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# Identity Ambiguity and Change in the Wake of a Corporate Spin-off

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We report on the findings of an inductive, interpretive case study of organizational identity change in the spin-off of a Fortune 100 company's top-performing organizational unit into an independent organization. We examined the processes by which the labels and meanings associated with the organization's identity underwent changes during and after the spin-off, as well as how the organization responded to these changes. The emergent model of identity change revolved around a collective state of identity ambiguity, the details of which provide insight into processes whereby organizational identity change can occur. Additionally, our findings revealed previously unreported aspects of organizational change, including organization members' collective experience of "change overload" and the presence of temporal identity discrepancies in the emergence of the identity ambiguity.●

Change is challenging. With any organizational change come unknowns. With unknowns come ambiguities. When those ambiguities concern the identity of the organization itself, it becomes difficult for members to make sense of "who we are as an organization," especially when traditional referents for understanding that identity lose their relevance. Ambiguity about identity is uncomfortable, at both the individual and organizational levels, and most would like to resolve it quickly to achieve some renewed semblance of clarity about their identity. For that reason, ambiguity about identity creates the context for its own resolution during times of change.

For many organizations undergoing identity change, the process is a fairly lengthy one, playing out incrementally over many years (Albert and Whetten, 1985). Some identity changes, however, are so sweeping and discontinuous that they disrupt the order of the understood world. One such occurrence is the spin-off of one organizational entity from its parent. During a spin-off, issues of change and identity converge on a single, interrupting, and potentially profound event, the creation of an independent organization seeking its own survival, growth, and success. For spin-offs, identity change can be, and often must be, relatively rapid. Such changes are often accompanied by individual and collective apprehension associated with unknowns that are only partially predictable and thus are fraught with ambiguity. Ambiguity might be a feature of most change efforts, but when that ambiguity extends to the organization's identity, change becomes a precarious enterprise.

In the wake of such ambiguity, resolving the "who are we?" question becomes salient. When we revise our familiar ways of describing our identity, or when our familiar ways of knowing who we are as an organization lose their meaning or have no meaning in new circumstances, the context for identity change arises. Identity ambiguity implies multiple possible interpretations about which core features should define the changed organization, so tensions can accompany the process of deciding which interpretations will prevail in shaping the company's future image. Attentive leaders experience a "sensegiving" imperative (cf. Gioia and Chittipeddi, 1991) and take steps to promote collective sensemaking so they

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can foster a renewed clarity about an altered identity (Fiol, 2002). For these reasons, understanding ambiguity is pivotal to understanding organizational change, especially identity change. All change, however, involves some process of moving from an existing clarity of understanding to doubt, uncertainty, and/or ambiguity, and ultimately to a state of renewed clarity that resolves into an altered form, an observation that echoes Lewin's (1951) longstanding characterization of change as broadly involving the stages of "unfreezing," "moving," and "refreezing."

The recognition that change is an important factor in the lives of organizations and their members has become so widespread as to lead to the creation of a variety of approaches for examining and classifying different types of organizational change (e.g., Robertson, Roberts, and Porras, 1993; Van de Ven and Poole, 1995; Armenakis and Bedeian, 1999; Weick and Quinn, 1999). Although the ultimate purpose of change typologies is usually to provide classifications for different ways that organizational change can occur, such a focus raises the potential for paying more attention to category definitions and less attention to the dynamics underlying the change event or process itself. Albert (1992) has offered a simplified approach that encourages a focus on these important dynamics, one that begins with the recognition that most substantive organizational change involves either addition (i.e., new units, mergers, assimilations, etc.) or subtraction (elimination of units, divestitures, downsizing, etc.) from a focal organization or organizational unit.

At the organizational level of analysis, even a cursory review of the change literature reveals a strong bias toward empirical examinations of additive types of change, most often associated with organizational actions around mergers, acquisitions, joint ventures, and strategic alliances. Even if there might be more acquisitions than divestments, examinations of organizational change involving subtraction, such as spin-offs, equity carve-outs, and de-mergers have been understudied. This paucity of research on subtractive change could be significant because research on additive change does not necessarily inform our understanding of subtractive change, and, in fact, might be misleading in the face of evidence that subtractive change can be more difficult to plan for, implement, and manage than additive change (Albert, 1984, 1992), particularly if it involves a change in organizational identity.

Identity at the organizational level refers to insiders' answers to self-reflective questions about what is central to their organization's existence, such as "Who are we as an organization?" or "Who do we want to be as an organization?" (Albert and Whetten, 1985). Although past work has provided insight into why organizational identities change (and need to change) over time (Elsbach and Kramer, 1996; Gioia and Thomas, 1996; Gioia, Schultz, and Corley, 2000), it has not provided adequate insight into *how* organizational identity change can occur (cf. Gioia, Schultz, and Corley, 2000; Fiol, 2002). Additionally, most research on organizational identity change has examined this phenomenon in the context of mergers, acquisitions, and diversifications (e.g., Barney, 1998) or the creation of a new division within the organiza-

### **Identity Ambiguity and Change**

tion's boundaries (e.g., Brown and Gioia, 2002), all of which involve additive changes in which conflict, tension, and power struggles are typical and expected. We might expect different processes and outcomes to surface during organizational identity change in a subtractive change context, however, as suggested by Ashforth and Mael (1989) and Pratt and Foreman (2000), because subtractive change throws into question members' understanding of "who we are as an organization." Those who were insiders in a particular organization become outsiders as the subtractive change proceeds. We know little about identity change in this context, which prompted our guiding research question: How does organizational identity change occur during a corporate spin-off?

Spin-offs represent an excellent context for examining organizational identity change because issues of change and identity naturally arise as members attempt to position their new organization for survival and growth. Most corporate spin-off research, however, has taken a decidedly financial and economic perspective (cf Hambrick and Stucker, 1998), focusing on the profit or investment implications of the event (e.g., Miles and Woolridge, 1999), and often in relation to the financial outcomes of mergers and acquisitions. We are aware of no strong theoretically based empirical examinations of the identity change processes associated with a spin-off or, for that matter, of the identity change processes involved in subtractive organizational change. We therefore sought to provide insight into the dynamics of identity change in a corporate spin-off through a qualitative, interpretive study of the spin-off of a Fortune 100 firm's top-performing unit into its own wholly independent organization.

### **ORGANIZATIONAL IDENTITY CHANGE**

Organizational identity is the members' collective, shared sense of who they are as an organization (Albert and Whetten, 1985; Stimpert, Gustafson, and Sarason, 1998). It represents insiders' central perceptions and beliefs about what distinguishes their organization from others and provides the foundation for presenting the organization to external audiences (Hatch and Schultz, 2002). In their original work defining the concept, Albert and Whetten (1985) conceptualized organizational identity as those characteristics collectively understood by an organization's members to be central, distinctive, and enduring. These defining aspects were presumably stable and resistant to ephemeral or faddish attempts at alteration because of their ties to the organization's founding and history. Although Albert and Whetten acknowledged that identity could change, they also argued that change occurred slowly, over long periods of time.

