to the change can be energised by the new project, but subsequently suffer from emotional exhaustion. These individuals require time to find the coping mechanisms to help support their longer-term resilience. Those spatially dislocated (who are further away from the change) need help to see and explore new possibilities opened by the change process. In sum, we thus propose that change agents require *time* to accept the new situation and develop resilient responses. And we propose that change recipients require help with understanding alternative *perspectives* of the change, before they, incrementally can accept the various changes unfolding them in practice because of the corporate identity change decided upon by senior managers. This forms the basis of our contribution to theory – by understanding the different kinds of emotions triggered in response to corporate identity change, we establish that differently located managers require different kinds of support.

Through our empirical investigation, emotions have inductively emerged as an important factor to consider in mediating how middle managers cope with and manage corporate identity change. Given the emotive context within which employees of nonprofits operate – being emotionally connected to the values of the brands they work for – it is perhaps not surprising to see emotional responses to corporate identity change. However, we offer more

nuance to the role of emotions in relation to corporate identity change in two important ways. First, we elucidate the positive role of emotions in navigating tensions, and thus *sustaining* work related to corporate identity change at the organizational level. Here, we contribute to organization studies literature that has begun to explore the long-term benefit of emotions in maintaining organizational activity (e.g. McCarthy & Glozer, forthcoming), providing insight into long-term emotional resilience in the context of frequent corporate identity changes. Second, focusing on the micro-context, particularly the role of middle managers, we establish that managers located in different areas of the business require different kinds of support during corporate identity change. Here we unpack the immaterial consequences of corporate identity change – the lived experience of those doing the change – in terms of *emotional proximity*. Those closest to delivering the corporate identity change (e.g. strategic / brand teams) operate within what might be seen to be an ‘emotional epicentre’, yet the reverberations of the corporate identity change are constructed, experienced and challenged in various ways across organizational divisions. We thus find that middle managers that are emotionally invested (pathway 1) require different forms of support from those less invested (pathway 2), adding further insight into the management of emotions in organization studies (Jarvis, Goodrick & Hudson, 2018), or indeed in working in contexts of flux.

Selected references:

- Abratt, R. and Kleyn, N., (2012). “Corporate identity, corporate branding and corporate reputations: reconciliation and integration”. *European Journal of Marketing*, Vol. 46, No. 7/8, pp. 1048-1063.
- Balmer, J.M. (1998). “Corporate identity and the advent of corporate marketing”. *Journal of Marketing Management*, 14(8), pp.963-996.
- Barberá-Tomás, D., Castello, I., de Bakker, F. G., & Zietsma, C. (2019). “Energizing through visuals: How social entrepreneurs use emotion-symbolic work for social change”. *Academy of Management Journal*, 62(6), pp. 1789-1817.

