



# Loyal after the end: Understanding organizational identification in the wake of failure

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#### **Abstract**

Prestige has traditionally been viewed as a primary explanation for individuals' identification with organizations. Yet there are clues in the literature that some individuals identify with organizations that have lost their prestige owing to failure. We use data from a survey of former employees of a defunct technology firm to test a proposed model of identification with failed organizations. We find that the extent to which the perceived identity of a failed organization fulfills former members' self-enhancement and belongingness motives has a positive relationship with their identification with it. Identification, in turn, inclines former members to socially interact with each other and participate in alumni associations. Further qualitative analysis reveals the organizational identity work practices by which former members recast a failed organization's identity in positive terms. These findings suggest the merit of relaxing assumptions about prestige as a necessary precursor to organizational identification, and augment scholarly understanding of the cognitive and relational mechanisms that facilitate individuals' identification with organizations in the wake of events that injure their reputations.

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## **Keywords**

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## Introduction

Contemporary research on organizational identification has demonstrated the ways in which individuals come to define their self-concepts in terms of organizations in which they participate and develop beliefs about them that become self-referential (Ashforth et al., 2008; Pratt, 1998). Much of this work has taken a social constructionist perspective, characterizing organizational identification as a chronically reappraised sense of 'oneness' with an organization that involves a cognitive overlap between its perceived identity and one's own self-concept (Ashforth and Mael, 1989; Cooper and Thatcher, 2010; Elsbach and Bhattacharya, 2001). While this literature has largely treated individuals' active membership in an organization as a precondition for identification (e.g. Ashforth et al., 2008; Riketta, 2005), it has also acknowledged the potential for individuals to identify with organizations of which they are no longer members (e.g. Bardon et al., 2015; Iyer et al., 1997; Rousseau, 1998).

Scholarly explanations of individuals' identification with organizations from their pasts have primarily emphasized the effects of prestige (e.g. Iyer et al., 1997; Mael and Ashforth, 1992). Identification with prestigious organizations, which are deemed to possess 'competence, power, efficacy, virtue, or moral worth' (Dutton et al., 1994: 247), enables individuals to bolster their sense of self-esteem and self-worth as they come to see themselves sharing these qualities. As such, it helps individuals navigate the uncertainty they encounter in the aftermath of exit (e.g. Ashforth et al., 2008; Bardon et al., 2015). However, there are clues in the literature that suggest individuals may identify with organizations that have failed (Gendron and Spira, 2010; Rousseau, 1998) despite their damaged reputations (Wiesenfeld et al., 2008). At face value, this evidence is inconsistent with the predictions of prior research, which has generally presumed that individuals would deidentify or disidentify with an organization that has lost its prestige (e.g. Elsbach, 2001; Frandsen, 2012). Such expectations arise from the criticism that is often lobbed at a failed organization, which is likely to produce dissonance for former members and to call into question the sense of shared, positive attributes on which their identification was grounded (Dutton and Dukerich, 1991; Frandsen, 2012; Kreiner and Ashforth, 2004). So, why would some former members claim oneness with failure? This puzzle suggests the merit of reconsidering the assumptions about organizational prestige that characterize prior research. We do so through a study of former employees of a technology firm that was acquired and dissolved following an extended period of decline. Our study seeks to answer the research question of why some former members identify with organizations that have failed.

We draw on scholarly thinking about identity motives (e.g. Ashforth et al., 2008; Cooper and Thatcher, 2010; Vignoles et al., 2006) to explore this research question. We propose and find that former members' identification with a failed organization is a function of the degree to which its perceived identity fulfils their motives for self-enhancement

and belongingness. We also hypothesize that identification with a failed organization motivates former members to reconnect with one another, by joining alumni associations, participating in social activities, and working with former colleagues in new contexts. We further find that the rehabilitation of a failed organization's identity comprises three forms of organizational identity work, namely storytelling, extracting value and contemporizing, which reinforce 'the perception that their positive conceptions of what had been were authentic' (Brown and Humphreys, 2002: 153).

Our research advances scholarship on organizational identification in three ways. First, we relax assumptions about the role of prestige as a precursor of identification, and illuminate the cognitive and relational mechanisms that facilitate it in the aftermath of failure. This contribution is particularly timely in light of rising corporate mortality rates (Govindarajan and Srivastava, 2016), which increase individuals' odds of experiencing the failure of an organization with which they identify. Second, we advance research on identity motives (Ashforth et al., 2008; Vignoles et al., 2006) by showing that self-enhancement and belongingness motives, which are known to guide individuals' identification with intact organizations, are also key determinants of identification with failed organizations. In this regard, our work affords important insights by explicating the factors underlying organizational identification in a context in which it is least expected (Davis, 1971). Finally, our research showcases the ways in which individuals revise their construals of the identities of the organizations with which they identify. In doing so, we contribute to emergent research on organizational identity work by drawing attention to its less understood micro-level processes (Anteby and Molnár, 2012; Kreiner et al., 2015).

# **Hypotheses**

# Motives for identifying with failed organizations

The failure of an organization can have a powerful impact on its members, mirroring the experience of a close friend or family member's death (Harris and Sutton, 1986; Sutton, 1987), inducing in them a sense of grief and displacement as they struggle to make sense of its transition from an active entity to a defunct one (Shepherd, 2003; Walsh and Bartunek, 2011). Scholars have suggested that such episodes of retrenchment incline individuals to focus on and cling to organizational identities (Albert and Whetten, 1985; Gendron and Spira, 2010; Gerstrom, 2015; Rousseau, 1998; Walsh and Glynn, 2008). As they do so, however, they are likely to experience a significant level of dissonance as the criticism and blame that are surfaced by an organization's failure stand in sharp contrast to the positive evaluations of its identity in which their identification was grounded (Ashforth et al., 2008; Frandsen, 2012). Such dissonance is likely to be even more intense than that experienced by members of intact organizations whose identities have been tainted by scandals or other setbacks (e.g. Elsbach and Kramer, 1996; Eury et al., 2017; Gendron and Spira, 2010), given that few if any experiences pose a greater reputational threat than organizational failure. In an effort to reduce this dissonance, we expect identified individuals would engage in organizational identity work (e.g. Kreiner et al., 2015) to recast the identity of a failed organization in positive terms (cf. Elsbach and Kramer, 1996; Ravasi and Schultz, 2006), thus enabling them to credibly identify with it. We expect that the ensuing rehabilitated organizational identity would reflect the identity motives of those who are involved in organizational identity work. Identity motives, which represent 'pressures towards certain identity states and away from others' (Vignoles et al., 2006: 309), are made salient by one's current circumstances (Ashforth et al., 2008; Cooper and Thatcher, 2010). It is thus likely that former members would recast a failed organization's identity in ways that fulfil motives that are heightened by exposure to demise.