Dutton and Dukerich's (1991) examination of the New York/New Jersey Port Authority and its attempts to adapt to environmental changes provided an initial, empirically grounded look at organizational identity's relationship with individual-level variables during times of organizational change. Their analysis revealed a strong relationship between organizational identity and how members' sense of outsiders' perceptions of the organization (what Dutton, Dukerich, and Harquail, 1994, later referred to as "construed external image") inter-

acted to influence individual cognition and behavior, as well as strategic organizational actions. When outsiders' perceptions of the organization differed from insiders' perceptions, members questioned both their beliefs about who the organization was and their status as members of the organization. Reger et al. (1994) advanced the link between organizational identity and change in observing that a fundamental change in the way an organization conducts its business, such as implementing a total quality management (TQM) initiative, requires a fundamental change in how the organization thinks of itself. They posited that only by bringing about changes in the organization's identity could a top management team successfully implement the radical transformations that TQM initiatives required.

Empirical support for the relationship between organizational identity and change emerged in Gioia and Thomas's (1996) investigation of a strategic change effort at a large public research university. Their findings indicated that the university's identity was not only capable of rather rapid change but that identity was relatively fluid and malleable in adapting to environmental changes. Their grounded theory indicated that the link between identity and image, specifically, a desired future image projected by the top management team, sparked the identity change and formed the basis of strategic renewal within the university. By presenting an alternative perspective of what the organization could be, the top management team was able to destabilize current perceptions of who the organization was and create support for the desired strategic change effort. All these studies represent attempts to accomplish a change in organization-level identity and might be construed as attempts to achieve a macro-level version of a "possible self" (cf. Markus and Nurius, 1986). Similarly, Elsbach and Kramer's (1996) examination of how members of top-20 business schools responded to identity threats implicit in reputational rankings provided further empirical support for the notion that image is important to understanding why identity change might occur. Their findings that insiders reframed the organization's identity on the basis of the perceived level of dissonance between the identity and the reputational feedback demonstrated the powerful influence that outsiders' perceptions have on the malleability of organizational identity.

Building on these previous efforts, Gioia, Schultz, and Corley (2000) developed a process model of the adaptive relationship between organizational identity and construed external image. Their basic premise was that external images of the organization trigger a comparison by insiders between organizational identity and construed external image. Specifically, organization members assess how they see their organization (i.e., answer such questions as "Who do we think we are?" and "Who do we think we should be?") in relation to how they think outsiders see it (i.e., answer questions like "Who do they think we are?" and "Who do they think we should be?"). Arising from this comparison is either a sense of discrepancy ("How we see ourselves does not match how we think others see us") or a sense of alignment ("We see ourselves in a way that is similar to how we think they see

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us"). Alignment tends to strengthen organizational identity, whereas discrepancy leads to sensemaking about how to respond to the disparity (see also Chreim, 2002; Foreman and Whetten, 2002). Consequently, identity changes as members cope with the knowledge of how others view the organization and how aligned those perceptions are with their own.

Although these foregoing works identified reasons why an organizational identity change occurred, they did not provide adequate insight into how identity change might occur. Gaining insight into the processes by which organizational identity becomes destabilized and how that destabilization leads to alterations in identity can provide a deeper theoretical understanding of major organizational adaptation and renewal efforts.

A key to understanding how organizational identity change can occur is found in its dual nature: organizational identities consist of both language and meanings (Gioia, Schultz, and Corley, 2000). Identity labels represent the symbolic expression of how organization members collectively answer the question "Who are we as an organization?" Yet each identity label can have multiple meanings associated with it. The identity of an organization whose members answer the question "Who are we?" with "We are an innovative company" consists of the self-referential label "innovative" as well as the shared meanings underlying that label (e.g., cutting-edge scientific research, industry-leading customer service, always first to market, etc.) Thus it is possible to conceive of at least two basic ways in which organizational identity change can occur: (1) through a change in the labels used to express identity, such as a shift from describing the organization as a "computer software company" to describing it as a "technology solutions company," or (2) through a change in the meanings underlying those labels, for example, what it means to be a "technology solutions company" today is different from what it meant previously. Both forms of identity change can be adaptive for an organization (Gioia, Schultz, and Corley, 2000), but each takes on a different form depending on whether change is occurring at the level of the labels or at the level of meaning.

We have limited empirical evidence about how each type of organizational identity change might occur or about relationships between labels and meaning change. Fiol's (2002) examination of an intentional identity change effort provides some initial insight into how labels-based organizational identity change can occur (see also Ashforth and Humphrey, 1997, on the role of labels in organizations). Her findings highlight the importance of managing rhetoric during planned, radical identity transformations to help members disidentify with the old identity and identify instead with a new set of core beliefs. Our study expands on this insight by examining both planned and unplanned identity change, thus providing a better understanding of how meaning-based identity change can occur and how it is related to subsequent attempts at labels-based identity change.

The grounded model of identity change that arose from our study of this spin-off revolves around a context for change defined by a key emergent concept, *identity ambiguity*, a collective state wherein organization members found themselves without a good sense of who they were as an independent organization during and after the spin-off or a sense of what the future held for them as an organization. The collective sensemaking that ensued in the wake of this identity ambiguity fostered the creation of a change context in which defining who the new organization was and where it was going became a strategic imperative for the ultimate success of the spin-off. The emergent model also provides insight into some triggers of identity ambiguity and senior leaders' responses to the sensegiving imperative, thus providing the wherewithal to develop theory on key processes of organizational identity change and their implications for organizational adaptation.

Because we knew little about the processes of organizational identity change when we began this study, we chose to pursue our investigation inductively, relying on a qualitative, interpretive approach. Interpretive research focuses on building an emergent theory from a perspective that gives voice to the interpretations of those living an experience, in this case, the experience of identity change. Because most social groups try to maintain an aura of stability in their identity (Whetten and Godfrey, 1998: 35), observing change in organizational identity (and getting insiders to talk about it) can be difficult. To aid in understanding this process, then, we needed to identify an organizational context in which issues of identity change were open and apparent and thus possible for insiders to acknowledge and discuss. We chose the occasion of an organizational spin-off for our study.

## METHOD

The organization we studied was a global technology service provider being spun off from its long-time Fortune 100 parent organization, which we will call "Bozco." Changes in the industry had produced restructurings among competing firms and start-ups in the industry that augured for Bozco spinning off its subunit to help both the parent and the offspring compete more effectively. These industry changes suggested that agile, independent companies were the way to go. The spin-off company, which we call "Bozkinetic," had approximately 30,000 full-time employees at the time of the restructuring, with 95 percent of those employees located within the United States. At the time of the spin-off, Bozkinetic had a seven- to nine-level hierarchy (depending on the specific part of the organization) and a seven-member top management team consisting of five ex-Bozco executives and two outsiders (one of whom was from outside the industry) that was responsible for all strategic decisions within the new company. As was the norm in the industry, Bozkinetic's work culture was highly virtual, with every aspect of the company's planning and operations spread across multiple geographical locations, including the executive team, which was split between a headquarters building on the West Coast and an office on the East Coast. Travel between the two locations