- Cannon, S.M. and Kreutzer, K. (2018). "Mission accomplished? Organizational identity work in response to mission success". *Human Relations*, 71(9), pp.1234-1263.
- Cornelissen, J. and Harris, P. (2001). "The corporate identity metaphor: perspectives, problems and prospects". *Journal of Marketing Management*, 17(1-2), pp.49-71.
- Flint, D.J., Signori, P. and Golicic, S.L. (2018). "Corporate identity congruence: A meanings-based analysis". *Journal of Business Research*, 86, pp.68-82.
- Hwang, H. and Powell, W.W. (2009). "The rationalization of charity: The influences of professionalism in the nonprofit sector". *Administrative Science Quarterly*, 54(2), pp.268-298.
- Jarvis, L.C., Goodrick, E., and Hudson, B.A. (2018). "Where the heart functions best: Reactive-affective conflict and the disruptive work of animal rights organizations." *Academy of Management Journal*, 62, 1358-1387.
- Hatch, M. and Schultz, M. (2003), "Bringing the corporation into corporate branding", *European Journal of Marketing*, Vol. 37 No. 7/8, pp. 1041-1064.
- Lee, Z. and Bourne, H. (2017). "Managing dual identities in nonprofit rebranding: An exploratory study". *Nonprofit and Voluntary Sector Quarterly*, 46(4), pp.794-816.
- Litrico, J.B. and Besharov, M.L. (2019). "Unpacking variation in hybrid organizational forms: Changing models of social enterprise among nonprofits, 2000–2013". *Journal of Business Ethics*, 159(2), pp.343-360.
- Liu, G., Ko, W.W. and Chapleo, C. (2017). "Managing employee attention and internal branding". *Journal of Business Research*, 79, pp.1-11.
- McCarthy, L & Glozer, S. (2021). "Heart, Mind & Body: #NoMorePage3 and the replenishment of emotional energy", *Organization Studies*, forthcoming.
- Miron-Spektor, E., Ingram, A., Keller, J., Smith, W.K. and Lewis, M.W. (2018). "Microfoundations of organizational paradox: The problem is how we think about the problem". *Academy of Management Journal*, 61(1), pp.26-45.
- Schad, J., Lewis, M.W., Raisch, S. and Smith, W.K. (2016). "Paradox research in management science: Looking back to move forward". *Academy of Management Annals*, 10(1), pp.5-64.
- Simões, C. and Sebastiani, R. (2017). "The nature of the relationship between corporate identity and corporate sustainability: Evidence from the retail industry". *Business Ethics Quarterly*, 27(3), pp.423-453.
- Smith, W., Erez, M., Jarvenpaa, S., Lewis, M.W. and Tracey, P. (2017) "Adding Complexity to Theories of Paradox, Tensions, and Dualities of Innovation and Change: Introduction to Organization Studies Special Issue on Paradox, Tensions, and Dualities of Innovation and Change". *Organization Studies*. 2017;38(3-4):303-317.
- Smith, W.K. and Besharov, M.L. (2019). "Bowing before dual gods: How structured flexibility sustains organizational hybridity". *Administrative Science Quarterly*, 64(1), pp.1-44.
- Smith, W.K., Gonin, M. and Besharov, M.L. (2013). "Managing social-business tensions: A review and research agenda for social enterprise". *Business Ethics Quarterly*, 23(3), pp.407-442.
- Melewar, T. C., Gotsi, M and Constantine, A. (2012) "Shaping the research agenda for corporate", *European Journal of Marketing*, 46(5), pp. 600-608.

Toubiana, M. and Zietsma, C. (2017). “The message is on the wall? Emotions, social media and the dynamics of institutional complexity”. *Academy of Management Journal*, 60(3), pp.922-953.

Vince, R. and Broussine, M. (1996). “Paradox, defense and attachment: Accessing and working with emotions and relations underlying organizational change”. *Organization Studies*, 17(1), pp.1-21.