In their work on the behavioral effects of individuals' exposure to episodes of demise, Grant and Wade-Benzoni (2009) have argued that such experiences heighten two particular motives. First, those exposed to demise are likely to experience an urge to 'defend cultural world views and personal worth' (Grant and Wade-Benzoni, 2009: 603) that they construe as threatened. Such concerns reflect self-enhancement motives, which have long been recognized as a factor underlying identification with intact, prestigious entities (Ashforth et al., 2008). However, the failure of an organization calls into question the cachet of its identity, and has the potential to damage the sense of self-esteem and self-worth of its former members owing to the stigma and guilt they experience from being associated with it (Gillespie and Dietz, 2009). Such feelings are likely to inspire an urge to re-establish the merit of an organization's identity, as doing so enables individuals to more credibly champion their own capabilities. The reconstituted identity of a failed organization is thus likely to showcase characteristics that enable former members to derive a sense of worth from it despite its failure.

Second, exposure to demise also surfaces a pressing 'desire to feel connected with others' (Grant and Wade-Benzoni, 2009: 604) that is broadly consistent with how scholars have characterized the identity motive of belongingness (Ashforth et al., 2008; Vignoles et al., 2006). The failure of an organization represents the loss of a major social context in which former members have spent much of their time, and spurs concerns about the decay of the relationships that were anchored there (Harris and Sutton, 1986). Such concerns are likely to impel efforts that enable individuals to feel that they are still enmeshed in meaningful relationships with their erstwhile coworkers (Sutton, 1987; Walsh and Bartunek, 2011). It is thus likely that the identity of a failed organization would be rehabilitated in a manner that promoted a perception that the organization had fostered a vibrant and relevant set of relationships. Additionally, as former members engage in organizational identity work, they are likely to nurture their relationships with former coworkers in ways that focus their attention on the camaraderie and support they provided (cf. Harris and Sutton, 1986; Sutton, 1987; Walsh and Bartunek, 2011). Such efforts would likely amplify a perceived identity's fulfillment of their belongingness motives. The degree to which a perceived organizational identity fulfills such identity motives, in turn, would be expected to strengthen identification with it (Cooper and Thatcher, 2010). We thus posit:

Hypothesis 1: Former members' identification with a failed organization is positively related to the extent to which its perceived identity enables fulfillment of their self-enhancement motives.

*Hypothesis 2*: Former members' identification with a failed organization is positively related to the extent to which its perceived identity enables fulfillment of their belongingness motives.

## Identity-congruent behaviors

Scholars have long noted that individuals signal and sustain their identification with an organization through a range of identity-congruent behaviors (Ashforth and Mael, 1989; Ashforth et al., 2008; Cooper and Thatcher, 2010; Hogg and Terry, 2000), including citizenship behavior (Dukerich et al., 2002), compliance with organizational guidelines (Haslam and Ellemers, 2005), and promotion of it to outsiders (Iyer et al., 1997; Mael and Ashforth, 1992). Although it is reasonable to expect that individuals would publicly engage in supportive behaviors when they identify with intact and prestigious organizations, it is less likely that they would evangelize their identification with stigmatized entities (cf. DeJordy, 2008). Thus, we expect that individuals' identification with a failed organization would be more likely to be expressed within the community of former members. This expectation is consistent with prior evidence that those who are impacted by organizational failure generally turn their attention towards one another (Harris and Sutton, 1986; Rousseau, 1998; Walsh and Bartunek, 2011). Reaching out to other former members appeals to the sentimental tendencies of these individuals, giving them the opportunity to revisit the past in ways that preserve positive memories and dissipate negative ones (Brown and Humphreys, 2002; Eury et al., 2017; Mena et al., 2016). In some cases, this interest to reconnect takes a more personalized form, manifesting through regular social interactions with specific individuals. For example, Rousseau (1998) discussed the case of highly identified former employees of People Express, who regularly congregated for many years after the airline closed. In other cases, they may interact in a more depersonalized manner by joining alumni associations (cf. Bardon et al., 2015; Walsh and Bartunek, 2011), whose members share and commemorate a common identity even though they may not directly interact with one another. Thus, we posit:

*Hypothesis 3a*: There is a positive relationship between former members' identification with a failed organization and their involvement in social interactions with other former members.

Hypothesis 3b: There is a positive relationship between former members' identification with a failed organization and their likelihood of participating in alumni associations.

Highly identified former members may also be inclined to sustain their identification with a failed organization by striving to reproduce certain behaviors and practices associated with it in new contexts (Bardon et al., 2015). For instance, Hoetker and Agarwal (2007) have documented the experience of former members of failed firms who carried forward and transferred knowledge created there into new workplaces. Such efforts are broadly consistent with the practice of creating ex-roles, which preserve and enliven relationships, norms and identities associated with prior work experiences in intact organizations (Ashforth, 2001). We expect that former members' concerns about reproduction will impel them to seek out opportunities to work with other former members, owing to their inability to directly observe the behaviors and practices of the failed organization in their current circumstances. Thus, highly identified former members of

failed organizations will be particularly likely to hire other former members or to take work roles that afford opportunities to continue working alongside them. Thus, we posit:

Hypothesis 3c: There is a positive relationship between former members' organizational identification and their likelihood of currently working with other former members.

To summarize, we argued that former members' identification with a failed organization is positively related to its perceived identity's fulfillment of self-enhancement and belongingness motives (Hypotheses 1 and 2). We also posited that former members' identification is positively associated with their engagement in three identity-congruent behaviors that reconnect them in various ways with other former members (Hypotheses 3a–3c). These relationships suggest the following:

Hypothesis 4: Former members' identification with a failed organization mediates the relationships between the degree to which its perceived identity fulfills self-enhancement and belongingness motives and (3a) social interactions with other former members, (3b) participation in alumni associations, and (3c) working with other former members.