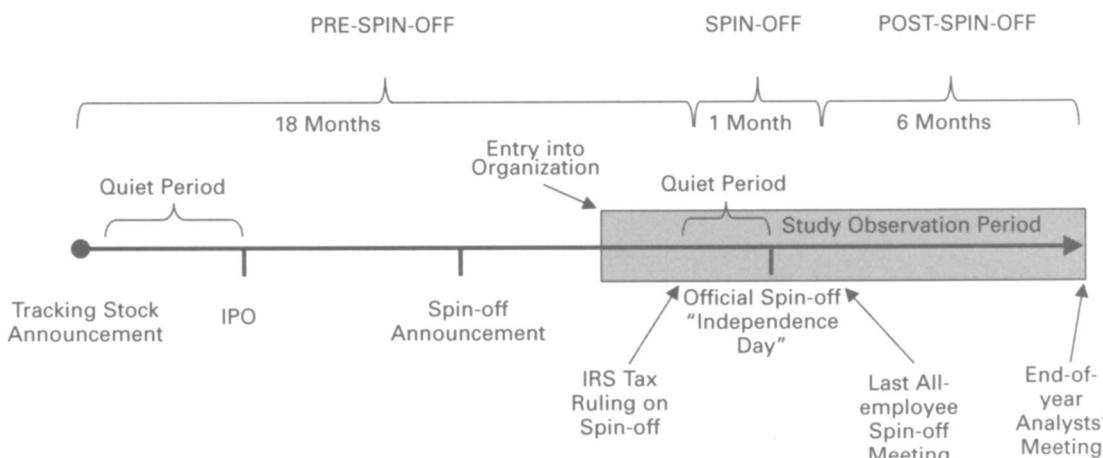
### Identity Ambiguity and Change

was frequent, and members used video conferencing and electronic meetings as well.

**Phases in the research.** Bozkinetic's path to its "Independence Day," the official term used by Bozkinetic's top management team to describe the actual spin-off event, took just over 18 months from the parent's initial decision to create a tracking stock for the eventual new unit to the day that it became a freestanding company. The path to independence included the initial public offering (IPO) for the initial tracking stock, the formal announcement of the spin-off date, and the actual spin-off event itself, which was followed by a period of approximately six months during which members adjusted to their independent status. For data collection and analysis purposes, we broke this timeline into three distinct periods: (1) pre-spin-off, (2) spin-off, and (3) post-spin-off, as shown in figure 1.

The pre-spin-off period involved the time from the initial tracking stock announcement up to the last official and legal hurdle the organization had to clear before the spin-off could actually occur, the IRS's final ruling declaring that the spin-off could proceed as a tax-free restructuring. The spin-off period followed this event and lasted just over one month. It began during a legally mandated "quiet period" with the IRS tax ruling, included a formally scheduled "Independence Day," and ended with Bozkinetic's final "all employee spin-off meeting," at which the company's top managers explained to every employee the strategic and operational details of the spin-off and outlined their vision for the company's future. These events allowed us to define the spin-off period clearly, although the processes accompanying the spin-off overlapped the formal, methodological time boundaries. These formal features are quite common in spin-offs. All spin-offs, mergers, and acquisitions, for instance, have a formal start date. The quiet period is government-mandated to ensure the company does not do anything to hype its own stock unduly while investors are determining the specifics of the restructuring deal and pertains to any publicly traded company engaging in a spin-off, merger, or acquisition.

**Figure 1. Timeline of Bozkinetic's spin-off.**



The post-spin-off period lasted six months, during which we intended to capture organizational implications in the wake of the spin-off event. This last period concluded with the year-end analysts' meeting about earnings and an all-employee teleconference summarizing the past year's performance and view ahead for the coming year. Our entry into the organization occurred with approximately two and a half months remaining in the pre-spin-off period and lasted until the end of the post-spin-off period, as shown in figure 1.

### **Sampling**

We followed Lincoln and Guba's (1985) guidelines for "purposive sampling" in choosing our informants. We initially chose informants who would be most able to inform us on our main research question concerning how organizational identity changes. Then we used a snowball technique, asking each informant for his or her recommendations as to who could best explicate the processes of interest. Past research and our research focus suggested that sampling should begin with top managers because they play an important role in the strategic aspects of spin-offs. Prior research has identified top managers as critical players in perceptions about change in organizations (Kiesler and Sproull, 1982; Daft and Weick, 1984; Isabella, 1990). As active participants in the changes associated with a spin-off, these managers represent key informants (Kumar, Stern, and Anderson, 1993) who have important insight into an organization's identity, unique access to knowledge of organizational structures, strategies, and actions and are in a position to recommend additional informants at all levels and units within the organization. In addition, we employed the processes of theoretical sampling, pursuing data relevant to the themes and grounded theory emerging from the on-going analysis, and constant comparison of data across informants and over time (Glaser and Strauss, 1967) as integral parts of our grounded-research process. The entire procedure involved an iterative process of simultaneously collecting data, analyzing the data, and seeking new informants on the basis of information deemed important by prior informants. This approach resulted in an evolving sample of informants and increasingly focused data relevant to the emerging theory, until further data collection and analysis yielded no further explication of a given category or theme, what Glaser and Strauss (1967) referred to as "theoretical saturation."

### **Data Collection**

We collected data using three techniques: (1) semistructured, one-on-one interviews, (2) written and electronic documentation, and (3) non-participant observation. We relied on the interviews as the main source of data on the identity-change process, with the observation and documentation data serving as important triangulation and supplementary sources for understanding events and their presentation to various constituencies and discrepancies among informants and as a means of gaining additional perspectives on key issues (Jick, 1979; Miles and Huberman, 1994).

### **Identity Ambiguity and Change**

**Semistructured interviews.** We conducted multiple in-depth interviews with organization members before, during, and after the spin-off event. To maintain consistency, the lead author conducted all interviews. We asked all informants to speak as the representative voice of the collective (i.e., as the voice of Bozkinetic). We employed semistructured interviews at the beginning to provide as wide a scope as possible for the data collection. Interviews lasted 45–90 minutes, and all initial interviews lasted at least 60 minutes. The initial interview protocol was mostly standardized across informants, with some customization for hierarchical level, business unit, and organizational tenure. These initial interviews involved questions about company experience, involvement in work at Bozkinetic, thoughts about the company's historical evolution and perceptions of the impending, current, or recent spin-off, the business and strategic context of the spin-off, plans for the spin-off, and early indicators and understandings of organizational identity and image. Subsequent interviews became progressively more structured as themes emerged in the data. This progressive focusing of the interviews allowed for targeted data collection in our attempts to identify patterns across informants and consistencies and inconsistencies across the organization, as well as tentative relations among concepts. Thus much of the content of second and third interviews with a given informant focused on categories and themes represented in our emerging data structure.

To minimize the possibility that the interview questions in follow-up interviews with the same informant might bias members' responses toward our evolving interpretations, we led off later interviews by identifying issues raised by other informants and used terms generated by informants to frame questions. Only later did we raise questions to follow up on issues identified by the same informant. In addition, to help prevent our informants from becoming sensitized to issues of identity via our interviews, we asked questions related to identity only after such issues were raised by the informant. Long durations (often months) between interviews also served to reduce bias.

We conducted 80 interviews with 38 different informants throughout the organization, as detailed in table 1. We audio-recorded all but 13 of the interviews and then had the tapes transcribed verbatim. The 13 non-recorded interviews were unscheduled interviews with key informants in which we took detailed notes as soon after the interview as possible. The 38 different informants varied in both functional area and hierarchical level. We interviewed five of the original seven-member top management team, as well as two new executives added to the team in the spin-off phase. The other 31 informants ranged from senior vice-president level down to the lower-middle of the hierarchy, positions such as human resource trainer, local sales manager, and marketing assistant.