FIGURES AND TABLES

Figure 1: Tensions and coping mechanisms

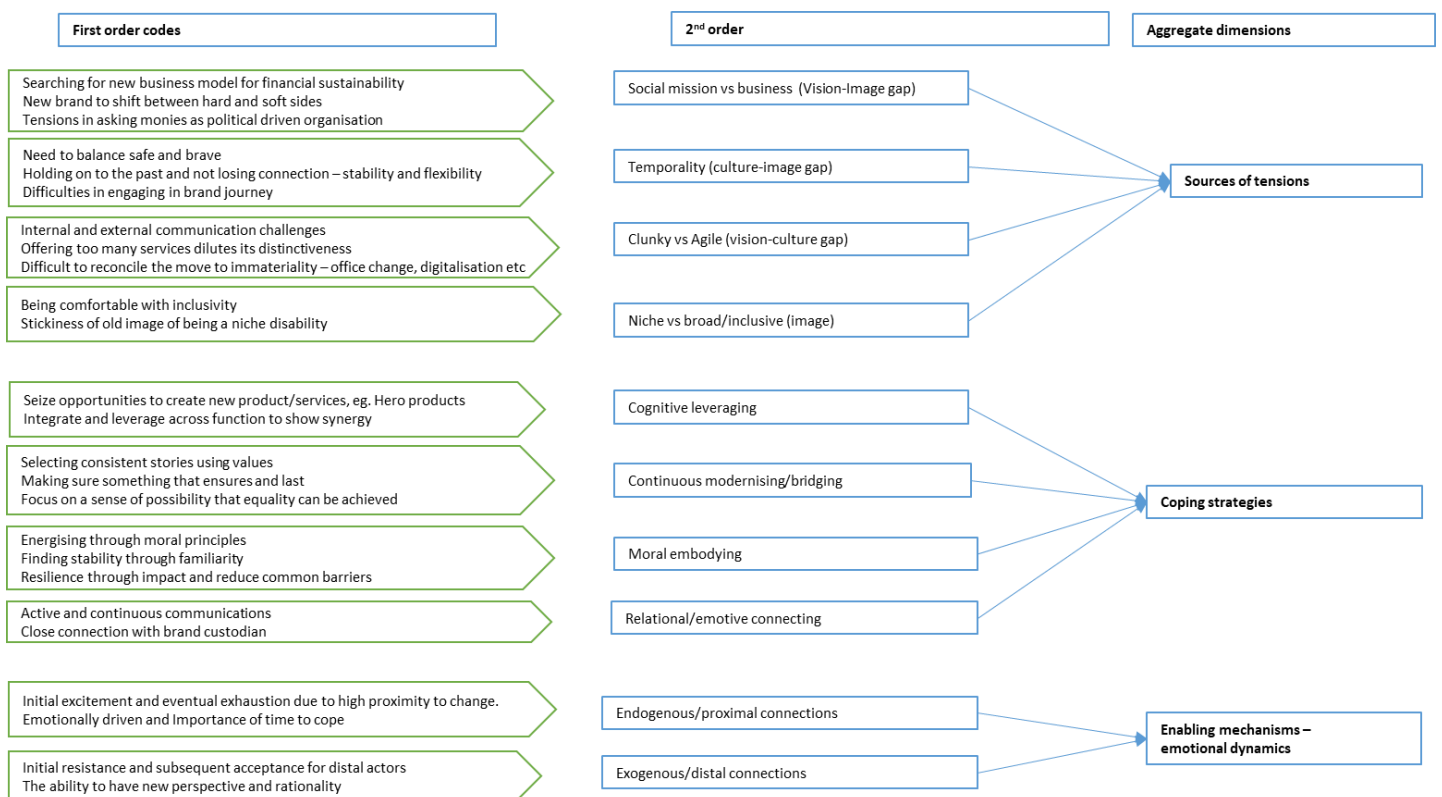


Figure 2: Proximity and emotional dynamics of middle-managers

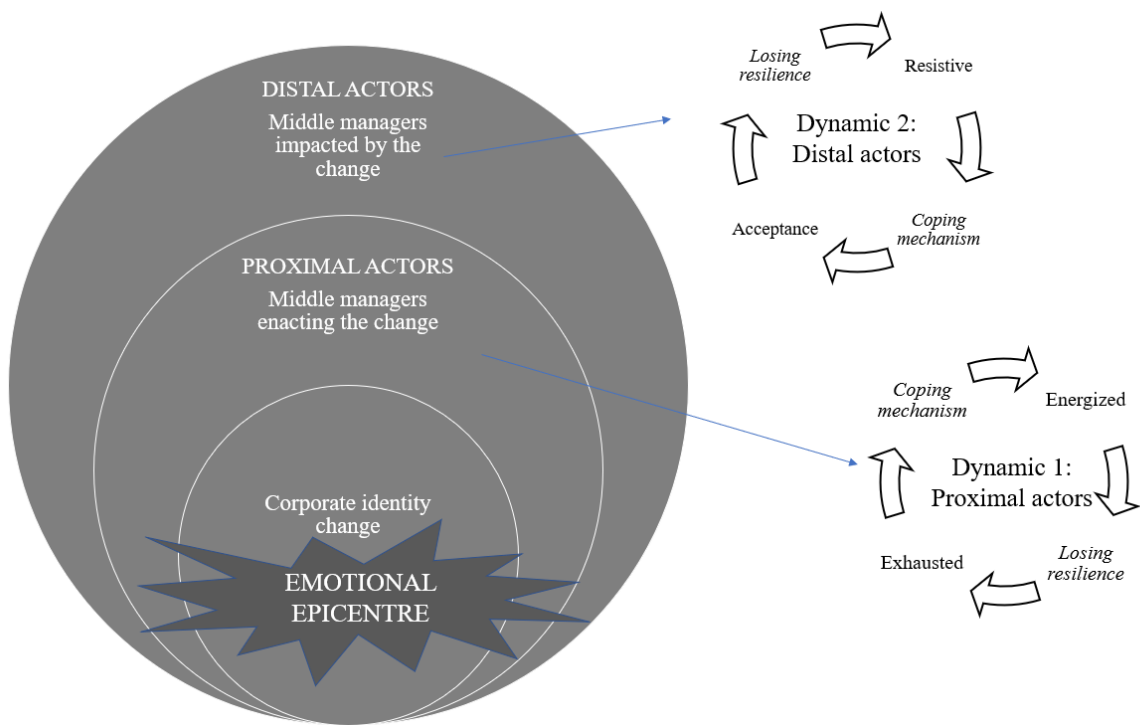


Table1: Data sources

Table 1:

Data source	Type of data	Proximal (P)/Distal (D)*
Phase 1: October 2018 to January 2019		
Semi-structured interviews	October 2018 to January 2019	
	<ul style="list-style-type: none"> 5 Directors (Directors of Retail, Director of Marketing, Fundraising & Comms, Director of Policy & Research, Director of Delivery and Director of Customer, Strategy & Experience) 	P
	<ul style="list-style-type: none"> 3 people involved in leading and implementing the change (Head of Marketing, Brand & Creative Manager, and Head of Communications) 	P
	<ul style="list-style-type: none"> 8 Heads in different functions (Head of Customer Attraction & Experience; Head of Digital, Engagement and Strategy, head of Policy, Campaign & Engagement, HR Business Partner for Volunteering, Head of Community& Event Fundraising, Head of Digital, Head of Philanthropy (legacy), Head of Internal Communication & Engagement) 	D
	<ul style="list-style-type: none"> 4 managers including retail manager and a volunteer 	D
Phase 2: January 2020 to September 2020		
	January 2020 to September 2020 (<i>during this time, the NPO went through a restructuring and majority of the branding team had left; 4 informants were repeat interview from the first phase</i>)	