## Method

We explore our arguments using data from a survey of former members of Digital Equipment Corporation (DEC), an American technology firm that ceased to exist 10 years prior to the data collection process. This research context provides an ideal setting for our study, for two reasons. First, scholars have suggested that many former employees of DEC identify with it despite the prolonged period of poor performance and public critiques that preceded its dissolution (Rousseau, 1998; cf. Schein, 2003). Second, whereas DEC's many years of success earned it much praise and respect, its decline and eventual dissolution led to widespread agreement that it had failed (DeLisi, 1998; Goodwin, 2016). We employed a concurrent mixed-methods approach (Creswell et al., 2003), conducting a quantitative analysis to test our hypotheses and a qualitative analysis to shed light on the mechanisms underlying them.

## Data

Our source of data was a survey that encompassed a combination of multi-item scales, open-ended items and demographic questions. Any former DEC employee was eligible to participate in the survey. As is the case with most defunct firms, the total population of former employees of DEC is unknown, and comprehensive contact information for its former members is unavailable. To conduct research on such 'hidden populations' (Salganik and Heckathorn, 2004), scholars have suggested the use of a respondent-driven sampling procedure, which relies on members who are known to the researcher to complete a survey and distribute it to others who are not otherwise accessible. We thus distributed our survey through 18 of DEC's alumni associations, which had contact

information for their current and former participants, as well as many non-participants. We also posted a notice about the survey on several industry-related online message boards to ensure our survey was accessible to those uninvolved with alumni groups. Respondents were also encouraged to share the survey announcement with any former DEC colleagues with whom they were in contact. Of the 2192 individuals who completed the survey, 757 (34.5%) reported that they were not alumni group participants, suggesting that the survey was broadly distributed beyond the initial group of seeds. As reliance on chain-referral methods could overrepresent individuals with larger numbers of interrelationships (Berg, 1988), we examined the average number of relationships reported by group participants, former group participants and non-participants, which were found to be 6.39, 6.47 and 5.93, respectively. The differences among these means were not significant. Thus, we concluded that participants and non-participants had a comparable opportunity to be invited to complete the survey.

In our data set, about 3% of our data points were missing because of respondents not completing one or more items in the survey. Because mediation analyses require a sample with no missing data (Preacher and Hayes, 2008), we followed conventions of quantitative research (Allison, 1999) and list-wise deleted responses that had missing data for any of the variables in our model, leaving us with a sample of 1505 individuals. To assess the potential for this approach to impact our results, we also conducted the analysis for our first three hypotheses using pairwise deletion (N = 1793) and mean substitution (N = 2192). The results were fully consistent with our reported findings. To assess the possibility that excluded respondents were less identified than those who provided complete responses, we conducted a mean comparison test, and the results indicated that the differences in organizational identification across the groups were not statistically significant.

#### Measures

Dependent variables. To measure organizational identification, we adopted a scale that was developed by Mael and Ashforth (1992;  $\alpha = .79$ ). This scale, which is broadly used in contemporary research on organizational identification (e.g. Hekman et al., 2016; Jones and Volpe, 2011; Kreiner and Ashforth, 2004; Schuh et al., 2016), assesses each respondent's level of agreement with statements such as 'When someone praises DEC, it feels like a personal compliment' and 'When someone criticizes DEC, it feels like a personal insult.'

Social interactions with former members was measured using a three-item Likert-type scale ( $\alpha$  = .77). To create this scale, we conducted interviews with 12 former DEC employees to determine the nature of their social interactions with other former members. We then created items that reflected the activities we identified in the interview data. These included: 'I organize social activities with other former employees,' 'I keep in touch with other former employees' and 'I attend social events with other former employees.' To reduce the risk of self-report bias, respondents were instructed to consider how a third party would assess their involvement in each activity (Schoorman and Mayer, 2008). Alumni group membership was measured using a dichotomous variable with a value of 1 assigned to respondents who claimed to participate in one or more DEC alumni groups.

We also created a dichotomous variable with a value of 1 for those respondents who currently worked with DEC employees. We determined this value based on responses to a question that asked respondents to identify up to 12 former members with whom they were in contact and to specify the nature of their current relationship.

Independent variables. We developed measures to assess an organizational identity's fulfillment of self-enhancement and belongingness motives using responses to the Ten Statements Test (TST), which is a qualitative protocol that scholars have previously used to discern perceived identity motives (Vignoles et al., 2006) and individuals' beliefs about an organization's identity (e.g. Brickson, 2005; Hsu and Elsbach, 2013). Each respondent was asked to complete the sentence stem, 'DEC was\_,' up to ten times, yielding 13,070 responses. To ensure that respondents were providing contemporary perspectives, we asked them to focus on characteristics they deemed enduring. We also asked them to consider how they thought about DEC in the present and not how they might have viewed it when they worked there.

We used content analysis procedures (Carley, 1990) to determine the extent to which each response reflected the fulfillment of self-enhancement or belongingness motives. We first reviewed the responses to familiarize ourselves with the nature of the statements. An initial coding scheme was developed through examination of the literature and the data. Statements that indicated that one's employment at DEC helped them learn or develop (e.g. 'a wonderful learning experience', 'great at letting employees develop their own capabilities') or expressed personal pride about the organization (e.g. 'a place I feel privileged to have worked', 'what a company should be'), were coded for self-enhancement fulfillment. Statements that suggested an individual experienced a sense of compatibility with other members or a generalized sense of interpersonal connection (e.g. 'my second family', 'home away from home', 'a place where it was easy to bond with other employees') were coded for belongingness fulfillment. Statements that did not implicate the self (e.g. 'a good company', 'change agent') were not coded.

Using responses to the TST protocol drawn from a survey of another organization, two coders engaged in several rounds of practice coding and reconciliation of differences to familiarize themselves with the themes underlying each code. Based on these results, we revised our coding scheme. The coders then each independently coded 3010 (23%) of the actual responses. Kappa scores for the codes were .80 for self-enhancement fulfilment and .84 for belongingness fulfilment, providing credible evidence of interrater reliability (Landis and Koch, 1977). When the coders disagreed, they discussed their different views before settling on a final coding decision. After resolving any disagreements, the coders then coded the remaining statements. The measures for identity motive fulfillment were calculated by counting the number of an individual's responses to which each code was applied.