**Documentation.** We collected unobtrusive data through documents pertaining to the spin-off (Webb and Weick, 1979). These documents took three forms: (1) identity artifacts, which included paper and electronic representations and

Table 1

**Quantitative Details of the Interview Data**

Informant and Hierarchical Position	Interviews in Phase:		
	Pre-spin-off	Spin-off	Post-spin-off
Chief executive officer			1
Executive vice-president	2		2
Executive vice-president	1		
Executive vice-president		1	2
Executive vice-president		2	1
Senior vice-president		1	3
Senior vice-president	1		
Senior vice-president	1		1
Senior vice-president	1		1
Senior vice-president	2		2
Senior vice-president		1	1
Senior vice-president		1	
Senior vice-president		1	1
Vice-president	3	2	3
Vice-president		1	2
Vice-president		1	1
Vice-president		1	
Vice-president		1	1
Vice-president		1	1
Vice-president		1	
Marketing manager	1		1
Business manager	1		1
Technology manager			1
Human relations manager	1		1
Business manager		1	
Sales manager		1	
Business manager			
Marketing rep		1	2
Human relations trainer		1	
Customer agent		1	1
Technician			1
Customer agent			1
Branding agent	1		1
Technician		1	1
Financial agent	1		
Communications agent	1		1

descriptions of the organization's identity to insiders, (2) image artifacts, which included paper and electronic representations of how the company projected itself to outsiders as well as how outsiders actually perceived the organization, and (3) contextual material, which included paper and electronic documents related to strategic, operational, financial, and cultural aspects of the organization, aimed mostly at insiders. Not only did these documents (e.g., executive memos, press releases, and printouts of its Web site text) provide a secondary data source (Jick, 1979) about the organization's identity and the spin-off process, but they also proved helpful as a tool (Forster, 1994) for engaging informants in discussions of how specific identity claims and images related to the process of identity change. Table 2 provides details about the documents, including whether the source was internal or external to the company and its intended audience.

**Observation.** Finally, we engaged in direct, non-participant observation of organizational actions, members' routines

## Identity Ambiguity and Change

Table 2

### **Quantitative Details of Documentation Data**

Source / Audience	Study Phase			
	Pre-spin-off	Spin-off	Post-spin-off	Total
External / external (e.g., news articles)	32	21	25	78
Internal / internal (e.g., employee memos)	26	18	31	75
Internal / external				
Press releases	40	5	33	78
Advertisements	0	6	9	15
Web pages	11	3	3	17
Executive speeches	4	5	0	9
Subtotal	51	14	45	119
Total	109	53	101	272

(e.g., handling of customer calls, interactive problem solving with coworkers), and social interactions (e.g., internal meetings and employee information sessions) to gather potentially insightful data pertaining to personal and interpersonal issues of identity change. These observations occurred during time spent shadowing organizational members as they went about their activities. We took detailed field notes during the observation and, in the process, not only captured those items of relevance to the research questions but also acquired useful information about cultural and structural aspects of the organization to aid in understanding the organizational context of the spin-off. Key observation events included strategic meetings about marketing, branding, and technology, celebrations around the actual spin-off event, and all-employee meetings held during and after the spin-off event. We constructed the narrative of our findings from a combination of our interviews, documents, and observational field notes.

### **Data Analysis**

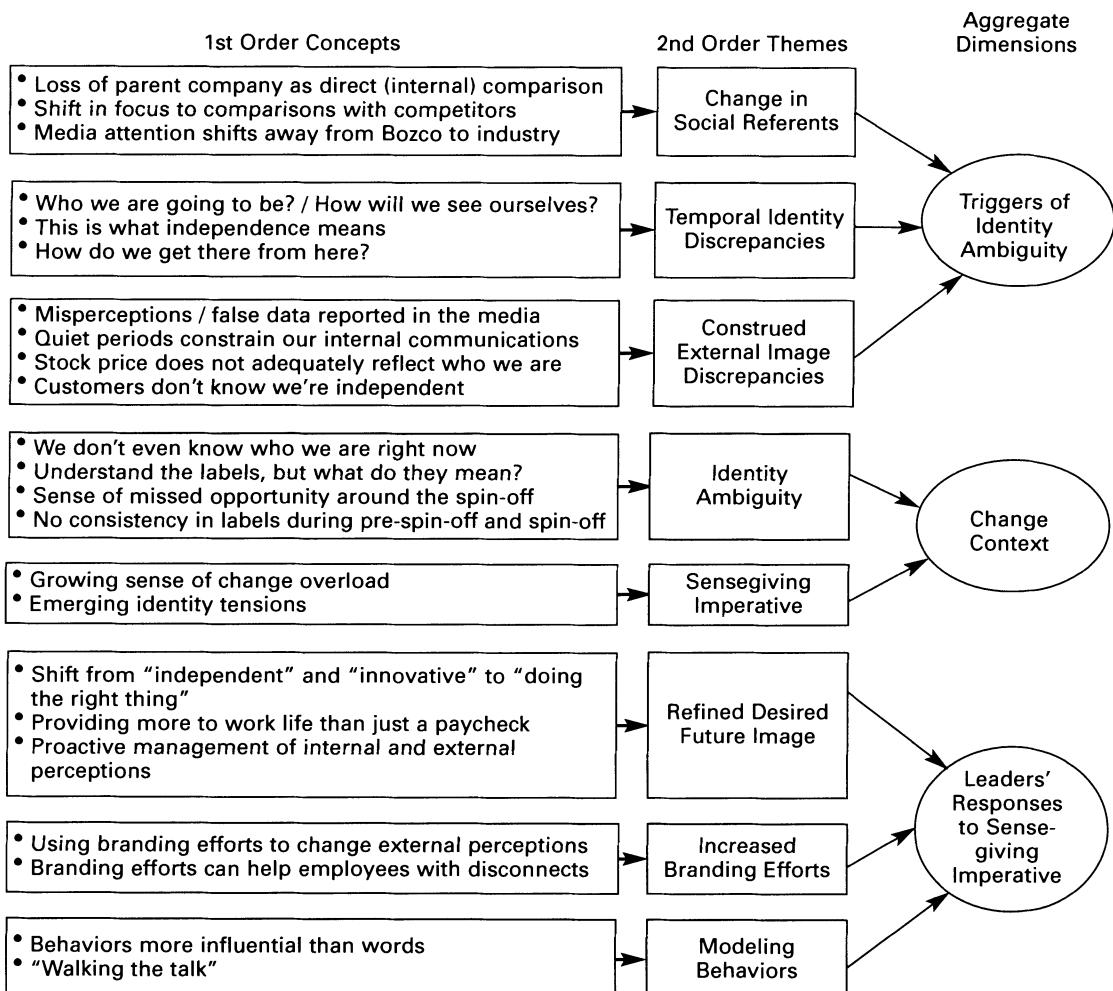
As we collected the data, we also inductively analyzed it, adhering closely to the guidelines specified for methods of naturalistic inquiry (Lincoln and Guba, 1985) and constant comparison techniques (Glaser and Strauss, 1967). These approaches provide the basis for rigorous collection and analysis of qualitative data and assist in determining the sampling and content foci of later data collection. Additionally, they provide the basis for clearly delineating themes and aggregate dimensions (Gioia et al., 1994) through the examination and comparison of key events (Isabella, 1990), as well as ideas discussed by the informants.