	<ul style="list-style-type: none"> 1 Director (Director of Delivery) 	P
	<ul style="list-style-type: none"> 1 remaining branding team – Senior Designer 	P
	<ul style="list-style-type: none"> 1 Senior supporter & Engagement Manager 	P
	<ul style="list-style-type: none"> 8 (Family Service Lead, Challenge Event Manager – fundraising, Product Architecture/business development, Acquisition manager (fundraising), Customer Engagement Manager, Senior Editorial, Legacy manager, HR Business partner for volunteering) 	D
	<ul style="list-style-type: none"> 3 (Head of Delivery and Family services, Head of Services and employment, Head of Digital Experience & Optimisation) 	P
	<ul style="list-style-type: none"> 1 employee who left (Ex Senior Designer) 1 retail area manager 	D
Archives	<ul style="list-style-type: none"> Internal documents including strategic plan, websites, newsletters, articles and press articles Launch and promotional documents, internal research documents A book: history on the origin of the NPO 	
Social media	<ul style="list-style-type: none"> Facebook pages, twitter account 	
Blog	<ul style="list-style-type: none"> Blogs written about the NPO's corporate identity change in CharityComms, Third Sector and Civil Society 	
Observational notes	<ul style="list-style-type: none"> Multiple visits to the headquarters & retail shops 	

*Proximal: actors who are close to the change; Distal: actors who are distance from the change process