Control variables. We controlled for a number of factors that might influence the relationships we studied. In light of scholarly expectations about the effect of prestige on identification, we calculated and included two measures of prestige that were derived from archival records of DEC's ranking in the annual Fortune 1000 list: its rank in the first year of an individual's employment and the change in its rank during one's membership. We included former members' work tenure as a proxy for their identification as active members, which could also affect their identification with DEC in the wake of its

failure. Given that 'individuals are likely to remain in organizations and jobs with which they personally resonate ... [and] become more psychologically identified with the organization and job as they spend time with each' (Kreiner and Ashforth, 2004: 13), their tenure with DEC should provide a strong clue regarding how identified they were as active members.

We also controlled for our respondents' coworker identification, because individuals may identify with not only the organization itself but also their colleagues (Cooper and Thatcher, 2010; Farmer et al., 2015). We adapted a measure that assesses an individual's sense of oneness with other ingroup members (Cameron, 2004;  $\alpha$  = .74), which included items such as 'I have a lot in common with other former DEC employees' and 'I don't feel a sense of being "connected" with other former DEC employees.' We also controlled for age, gender and education, as some prior studies have found them to be correlated with organizational identification (e.g. Kreiner and Ashforth, 2004; Riketta, 2005). Finally, as we used alumni associations as a primary source of data, we controlled for our respondents' alumni group membership using a dichotomous variable. This variable was omitted in the tests of Hypothesis 3b, for which alumni group membership is the outcome of interest.

## Procedures for quantitative analysis

We employed exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) to investigate the reliability and validity of our measures of the three latent variables in our model: organizational identification, social interactions and coworker identification. EFA showed that the three-factor solution explained more than 60% of the variance, and all except two of the factor loadings were greater than .65, with no cross-loadings exceeding .25. CFA indicated that a three-factor solution ( $\chi^2 = 214.76$ , 50 d.f.) fit better than either a one- or two-factor solution. Goodness of fit was assessed based on the calculation of conventional fit statistics (NFI: .96, IFI: .97, CFI: .97, TLI: .96, SRMR: .04 and RMSEA: .05). Providing evidence of internal consistency, standardized factor loadings for all items loaded significantly (p < .01) to their respective constructs, and the composite reliabilities for organizational identification, social interaction and coworker identification were .79, .78 and .75, respectively.

We then used a two-step least-squares regression analysis to test the relationships proposed in Hypotheses 1, 2 and 3a. As the dependent variables for Hypotheses 3b and 3c are dichotomous, we used two-step logistic regression analysis to test them. To test the mediation relationships posited by Hypothesis 4, we used the PROCESS macro for SPSS that was developed by Hayes (2013). The macro allows for the testing of the indirect effects of the independent variable on the dependent variable through the mediating factor. Using bootstrapping analysis, we examined the significance of the direct effect and the confidence interval around the indirect effect to determine whether the proposed relationships were fully or partially mediated (cf. Astakhova and Porter, 2015).

As our analyses involved measures that were derived from a single instrument, we took numerous steps to minimize the risk of common methods bias, including collecting responses anonymously and following the principles of methodological separation, in which measures are constructed using data derived from different media (Podsakoff

et al., 2003). We also conducted two post-hoc analyses to assess potential common method effects. First, we investigated the possibility of positive affectivity unduly influencing the correlations among our measures of organizational identification, social interactions and coworker identification (Podsakoff et al., 2003). These variables were significantly correlated even after partialling out positive affectivity, which we measured using Nezlek's (2005) scale. Second, we re-estimated our analysis by including current employment status as an unrelated 'marker variable' (Podsakoff et al., 2003; Williams et al., 2010). We found that our results are robust to the inclusion of this variable.

## Procedures for qualitative analysis

We conducted a thematic analysis of individuals' responses to an open-ended question in our survey, in which we asked them to describe their contact with other former members to shed light on the theoretical mechanisms underlying our posited relationships, namely efforts to rehabilitate an organization's identity through organizational identity work. After gaining a general familiarity with the data, two authors read each statement (N=1123) and coded them with an orientation towards isolating particular cognitive or relational approaches that were indicative of individuals engaging with the meanings they ascribed to the organization (cf. Anteby and Molnár, 2012; Kreiner et al., 2015). After individually developing a provisional set of themes through several readings of the data, the authors discussed and integrated their findings. Our familiarity with the organizational identity work literature (e.g. Kreiner et al., 2015) undoubtedly informed the messages we derived, and we attempted to represent the practices we identified in terms of the functions they seemed to serve. However, it is also important to acknowledge that our analysis reflects our research interests and perspectives.

## Results

Table 1 summarizes the descriptive statistics and correlations among the variables in our model. Table 2 shows the results of the regression analyses for Hypotheses 1 and 2. The control variables were entered into the model in the first step, and in the second step, the independent variables were added. Addition of the independent variables increased the explanatory power of the model ( $\Delta F = 15.14$ , p < .01). Hypothesis 1 predicted a positive relationship between fulfillment of self-enhancement motives and organizational identification. Results of the regression analysis support this hypothesis, as the coefficient for self-enhancement fulfillment is positive and significant (b = .03, p < .01). Hypothesis 2 predicted a positive relationship between belongingness fulfillment and organizational identification. Our results support this hypothesis, as the coefficient is positive and statistically significant (b = .04, p < .01).

Table 3 shows the results for Hypothesis 3. Hypothesis 3a predicted that organizational identification has a positive relationship with social interactions with other former members. Our results support this hypothesis, as the coefficient of organizational identification is positive and statistically significant (b = .09, p < .05), and the addition of this variable significantly changes the explained variance ( $\Delta F = 5.22$ , p < .05). Hypothesis 3b predicted a positive relationship between organizational identification and participation

Table I. Descriptive statistics and correlations.