We began the analysis by identifying initial concepts in the data and grouping them into categories (open coding). Conceptual coding used in-vivo (Strauss and Corbin, 1990) or first order (Van Maanen, 1979) codes (i.e., language used by the informants) whenever possible, or a simple descriptive phrase when an in-vivo code was not available. Next, we engaged in axial coding, wherein we searched for relationships between and among these categories, which facilitated assembling them into higher-order themes. Finally, we gathered similar themes into several overarching dimensions that make up the basis of the emergent framework. These techniques were not linear but, instead, formed a "recursive,

process-oriented, analytic procedure" (Locke, 1996: 240) that continued until we had a clear grasp of the emerging theoretical relationships and additional interviews failed to reveal new data relationships. The final data structure is illustrated in figure 2, which summarizes the second-order themes on which we built our model of identity change.

**Trustworthiness of the data.** Following Lincoln and Guba (1985), we took several steps to ensure the trustworthiness of our data. First, we meticulously managed our data, including contact records, interview transcripts, field notes, and documents, as they were collected, using a computer-based qualitative data management program. Second, we used peer debriefing, which entails the field researcher engaging other researchers not involved in the study to discuss emerging patterns in the data, to serve as a sounding board for evolving propositions, and to solicit critical questions about the data collection and analysis procedures. It is a means for the field researcher to vet his or her ideas through another researcher to gain an outsider's perspective. In this study, the peers were department members as well as another qualitative researcher at another school. Finally, we asked an experienced qualitative researcher familiar with the grounded pro-

**Figure 2. Data structure.**



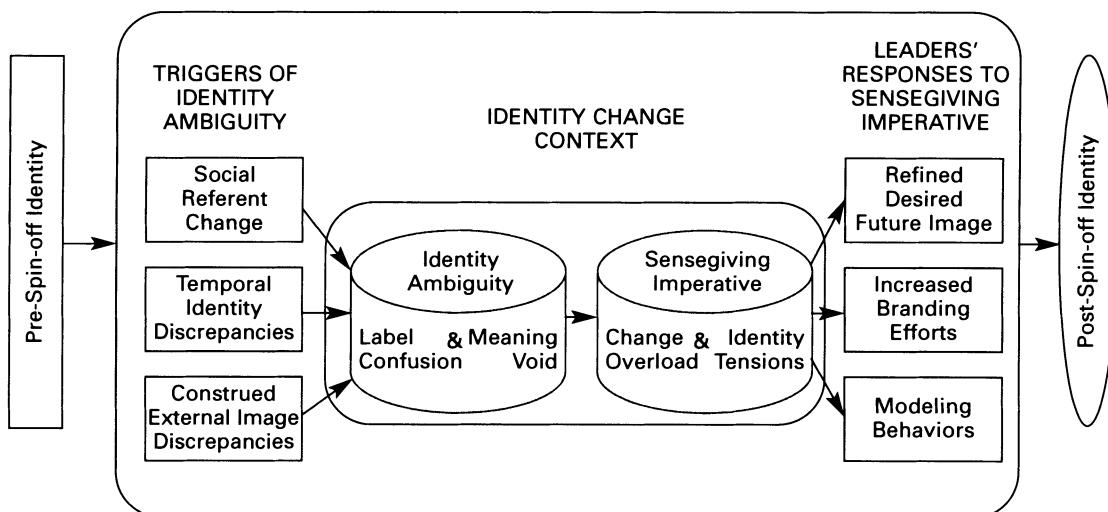
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cedures we followed to conduct an audit of our empirical processes and products to help gain a sense of the dependency of our data. This researcher went through our field notes, interview protocols, coding schemes, and random samples of interview transcripts and documentation to assess whether the conclusions we reached were plausible.

## IDENTITY CHANGE AT BOZKINETIC

As illustrated in figure 3, there are three main dimensions to the model of identity change that emerged from Bozkinetic's experience: (1) triggers of identity ambiguity, (2) the identity change context itself, and (3) leaders' responses to the sensegiving imperative. To better understand why each of these aggregate dimensions and their constitutive themes emerged, it is important to gain a sense of Bozkinetic's organizational identity as it existed prior to the spin-off period.

**Figure 3. Organizational identity change process.**



### Pre-spin-off Identity

We were able to gain entry into Bozkinetic far enough in advance of the actual spin-off event to capture a sense of the organization's identity before any formal changes occurred. Early entry enabled us to develop a basis for comparison with future data on the organization's identity during and after the spin-off. Prior to the spin-off, the organizational identity of the Bozkinetic unit within Bozco was clear, heavily rooted in social comparison, and often took the tone of "not like them." In response to questions relating to "Who are we as an organization?" most answers involved how Bozkinetic was not like Bozco. Aspects of the pre-spin-off identity included such claims as "We are an innovative company compared to [Bozco]," and "We are a younger, more agile competitor than [Bozco]." Yet, as a senior vice-president (VP) told us, Bozkinetic's identity also clearly involved the notion of dependence: "We are dependent on their strategies and their financial goals, so our capital spending and how fast we can grow are all constrained by the larger goals of [Bozco]. We are just so subservient to [them] in so many ways."

Other, non-comparison-based identity claims surfaced in our early interviews as well, including references to Bozkinetic's preferred view of itself as "an industry founder," "an aggressive competitor," "a ground-breaking marketer," and as being "a reliable and safe choice" within the industry, although these claims usually arose only after an informant provided identity claims based on a Bozco comparison. Regardless of the specific aspect of identity mentioned, however, members held what can be termed "identity clarity." As a business manager explained to us early on, "We know exactly who we are—we are a young, aggressive, savvy company, somewhat in the dot-com mode, but at the same time we have the size, the resources, and the talent to succeed in the marketplace and do it all . . . that's all pretty clear to us."

Members seemed quite sure of the meanings associated with their identity labels and what those meanings meant in regard to the company's positioning in its market space: Bozkinetic was a great unit in which to work and a strong competitor in its marketplace, and this was most evident in comparison with Bozco. Internally and externally focused documents also reflected these underlying meanings, using Bozkinetic's place near the top of Bozco's divisions in financial performance as a morale booster for employees and a positive projected image for outsiders. Bozkinetic members saw this shared clarity about their identity as an asset in their upcoming split from Bozco.

As Bozkinetic became more accustomed to the idea of its coming independence, however, and the realization emerged among members about how different things would be as an independent company, our data analysis began to reveal subtle shifts in thinking about who the organization was and, more importantly, where it was going. As a marketing director told us, "I think it's still formative. It's unclear what we are going to be to a lot of people in the management ranks . . . for most employees, they don't see it or hear it or can't touch it or feel it yet." Although most employees did not see notable changes in their day-to-day jobs or in their reporting or working relationships, they did begin to notice and comment on changes in perceptions about—and a confusing array of images, labels, and rhetoric around—"who they were going to be" (i.e., their desired future image) as an independent company. For instance, much of the early rhetoric about the spin-off involved the belief that being independent would allow Bozkinetic to show off its true technological talents in the marketplace:

. . . and we are going to work together to make [Bozkinetic] the #1 company in the defining [technology] industry of the 21st century.  
(Chief executive officer's memo to employees just before the spin-off)