Table 2: Two dynamics as enabling mechanism

Aggregate constructs	Examples from data
Dynamic 1: Endogenous connections – for proximal actors	<p><i>Feeling energised:</i></p> <ul style="list-style-type: none"> • “What do I draw on? working with [committed] people who give their absolute all in pursuit of this which is really exciting...I think we are closer to becoming a real social change force...it is really energising to see the positives of what we are doing.” (Director of Policy and Research) • “So, I’m invested in [new brand], I think if you asked me probably three or four months <u>ago</u> I probably would have said I’m a bit worried and we’re a bit caught up in ourselves... ‘This is much simpler, why don’t we just talk about amplifying our employment goal, we’re going to shout about that and let’s get on with it’”(Director of Delivery) <p><i>Losing resilience:</i></p> <ul style="list-style-type: none"> • “I think I very much had to try and detach myself emotionally from it in order to be able to just focus developing the brand. I think I almost had to get myself in the mindset of being a little bit external so that I couldn’t be bogged down in the internal politics of what was going on...we had to sign NDA’s and so it was quite difficult at times” (Brand Manager) <p><i>Feeling exhausted:</i></p> <ul style="list-style-type: none"> • “internally you get worn out really quickly. I often feel like I don’t think I’ll ever work at this level [the hardest] because you are really trapped between the layers.” (Head of Brand) <p><i>Coping mechanisms: Relational/Emotional connecting and Time</i></p> <ul style="list-style-type: none"> • “it’s really for me resiliency and where I get it from and what I think I’ve learnt at Alpha is that I get it from my peers. Like I need reinforcement from others. I get my energy from others.” (Head of Brand) • “And I think some of that helps keep you strong...you might persist in a way with a dogged determination that somebody who was just a caretaker or someone who was just a friend wouldn’t do because there’s an emotional connection, there’s a soul connection to who, what the brand meant...That kind of kept me, kept me thinking like, keep going, keep going...don’t give up... when Molly left round about Easter last year, I inherited the sort of the responsibility of like the custodian for the brand” (Senior Designer) • “I think there’s something in that about resilience and knowing that change comes and goes... I suppose helps me but I’m in a position where I can effect it, so sometimes you just have to bide your time and you have to accept that there’s a six month.” (Director of Delivery)
Dynamic 2: Exogenous connections – for distal actors	<p><i>Feeling resistive:</i></p> <ul style="list-style-type: none"> • “the rebrand didn’t carry any real feeling or emotion or change that made me feel something differently, but the façade has changed the way it looks.” (Acquisition manager) • “take it to heart when things don’t work. I think in the [corporate identity change] a lot of emotion went <u>around</u> and I think some people are quite resilient but I found I was a little bit of a sponge, an emotional sponge for everyone’s stress.” (Head of Digital) <p><i>Coping mechanisms: Being rational and New perspective</i></p> <ul style="list-style-type: none"> • “as a fund raiser it’s been very, very challenging and the secret I want to let you in on is me and other fundraisers have taken the decision to focus less on these new elements, so focus more on those older ideas about families, about people, real people that need support on a daily basis, rather than join this movement that is nowhere near as appealing in [fundraising].” (Acquisition Manager) • “but when we’re working with customers, often that’s [equality movement] the last thing on their minds. They are coming to us because of a <u>particular issue</u> they’re having and often we end up hiding the brand. Because a lot of parents, when they’re going through the diagnosis process, they don’t think about disability.” (Customer Engagement Manager) <p><i>Feeling acceptance:</i></p> <ul style="list-style-type: none"> • “at my level, middle management level, fundraisers in my directorate ... we care and we’re passionate about raising money for important causes. So, the reason why you retain your resilience and you want to do a good job and you keep striving to do a good job is not because of your manager (laugh), it’s the last reason...because you know that there’s a need there, disabled people do need the support of organisations (Acquisition Manager) • “When those kinds of situations arrived, I think the natural reaction for people to do is go back in their silos and say well actually this is too complicated for me to engage with. I’m just going to retreat and do what I know I need to do.”(Head of Digital Experience) <p><i>Losing resilience:</i></p> <ul style="list-style-type: none"> • I’m not really into campaigning [new identity], so it is not for me, but I know lots of people that are and probably would be. (Legacy Manager)