	Variable	Mean	SD	I	2	3	4	5	6	7	8	9	10	П	12
ī	Initial prestige	187.35	162.27												
2	Prestige change	104.07	165.76	.97											
3	Age	55.90	7.47	15	14										
4	Gender (Male = 0)	.26	.44	.02	.03	20									
5	Education	.30	.11	.06	.05	08	.09								
6	Tenure	14.34	6.40	13	13	.40	05	.09							
7	Alumni group member (Yes = I)	.63	.48	.13	.13	03	04	02	06						
8	Working with former coworkers (Yes = I)	.25	.43	.06	.07	10	.06	10	05	.08	3				
9	Coworker identification	4.15	.61	.05	.05	02	.09	.01	.15	.18	3.11				
10	Belongingness Fulfillment	.82	.97	.02	.02	05	.13	.07	.11	.02	.03	.23			
П	Self-enhancement Fulfillment	3.09	2.03	11	12	.07	.10	02	.13	.04	.06	.22	.14		
12	Social interaction	2.82	.90	.05	.05	06	.10	.04	.12	.18	.14	.45	.19	.13	
13	Organizational identification	3.83	.64	.05	.04	0 I	07	.10	.18	.14	.02	.55	.20	.20	.30

Correlations greater than .05 are significant at p < .05; correlations greater than .07 are significant at p < .01.

in alumni associations. The coefficient of organizational identification is positive and significant (b = .22, p < .05), and the change in the model is significant ( $\chi^2 = 4.53$ , 1 d.f., p < .05), thus supporting Hypothesis 3b. Hypothesis 3c predicted that organizational identification is positively related to the likelihood of individuals working alongside other former members. Our results did not support this hypothesis, and we thus excluded this outcome from our mediation analyses.

As shown in Table 4, we found evidence of full or partial mediation for all four relationships that we tested. Bias-corrected bootstrapping analysis shows a significant direct effect of belongingness fulfillment on social interactions, which indicates that organizational identification partially mediates this relationship. For all other antecedents, we have small but significant indirect effects that are indicative of full mediation. Thus, Hypothesis 4 is also supported.

# Organizational identity work

Our theorizing has posited that the capacity of a failed organization's identity to fulfil former members' self-enhancement and belongingness motives is owing to its being recast in positive terms through organizational identity work. Our qualitative analysis offered insights that were consistent with this argument and helped explain how the rehabilitation of the identity of a failed organization occurred. In particular, it suggested three

Variables	Model I		Model 2	
	Ь	β	Ь	β
Organizational identification				
Controls				
Initial prestige	.00 (.00)	.00	.00 (.00)	.01
Prestige change	.00 (.00)	.02	.00 (.00)	.02
Age	01 (.00)	0 <b>7</b> **	01 (.00)	0 <b>7</b> **
Gender	19 (.03)	13**	22 (.03)	15**
Education	.50 (.12)	.09**	.49 (.12)	.09**
Tenure	.01 (.00)	.12**	.01 (.00)	.11**
Alumni membership	.06 (.03)	.05*	.06 (.03)	.04*
Coworker identification	.56 (.02)	.53**	.50 (.02)	.49**
Main effect	` ,		` ,	
Self-enhancement fulfillment			.03 (.01)	.09**
Belongingness fulfillment			.04 (.01)	.07**
$R^2$		.33	,	.35
$\Delta R^2$				.02
F		94.59**		80.13**
ΔF				15.14**

Table 2. Results of the regression analysis of Hypotheses I and 2.

forms of organizational identity work through which DEC's identity was reconstituted in positive terms. We provide further evidence of each form in Table 5.

Storytelling. Our data suggested that interactions among former members commonly involved telling stories about shared experiences at DEC. Respondents routinely acknowledged an interest in 'thinking about the past' that brought them to exchange memories of their shared history with other former members. As one individual put it, 'Old memories die hard ... it's good to tell old stories.' Others wrote about their eagerness to 'swap "war stories"' and to 'discuss the way things were.' These stories described events that transpired during times that were remembered in fundamentally positive terms. In their comments about telling stories, for instance, several respondents used the phrase 'good old days' to describe the experiences they recalled. One individual indicated an interest in talking about 'the great times we had in product development.' Yet another observed how sharing stories involved 'remembering the times when the sky was a little bit more blue [and] grass was greener.' We also noted that the stories shared by former members rarely if ever attended to the direr moments in DEC's history, such as decline-induced layoffs, the selling of business units, or the replacement of its founding CEO.

Extracting value. Our analysis also suggested that the trading of memories of shared experiences with DEC reflected former members' ongoing interest in its identity. One individual wrote, 'I didn't want to let go of all that it was and meant to me over the years.' Another commented, 'I don't want to lose the connection to what was

n = 1505; standard errors given in parentheses.

<sup>\*\*</sup>b < .01; \* b < .05.

**Table 3.** Results for the effect of organizational identification on social interactions, alumni group membership, and working with former coworkers.

	Social intera	raction			Alumni membership				Working with former coworkers	r coworkers		
	Model I		Model 2		Model I		Model 2		Model I		Model 2	
	p	β	p	β	p	Wald	p	Wald	q	Wald	p	Wald
Controls												
Initial prestige	(00) 00	.05	(00) 00	.05	(00.) 00.	96:	(00) 00	96:	(00.) 00.	=	(00') 00'	.75
Prestige change	(00) 00	03	(00) 00	03	(00.) 00.	.07	(00) 00	90:	(00') 00'	.58	(00') 00'	.58
Age	01 (00)	08	01 (.00)	07**	(10.) 00.	<u>o</u> .	(10.) 00.	.21	03 (.01)	8.81	03 (.01)	9.22**
Gender	.13 (.05)	** <b>9</b> 0'	.14 (.05)	** <u>20</u>	.30 (.13)	5.47*	.26 (.13)	3.98*	22 (.14)	2.49	19 (.14)	1.85
Education	.11 (.18)	0.	.06 (.18)	0.	39 (.49)	.65	50 (.49)	90.1	-2.38 (.57)	17.39**	-2.31 (.58)	16.13**
Tenure	(00.) 10.	* <del>0</del> 1.	(00.) 10.	<b>%60</b> ′	03 (.01)	8.15	03 (.01)	9.59**	00 (.01)	<u></u>	00 (.01)	.05
Coworker	.61 (.04)	<u>4</u> .	.56 (.04)	38%	(01') 89'	51.97**	.56 (11)	25.68**	.40 (.11)	12.69**	.47 (.13)	13.49**
identification												
Alumni	.20 (.04)	<u>*</u>	.19 (.04)	*0I·					39 (.13)	5.17*	31 (.13)	5.42*
membership												
Main effect												
Organizational identification			.09 (.04)	*90:			.22 (.11)	4.53*			14 (.12)	1.47
	$\mathbb{R}^2$	.22		.23	Nagelkerke Pseudo R²	80:		60:	Nagelkerke Pseudo R²	90:		90:
	$\Delta R^2$			0.	Hosmer-Lemeshov Chi-squared	69.6		5.09	Hosmer-Lemeshov Chi-squared	12.68		88: =
	F	55.67**		50.21**	Omnibus test	**9′.68		94.29**	Omnibus test	62.76**		64.23**
	ΔF			5.22*	ΔOmnibus			4.53*	ΔOmnibus			1.47

n=1505; standard errors given in parentheses. \*\*\*  $\rho<.01; \ ^*\!\rho<.05.$ 