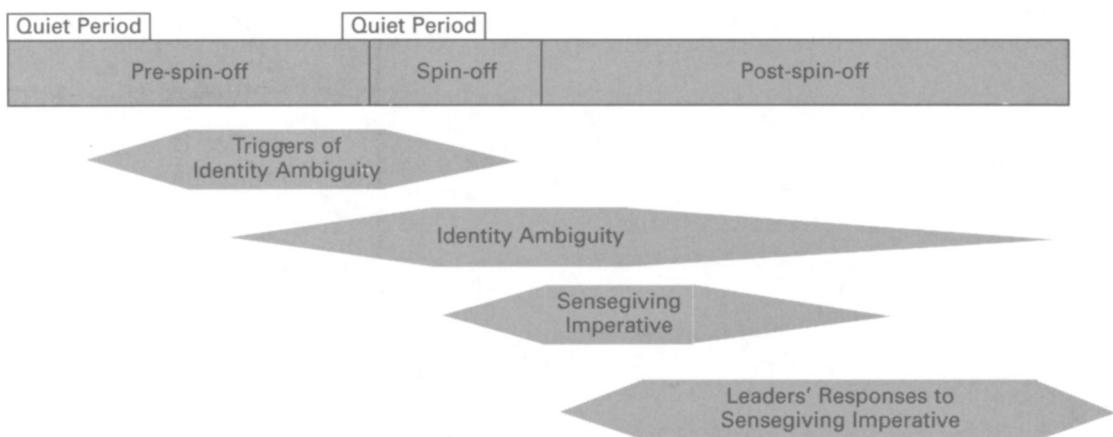
Today's demonstration reinforces our commitment to be a leader in the [technology] field and to continue to bring new [technology] advances to the marketplace. (Statement from the senior VP of technology in an internal memo and reflected in an external press release)

## Identity Ambiguity and Change

There's a sense that splitting off is going to make us more technically advanced. I think it's definitely something that we're hoping for and I think we are on the edge of that. But is that really us? Either we're going to find out that we are a technologically advanced company capable of innovating or not. And we're going to find that out fairly quickly. (HR manager)

The dominant theme to emerge from our comparisons of Bozkinetic's pre-spin-off identity with its spin-off and post-spin-off identity claims reflected a growing sense of identity ambiguity among members about what it meant to be Bozkinetic. The emergence of identity ambiguity, its rising intensity prior to and during the spin-off period, and its subsequent remission all signaled transitions: from identity clarity to ambiguity and then to a renewed (albeit altered) clarity over the duration of our study. The dynamics of this ambiguity overlapped the three phases of the spin-off, as shown in figure 4. Most importantly, the prevalence of identity ambiguity, and the subsequent sensegiving imperative to resolve it, constituted the key elements of Bozkinetic's subtle but powerful change context, the triggers of which constituted a constellation of differing social, temporal, and external referents.

**Figure 4. Mapping of emergent themes onto spin-off phases.**



### Triggers of Identity Ambiguity

Three specific themes relating to the origins of the identity ambiguity characterized our informants' experiences: (1) changes in social referents, (2) temporal identity discrepancies, and (3) construed external image discrepancies. In this findings presentation, we have coordinated and integrated four data displays—the findings narrative itself, figure 2, showing the progressive data structure, figure 3, showing the emergent model, and table 3, showing additional supporting data—so the interested reader can discern and “quadrangle” the evidence for our findings.

**Change in social referents.** The first trigger of identity ambiguity involved a natural consequence of the spin-off itself, the loss of Bozco as a social referent. In terms of organizational identity, social referents are other companies that organization members use as a comparison to help them determine who they are as a company. Since the creation of the Bozki-

Table 3

**Data Supporting Interpretations of Identity Change Processes**

Theme	Representative Quotations
<b>Triggers of identity change</b>	
Social referent change	<p>"I think that instead of getting hung up on the fact that you want to be different than (Bozco) you are supposed to be differentiating yourself from your competition Who cares if you are different from (Bozco)?" (executive VP)</p> <p>"I think there's been a lot of emphasis on differentiating us from (Bozco) that in my view is unnecessary and wasted energy" (new sales manager)</p> <p>"When we do compare ourselves to (competitor A) for example, it's not as pretty as comparing ourselves to (Bozco) Also, there's a lot less certainty around those comparisons It was easier to know what was going on inside (Bozco) You have no idea what's going on inside of (competitor A) All you see is the results and maybe they are dying somewhere else because of this, but it's not evident yet" (senior VP)</p>
Temporal identity discrepancies	<p>"How will we get there from here?" (business manager)</p> <p>"I don't necessarily see how we are going to get there, or what we are doing right now, to lead us to this vision that supposedly is guiding us There is ambiguity as well in the sense of what's really going on Do we have a good future? Is it stable?" (technology manager)</p> <p>"Suddenly some people have to remember what it's like to be an independent company Even for some of the (original venture) people who are still here, they weren't in senior enough positions then to really know what it means and others are just not sure what it means to begin with So now we are going through this growth cycle and there is going to be some ruffled feathers, because we don't necessarily have all the skills we need" (executive VP)</p>
Construed external image discrepancies	<p>"I don't think they totally understand what it is we are and what it is we have I think they are undervaluing what we have For example, our stock price isn't even close to being linked to our performance" (communication manager)</p> <p>"We see ourselves in the corporate space as the market leader—but that's not how we're viewed out there" (VP)</p> <p>"There's a lot of things that we don't say or we don't even rebut We also are just a company that doesn't give out info, we don't put out as many press releases as some others So I feel that our name and what we're doing isn't always out as much as some of our competitors" (VP)</p>
<b>Identity change context</b>	
Identity ambiguity	<p>"We just don't know who we are right now" (business manager)</p> <p>"No one is stepping up to display behaviors that will help define who we are, they're not even taking the time to explain things to us" (human relations trainer)</p> <p>"I think it's unclear what we are to a lot of people who are in the management ranks" (senior VP)</p> <p>"You almost have this cognitive dissonance where you are trying to say you were different but you really weren't that different So maybe it's better to accept who you are and try to be the best at that, than to try and really totally change But we are different, it just doesn't seem like it It can all get very confusing" (business manager)</p> <p>"I think six months after the spin we will have a little bit more of a self-identity that's not as focused on (Bozco) we currently have some things that are considered [Bozco] stuff and I hope there's going to be a better understanding of who we're trying to be" (communications manager)</p> <p>"I think most employees basically are still wanting more clarification around who we are" (VP)</p> <p>"Because we did go through so many years when we were part of [Bozco] and there were almost like two identities. Now it's kind of like 'Who are we?'" (VP)</p>
Sensegiving imperative	<p>"The effort for a lot of last year was focused on the split, and then I think we've been kind of low profile since So I think we really need to ratchet that up and really position ourselves internally" (executive VP)</p> <p>"Many parts of the organization, especially in the non-managerial ranks, have had no exposure to what we're going to be doing because they were being told to focus on running the business today and not worrying about tomorrow, so this is all a mystery to them We've got to get them up to speed somehow because otherwise this uncertainty is only going to grow" (senior VP)</p>
Change overload	<p>"As things change, you know, it's a very different environment to work in and our strategies change and so that changes priorities and depending on if we have to be reactive to something in the marketplace, that might change something and it just gets to you after awhile" (human relations manager)</p>

(Continued on next page)

### Identity Ambiguity and Change

Table 3 (*Continued*)