Antecedent	Outcome	Direct effect estimate	Indirect effect estimate	Indirect effect 95% Cl <sup>a</sup>	Sobel's test	Support for mediation
Self- enhancement fulfillment	Social interaction	.008	.002	.000, .006	.002	Full
Self- enhancement fulfillment	Alumni membership	.026	.007	.001, .015	.007	Full
Belongingness fulfillment	Social interaction	.066**	.003	.000, .009	.003	Partial
Belongingness fulfillment	Alumni membership	045	.009	.001, .025	.009	Full

Table 4. Mediation of organizational identification.

DEC.' Their comments further suggested that sharing memories enabled them to discern and enliven the positive dimensions of DEC's identity that continued to be important to them and to corroborate their worth despite the critiques brought about by failure. Our data revealed the ways in which respondents extracted the value of DEC's identity through reflections on the meanings embedded in the stories they told. They regularly commented on 'the positive energy we had at DEC,' 'the DEC spirit' and 'the culture which we all missed.' Echoing the claims of many others, one individual noted, 'Employees of DEC ... share a similar set of values (integrity, honesty, frankness, respect).' Others commented on DEC's 'strong team building', 'respect' for its employees, and the sense of 'belonging to a group.' Once again, we noticed how respondents' comments hardly if ever reflected the negative characterizations of DEC's identity that had been surfaced by its demise, such as the lack of foresight evidenced by its failure to adapt to new technological trends.

Contemporizing. Informants also engaged in what we termed contemporizing, or efforts to sustain the currency of their understanding of DEC in their current lives. These efforts reflected an urge to promote DEC as a viable touchstone in individuals' lives even though its status as an organization and their involvement in it are understood in the past tense. Echoing many other respondents, one individual noted how 'having been with DEC is still important to me.' Another similarly wrote that 'DEC was a huge part of my life and I'm proud to still be associated with it.' Speaking about his former coworkers, one individual noted, 'I want to know what is happening in their lives, how they have applied their DEC experience in other parts of their lives.' Others related an eagerness to 'share the happy days in DEC with the members' and get to know 'how they have progressed their lives.' Respondents went to great efforts to frame their past experiences with the organization as current points of reference. For instance, one noted, 'we feel we are members of the 'ex-DEC' and not ex-members of DEC.' Another expressed a desire to 'remain connected to a time that represented many milestones for me' and 'to pass on its legacy.'

<sup>&</sup>lt;sup>a</sup>Bias corrected bootstrap confidence intervals with 5000 samples.

<sup>\*\*</sup> p < .01; \* p < .05.

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Table 5.

Storytelling – sharing favorably remembered experiences from one's time at DEC with former colleagues	Extracting value – distilling valued elements of DEC's identity from the stories that are shared with others	Contemporizing – establishing and sustaining the currency of extracted elements
We all enjoy talking and discussing the Digital Days. (ID: 40508) Old memories die hard. I enjoyed the people and the experiences and it's good to re-tell old stories and catch up with old friends. (ID: 67186) remembering the times when sky was a little bit more blue, grass was greener, etc. (ID: 61923) We discuss old times relive 'war stories' and tell jokes. (ID: 35354) It is great talking to people of my past. Most people that worked at DEC feel the same as I do about the company. We always talk about Ren [Olsen] and how he felt about people. (ID: 42072) Meet all the old crowd and reminisce over the good times we all had. (ID: 93378) To rekindle the connection with DEC contacts. Relive their old moments with them. (ID: 52586) [Catching up with other ex- DEC employees] brings back great memories and good times. (ID: 28822)	To keep alive the DEC values and spirit (also coded for contemporizing). (ID: 03649)  We are all proud of having been employees of DEC and we share a similar set of values (integrity, honesty, frankness, respect). (ID: 03409)  Great people worked at DEC with similar values, which become life values. (ID: 99052)  To share the DEC spirit and possibly maintain that pure feeling with former DEC employees. (ID: 03727)  To keep in contact with some good people who share a common heritage both socially and professionally. (ID: 75950) the feeling of belonging to a group was very significant to me. (ID: 29350) we worked with pleasure together, strong team building, the company had a quite good level of respect to their employees. (ID: 03118)  [I try] to keep in touch with other ex-Dec employees to keep some of the positive energy that we had at DEC (also coded for contemporizing). (ID: 09967)	I want to pass on its legacy. (ID: 90296) To share the happy days in DEC with the members and would like to know how they have been (also coded for storytelling). (ID: 18164) Having been with DEC is still important to me. Being a member of DEC alumni feels like having a big family. (ID: 92601) I [seek] to maintain the network of relationships and trust, and nurture the unique value and human relationship style of DEC (also coded for clarifying value). (ID: 97210) To keep in contact with my old DEC work colleagues, share information and help keep the spirit of what was DEC, alive today. (ID: 47229) Continue to maintain contacts with people with whom you shared an important experience of human life and professional. (ID: 12790) [I like to] maintain some connection to the good old days at DEC through other exDECies. (ID: 03421) DEC was a huge part of my life and I'm proud to still be associated with it. (ID: 05845)

## Discussion

The objective of this study was to advance scholarly understanding of organizational identification by exploring why former members identify with organizations that have failed despite their loss of prestige. We proposed and found that former members' identification with a failed organization arose from the capacity of its perceived identity to fulfill their motives for self-enhancement and belongingness, which are heightened by experiences of demise. We also found that former members' organizational identification inclined them to engage in social activities with other former members and to join alumni associations. Our qualitative analysis shed light on three forms of organizational identity work, namely storytelling, extracting value and contemporizing, by which former members recast the identity of the failed organization in positive terms. By exchanging stories that highlighted positive elements of DEC's identity as well as affirming their relevance and meaning in their current circumstances, former members rehabilitated its identity in ways that fulfilled their self-enhancement and belongingness motives, thereby providing a viable touchstone for their contemporary identification with it.