Theme	Representative Quotations
Identity tension	"There are all these changes going on, just change after change. Almost the sense that there's no end to it all, change is just going to become a part of who we are. I mean, I almost expect a reorganization of some sort every six months from here on out and that's just too much for us to handle" (technician)
	"So (the analytical focus) has caused more attention to be put onto the enterprise side of the business. I still think that when you look at the weight of the resources and when you look at how decisions are made, it's still very consumer centric, but the balance is shifting a little bit and there's anxiety about that" (sales manager)
	"And yet with [major tech initiative] now coming along, these issues could replicate all over. You know, that same struggle, even down in the trenches where I think that people already have the sense that it's [technology X] versus [technology Y]" (technology director)
<b>Leaders' responses to sensegiving imperative</b>	
Refine the desired future image	"What do we tell our employees? Well, we have to tell them they are part of a great company. But more than that, I now understand, is that we've got to find that emotional attachment for who we are" (CEO)
	"There will be more of a focus I believe long term on the need of employees to feel that they are part of something that does good as opposed to just turning up to work everyday. So how do you do that? Well, it just reinforces the importance of having a clear vision and a mission and strategy that they buy into, and having the communications to spread that image" (executive VP)
	"To be honest with you, I don't know that I have them worked out, but I think it has to be around what do we stand for? What is our strategy and what is their role in it? We kind of have our strategy down, but I think we need to tweak it more so that it is a dashboard kind of message that has meaning" (executive VP)
	"We do have the brand to worry about. We market it under the [Bozco] brand. It's not pure charity on our part" (executive VP)
Branding efforts	"There's a real return from [the brand]. People in the industry think its pretty sustainable to be an American, familiar, trustworthy brand. There's a lot of value in the brand" (executive VP)
	"The [Bozco] brand does not test as powerfully with them (young people). We still do have to really figure out better ways to get connected to youth" (executive VP)
	"Our branding efforts will also impact employees. I think you want what you are saying internally to match what they are saying about you externally unless it's not truly externally obvious. But I think if you're very consistent in what you are saying you're much better off. I think what (our) employees saw was this unbelievably negative stuff and then it doesn't match up with what they might have been told internally, and you just get a major disconnect and then you sort of spread a lack of trust. We want to correct that with this effort" (executive VP)
	"You can say you want to be known as a decisive company all you like, and put it on a tent card, or you can actually be decisive" (executive VP)
Modeling behaviors	"You can tell them what's important and what you think is important in as far as how we treat customers. I think as long as we the leadership team makes sure we've got the linkage, so that the way these people do their job is linked into supporting (the vision), then that's the thing that's really important more than somebody memorizing what the (vision) is. It's really how do they see it enacted?" (executive VP)
	"How do they see us walk the talk?" (executive VP)
	[ <i>"So you're starting to see much more of a connection between the present and the future?"</i> ] "Absolutely I thought it before because I was confident that they would do it, but I'm even more so now that they've proven they can do it. So it's less based in faith and more based in action and behavior now" (marketing representative)

netic unit within Bozco some seven years earlier, Bozkinetic members had a convenient, and mostly positive, comparison point that lent identity clarity to Bozco. Even when the comparison was not necessarily a positive one, it was still relatively easy for Bozkinetic members to derive meaning about who they were as long as they could point to Bozco and say either "we are like them," or "we are not like them."

After the spin-off, this comparison was no longer easily available. Employees could no longer use Bozco as a point of reference for describing aspects of their identity or for trying to understand what a particular change meant to the company. As the chief executive officer (CEO) put it, "We can't hide behind their difficulties anymore." And this loss of social reference was reinforced in the media as the business press stopped comparing the two, as they had in prior references to Bozkinetic as the "darling of [Bozco's] divisions" or the part of Bozco "that was doing well." Bozkinetic simply became another one of many technology service companies in America and around the world. Bozkinetic's members, as a sales manager noted, accepted this change in referents somewhat reluctantly: "I think you really should be focused on differentiating yourself from your competition and [Bozco] is not our competition, it's our ex-parent. But people have a hard time giving it up, even though it doesn't work anymore." Finally, in the period immediately following the spin-off event, no apparent replacement referent emerged among Bozkinetic's competitors; internal documents and media reports referred to different companies when it was convenient, but none provided as strong a social referent as Bozco, which produced some "independence anxiety."

One contributing factor that hurt Bozkinetic's ability to establish new referents was the decision to retain the company's name and brand, both of which were closely associated with the parent. This was not an easy decision for top management, and not one that necessarily went over well with all members of the organization. Top executives, however, felt the current brand had too much equity and that the costs of establishing a new brand were prohibitive, given Bozkinetic's impending independent status. This decision led some outsiders who were less knowledgeable about the spin-off (e.g., customers) to continue to associate Bozkinetic with Bozco, which made it harder for insiders to break away from those comparisons and establish new referents.

**Temporal identity discrepancies.** Temporal identity discrepancies represent instances in which members recognized an inconsistency between their organization's current identity and claims of what it would be or what members would like it to be in the future. Thus temporal identity discrepancies arose for members of Bozkinetic as they tried to cope with who they knew the organization currently was versus expectations (expressed and implied) for the spin-off and perceptions of who the organization would be after the spin-off. As one executive VP indicated, there was some apprehension: "We're excited about being our own separate company. But I think, and I hear this echoed a lot, that we feel we need to be more nimble and aggressive and organized more efficiently to be who we want to be. It's just a matter of figuring out how to be that from where we are now."

One of the earliest examples of temporal identity discrepancy as an important concept arose in the interview data and involved what it meant to be an independent company. Although the enticing image of being independent from the parent had been motivating for many employees since the spin-off announcement, post-spin-off reality was more sober-

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ing. Some informants discussed how the company was already receiving increased scrutiny of its finances and operations from the outside and how parts of the business press seemed unwilling to grant them a "honeymoon" period, which was disheartening. Others talked about how there was no real internal sense of what it meant to be independent, because so many of the top managers were from Bozco and had never led a newly independent company before. Still others struggled with the uninspiring realization that, as an HR trainer put it, "everything has changed for us as a company" and yet "I'm still doing the same thing I used to do, with the same people I used to do it with."

Perhaps the strongest form of temporal identity discrepancy expressed in the interviews involved members' comparisons between their own perceptions of Bozkinetic and descriptions they heard from top management about who the company was becoming. As with many organizational restructurings, the official rhetoric surrounding the spin-off was intense and had mostly positive overtones. Expectations were high for being an independent company, even though senior leadership was careful to include "reality checks" in most statements, such as "We have a long road ahead of us," and "There's still a lot of work that needs to be done before we get there." Temporal discrepancies arose not because people believed the future images were undesirable but, rather, because of subtle doubt about whether the company could actually achieve those visions. That doubt arose in interviews as employees frequently concluded their thoughts about the future with comments such as "But what does that actually mean for us?" "Can we actually become that?" An apprehensive business manager put it this way: "I think things are going to be great three years from now, but we've got to get there and I don't see how yet." Some even talked about the possibility of a future merger or acquisition radically changing the company's direction, leading to a void in meaning about the coming transition. The lack of meaning underlying the desired future identity claims helped members recognize discrepancies between the current identity and images of the desired future identity, triggering feelings of identity ambiguity and eventually helping to reinforce and sustain the identity ambiguity over time.