Our findings for our first set of hypotheses have extended prior research by explicating the factors underlying organizational identification in a context in which it is least expected (Davis, 1971). Prior work has put forth an implicit assumption that individuals would deidentify or disidentify with organizations that have lost their prestige owing to failure. Although scholars have grown increasingly aware of individuals' tendencies to maintain a sense of oneness with organizations in which they have been members (Bardon et al., 2015; Brown and Humphreys, 2002; Gendron and Spira, 2010; Iyer et al., 1997), their motives for identifying with those that have failed have been largely overlooked. Our study has addressed this gap by showing that individuals' motives for self-enhancement and belongingness, which are heightened by experiences of demise, are a key determinant of their identification with failed organizations. Additionally, whereas most organizational identification research has highlighted the role of identity motives in identity formation (Ashforth et al., 2008; Vignoles et al., 2006), our findings have drawn attention to their role in the resurfacing or endurance of identities and, in doing so, have contributed to the emerging line of inquiry regarding the temporality of identification processes (e.g. Bardon et al., 2015; Eury et al., 2017). Our results suggest that the potential for a perceived organizational identity to fulfill individuals' identity motives may outlast an organization itself. Our research has focused on self-enhancement and belongingness in light of the salience of these motives in times of failure, and further research could explore whether other identity motives that scholars have theorized (Ashforth et al., 2008; Vignoles et al., 2006) have effects that mirror those we found regarding these motives.

Our findings regarding our third set of hypotheses and our qualitative analysis have broadened scholarly understanding of the instincts of highly identified former members with regard to expressing their identification with organizations from their past. Whereas former members of prestigious organizations readily showcase their identification to outsiders (e.g. Bardon et al., 2015; Iyer et al., 1997; Mael and Ashforth, 1992), our work has shown that individuals signal and sustain their identification with a failed organization within the community of former members. This behavior reflects their instincts to seek a

'safe' forum in which to openly acknowledge their affiliation with a failed organization despite its tarnished reputation. The lack of evidence to support the proposed relationship between former members' identification and their likelihood of working with other former members suggests that their interactions with one another are more reflective of a sentimental attachment to a shared past (Mael and Ashforth, 1992) than of interests in reproducing elements of the failed organization in new contexts (Bardon et al., 2015). It is also possible that the lack of support for this proposed relationship may be owing in part to the fact that, in contrast with the other types of interactions with former members we studied (i.e. joining an alumni network or socially interacting with other former members), working with a former colleague is not a purely voluntary act. An individual may end up working with other former members for a number of different reasons and may be more or less enthusiastic about doing so. It is also possible that individuals are drawn to an organization populated by other former members without having an opportunity to join it. Future research could explore these arguments further by examining whether different forms of organizational identity work are particularly salient in different circumstances and by examining the factors that impel highly identified individuals to work with other former members.

Finally, whereas prior research has separately explored the effects of identity motives on identification and the effects of identification on individuals' enactment of identity-congruent behaviors (e.g. Ashforth et al., 2008; Bardon et al., 2015; Cooper and Thatcher, 2010; Vignoles et al., 2006), this study is among the first to formally test whether organizational identification mediates the relationships between individuals' identity motives and their engagement in identity-congruent behavior. We show that the effect of self-enhancement motive fulfillment on social interactions and alumni association participation is fully mediated by organizational identification. In addition, the effects of belongingness motive fulfillment were either partially or fully mediated by organizational identification. These findings shed light on identification as a mechanism through which identity motives impel identity-congruent behavior even after the organization with which one identifies no longer exists.

# Theoretical implications

Our research has several theoretical implications. First, it suggests the merit of relaxing assumptions about prestige in research on organizational identification. Whereas prior studies have largely treated prestige as a primary antecedent to organizational identification (e.g. Dutton et al., 1994; Kreiner and Ashforth, 2004), including among former members (Bardon et al., 2015; Iyer et al., 1997; Mael and Ashforth, 1992), our findings suggest that some former members identify with organizations even though failure has tainted their reputations. Despite widespread agreement that DEC's decline and failure had largely stripped it of its prestige (DeLisi, 1998; Goodwin, 2016), the pattern of organizational identification among its former members is broadly consistent with that found in studies of intact, prestigious entities (e.g. Dukerich et al., 2002; Hekman et al., 2016; Jones and Volpe, 2011; Kreiner and Ashforth, 2004). It is important to note that our work does not call into doubt the role of prestige in the initial development of identification; after all, most of our respondents became identified with DEC when it was a well-regarded

entity. Rather, it suggests that contemporary prestige may be less important to the maintenance of organizational identification. Through organizational identity work, individuals recalled times when DEC thrived and cognitively distanced themselves from the experiences that brought about its demise. These efforts enable individuals to craft a positive understanding of DEC with which they could credibly identify.

Second, our work contributes to the organizational identity work literature by shedding light on the micro-level processes that enable the rehabilitation of failed organizations' identities. Whereas much of the identity work literature has focused on explicating the ways in which individuals revise their own self-concepts in the wake of career transitions (e.g. Alvesson and Willmott, 2002; Bardon et al., 2015; Ibarra and Barbulescu, 2010), it has more recently started to explore the means by which organizational identities evolve and persist (e.g. Anteby and Molnár, 2012; Kreiner et al., 2015). We augment this work by documenting the cognitive and relational processes by which former members of an organization reconstitute its identity following an experience that tarnished it. These efforts propagate a 'legacy organizational identity' (Walsh and Glynn, 2008) that provides a credible basis for individuals to sustain their identification with an organization despite the fact that it no longer exists. These insights, which are broadly consistent with scholarly conceptions of individuals' engagement in strategic remembering and forgetting of an organization's history (Anteby and Molnár, 2012; Mena et al., 2016), complement those of prior studies that have instead mainly focused on examining the organizational identity work individuals undertake in the presence of identity contradictions (Brown and Humphreys, 2002; Eury et al., 2017; Kreiner et al., 2015). However, interpretations of our findings regarding organizational identity work should take into account the reflexive nature of our inquiry. The nature of our research may have surfaced justifications of a tainted part of respondents' past that may not have otherwise been on the front of their minds. In this regard, we cannot make any claims that former members were conscious or intentional with regards to their identification and involvement in organizational identity work. It is also possible that identity work may have been facilitated by the passage of time and the gradual attenuation of public discourse about DEC. As DEC receded from the headlines, former members may have had greater leeway in reframing its identity in terms of organizational experiences they positively evaluate while disassociating it from troubling ones, such as those they may have encountered towards the end of their tenures.

Through its illumination of the ways in which individuals reconstitute the meaning of their organizations, our work also provides insight about the practice of ideological sensemaking. Research on ideological sensemaking has noted the ways in which top managers stabilize preferred meanings in the face of organizational changes through the telling of stories from an organization's history that embody such interpretations (Maclean et al., 2014). These narratives can assuage members' fears about the future impact of current events (Brown and Humphreys, 2002). Our study advances this emerging line of work by documenting how former members of failed organizations put forth and sustain preferred understandings of an organization in the absence of authority figures. In this regard, our work suggests that ideological sensemaking may also be a product of organizational identity work that can emerge without managerial oversight. This finding is consistent with prior sensemaking research that has acknowledged the ways in

which members can fill interpretation voids by producing and propagating interpretations about historically important values and principles (Maitlis and Lawrence, 2007).

## Practical implications

This study has two important implications for practice. First, it provides insight into the means by which individuals pursue their interests in constructing and perpetuating legacies, which are often a prominent concern during ending moments of organizational life. Indeed, such concerns were at the front of the minds of DEC's former members after it closed (Schein, 2003). Our work suggests that, by engaging in organizational identity work, individuals can promote the emergence of a shared narrative about an organization's history that showcases its positive attributes and accomplishments and deemphasizes less savory experiences, thereby contributing to the creation of a favorable legacy organizational identity. Second, our research suggests that identified former members are particularly inclined to seek ways to maintain contact with their former coworkers. Our research provides insights that could enable such individuals to make effective choices about the relationships in which they invest their limited time and energy. Those who are highly identified with the organization may be particularly inclined to reciprocate efforts to maintain relationships and, in doing so, may enable themselves and others to become more socially integrated in new workplaces (Walsh et al., forthcoming) or to have more satisfying retirements.

## Areas for future research

The study suggests a number of areas for future research. First, while the single-site design of our study facilitated the emergence of rich insights about organizational identification among former members of failed organizations, it also prohibits any definitive claims about causality. For instance, it is possible that social engagement among former members could produce higher levels of organizational identification rather than the other way around. This possibility was explored by estimating a reversed model, in which the proposed outcome variables were modeled as antecedents to organizational identification, but none of its fit statistics were consistent with conventional thresholds for good fit. Even so, interpretations of this study's findings should take this possibility into account. It could also be argued that the distinctive characteristics of our research site could have produced patterns that may not hold in organizations from a broad range of industries or cultural contexts. However, the cultural and managerial approaches employed by DEC have informed those used by a number of other organizations (Schein, 2003; Yost, 2005), and the identity motives and behaviors considered in this article are quite timeless (cf. Ashforth et al., 2008), suggesting that it is reasonable to expect the findings presented here to be generalizable to organizations in other industries and cultural contexts. A longitudinal study that explores patterns of identification among former members of a diverse range of organizations could corroborate our insights.

Second, as organizations fail for a variety of reasons, including disasters, scandals, ineffective management and environmental changes, it might be expected that failures induced by causes other than those that led to DEC's demise would produce different

responses among former members. Whetten (1980) distinguished between two primary types of failures: 'homicides' that are brought on by external environmental changes and 'suicides' that are triggered by internal organizational problems, such as ineffective management and scandals. Scholars have generally likened DEC's failure to the latter category (DeLisi, 1998; Schein, 2003), and we believe our results can most clearly provide insight for other organizations whose failures were primarily brought about by internal issues. Indeed, the launching of alumni associations over the years for a number of organizations that have failed owing to scandals, such as Enron and WorldCom, as well as ineffective management, such as Pan Am and Polaroid, suggests the potential applicability of our findings to other contexts. Further research could extend our results by studying identification with organizations that have failed for other reasons.

Third, our work does not address the relative priority an individual may place on identities associated with the various organizations in which they have been members. It is also important to note we cannot make any claims about the continuity of one's identification, as our work does not afford insight into whether individuals identify more or less than they did as active members. Thus, future research could explore the antecedents and consequences of individuals' identification with more than one organization and the conditions under which a particular identity assumes greater relevance. Rather than being grounded in a single-site design, such research should consider the full set of organizations that comprise respondents' life experiences and discern their relative importance as components of individuals' self-concepts. In such studies, identification would no longer be captured as a unitary measure, but rather by a series of scales or variables associated with each organization of which an individual has been a member. Such studies could shed light on the effects of identification with a prior employer on individuals' work attitudes and outcomes in subsequent workplaces.

Fourth, our research has explored former members' identification several years after an organization had closed, and what it means to be one with it today may be different than what it was during its lifetime. In light of the circumstances surrounding DEC's demise, it is possible that identification with it may represent a desire among its former members to forge connections and seek solace with others who have suffered or otherwise been impacted by a painful experience. Alternatively, individuals may also claim oneness with DEC to collectively absolve themselves from responsibility for its failure while casting blame at particular individuals or groups whom they strive to exclude or malign. It is also possible that identification with DEC represents an escape from individuals' present-day membership in organizations that may not hold the same appeal as their recalled experiences at DEC. Although our data do not afford means to distinguish between the alternative meanings that identification may take on in the aftermath of failure, we believe there is great merit in research that explores why individuals may identify with a failed organization beyond its identity's capacity to fulfil their identity motives.

## Conclusion

This study contributes to identification research by explicating its occurrence in a context where scholars have not expected it. Our study has drawn attention to the ways in which the perceived identity of a failed organization may serve as a conduit

for identity motive fulfillment to which individuals may hold fast after its demise. It has also documented the forms of organizational identity work through which individuals reconstruct the meaning of a failed organization's identity in ways that enable identification to be asserted in the present. We hope that this research opens up new avenues for research on individuals' identification with organizations whose identities have been threatened or maligned as a result of the ever more common experience of organizational failure.

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