**Construed external image discrepancies.** The identity ambiguity was also triggered by incongruities between how members saw their organization (i.e., their organizational identity) and their perceptions of how outsiders saw their organization (i.e., their construed external image). Many Bozkinetic employees believed the spin-off was a positive event for the company, that the company was headed in the right direction, and that the company was in a strong position to be a leader in the technology economy. Unfortunately, this did not always correspond with what they heard from the business media, the stock market, or even their customers. It was frequent in interviews to hear employees explain how they believed the media misrepresented the company and sometimes even reported inaccurate information in various articles and columns. A senior VP complained, "Oh, we're treated extremely poorly in the media. If you read *Business*

*Week, I mean they just beat us up whenever they get the chance!"*

Employees also expressed their belief that the spin-off did not receive as much attention as it should have and that the company was not given its due as the technology/marketing leader they thought it was. These feelings of misunderstanding were also evident in their perceptions of industry analysts, most often reflected in the dropping stock price. As one informant explained, "They often drop your stock price when they don't think you have strong management and it's pretty obvious we do." Concurrently, many felt that the lack of knowledge customers had of their independence from Bozco was also negatively affecting external perceptions, the favorite story being one of a family member who continued to ask questions about services no longer supported by Bozkinetic. One VP complained, "I see things written all the time that are false!" Yet, as a senior VP acknowledged, "We are very poor in terms of media response."

Discussion about discrepancies in the construed external image often included dissatisfaction with the company's efforts at external communication (marketing, public relations, investor relations, etc.), which further heightened employees' ambiguity about who the company was and who it was becoming. Unfortunately, one of the direct consequences of the spin-off was an external regulatory constraint on Bozkinetic's ability to communicate with key stakeholders in the form of the government-mandated "quiet period" until the financial and equity aspects of the spin-off were completely settled. Because Bozco had issued a tracking stock for Bozkinetic prior to the spin-off announcement, all employees received shares in the company, which made them stockholders and, thus, targets of the quiet period. As a result, Bozkinetic found itself in the difficult position of not even being able to communicate with its own employees about future announcements, breakthroughs, and strategic moves, a condition informants described as severely limiting the company's ability to manage the meanings underlying identity claims and counteract discrepant external feedback. As one VP said:

*It will be very nice to be out of the quiet period. One of things that's been hard with the quiet period is that, because they're shareholders, we've been able to do a lot less employee communication than we normally would have, which has been frustrating to employees. It's been frustrating to the leadership team too.*

These perceptual discrepancies and the company's inability to counteract them effectively served to weaken and obscure employees' sense of who the company was and where it was going. Even though they firmly believed that the company was better off being independent from the parent and that it was better than it was externally portrayed, the mounting feedback still undermined their confidence that the company could actually be something that the outside world did not see it as being. This emergent sense of ambiguity about who the company was, and who it was going to be, served as the foundation for Bozkinetic's identity change context.

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### **Identity Change Context**

**Identity ambiguity.** Identity ambiguity, a central theme in the identity change process, first began to emerge in the latter days of the pre-spin-off period as informants talked about the struggles they were facing as part of the spin-off process. Across all informants, some sense of "We're not sure who we are right now and we need to figure it out soon" usually emerged. As one VP put it, "That [Bozco-related] identity should be gone with the spin, should be totally wiped out. We had an old identity, so do we revert to that? Who was that? Is there something new? If so, make it easy for me to know." This ambiguity was also evident in internal and external documents (memos, intranet web pages, public relations notices, speeches) released during those periods, as well as in observations of meetings and social gatherings as members struggled to define who they were as a newly independent company. A clear example of such ambiguity came during the spin-off period when there was inconsistency in the official labels used to describe the company: organizational statements about the spin-off sometimes focused on the "safety and reliability" demonstrated in the past, while other statements focused on the significance of "breaking away" and the "innovation" demonstrated as the first truly independent company in the industry. Senior leaders also waffled on the meaning underlying various identity labels in statements to analysts. For instance, depending on feedback received from the market, sometimes they described the label "premier service provider" as connoting "the first to market with new pricing models" (executive VP) and other times as having "the most reliable customer service" (VP). Adding to the ambiguity were mixed interpretations of the meanings of labels by employees, such as a marketing representative's description of "premier" as "always coming out with the latest and greatest, staying on the bleeding edge of what is out there," a sales manager's view as "invoking notions of quality in whatever we do," and, finally, a technology manager's belief that "premier would be a size thing for most people, you know, the biggest market share, the most revenues, the largest number of employees."

Our interviews with executives and managers also captured a rising sense of identity ambiguity as the transition to independence approached. A senior VP commented, "I think if we had handled the [preparation for] spin-off better, then some of the ambiguity that's out there would probably not be an issue." Informants indicated that there were a number of labels used internally to describe the company (both oral and written), but they were not sure of the meanings of those labels or how they applied to who the company was becoming. As one VP told us, ". . . even my own direct reports would say they haven't heard anything about the meanings of those descriptions since the spin." Examples of these internal labels (identity claims) included "the largest independent [technology] company," "the [technology] company with the strongest management team," and "the most financially sound company in the industry," all claims that informants found to be pretty mundane and, therefore, failed to see much significance in. Perhaps most importantly, these descriptors did not help them define what it meant to be the

new Bozkinetic. As one informant put it, "I've heard a lot of new ways to describe us, but they don't mean much now." Also included in this theme were statements about the spin-off as a "missed opportunity" for the company to define itself, a category supported by informants who indirectly (and retrospectively) blamed their ambiguity about the company's identity on the lack of internal spin-off communication to help them define the company. A new executive VP lamented that "there was an opportunity to drive deeper and do more of an interactive, participative kind of approach. We missed it, so now it is what it is."

In an apparent attempt to allay the burgeoning concerns and specify some putative core elements of identity, the executive team did issue what it termed the company's "Cornerstones," which included vision, mission, strategy, and commitments statements, going so far as to print up "Independence Day" flyers explaining these cornerstones and wallet-sized cards containing the four cornerstone statements. This effort, however, did not seem to have the desired short-term effect on employees, as most people interviewed did not find much meaning in the statements. As a customer agent remarked, "How is this supposed to help me understand what is going on?" And apparently employees forgot about the statements after they did not result in obvious changes to everyday behavior and operations.

**Sensegiving imperative.** As might be expected, the existence of identity ambiguity in Bozkinetic had an effect on the organization's internal processes and external interactions. As time passed and the ambiguity became more pronounced and recognizable, a sense of urgency began to build that definitive action was needed to deal with it. An executive VP reflected that urgency: "What I have my team working on internally is a plan that really looks at what the strategy is and the vision, so we can try to develop a kind of multimedia approach to what it means for the individual. This is really important right now and we've got to get on it." As we dug deeper into this sensegiving imperative (cf. Gioia and Chittipeddi, 1991), so labeled because managers talked about filling in the void with appropriate meanings, we found that two critical concepts provided an illustration of this imperative: change overload and identity tensions.

**Change overload.** We found that the many changes taking place, both planned and unexpected, were causing an increasing overload among employees, akin to but different from the notion of information overload. In addition to the normal business-related changes associated with a rapidly changing and highly turbulent competitive environment (e.g., shifting technologies, changing customer desires, tightening profit margins), Bozkinetic was also dealing with structural and cultural changes related to its breaking away from Bozco. The sense of overload developed as members attempted to juggle their usual responsibilities with additional assignments to cross-functional teams, planning committees, and change implementation teams, along with adjusting to the new procedures, policies, and structures implemented to turn the company into a fully functioning independent business entity. These change-overload effects were prevalent and noted by

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virtually all informants in the weeks following the spin-off, including the CEO in a memo to employees: "Many of you said that as we put all of our effort into reducing customer losses, making the transition to [a new technology], and building a cost culture, that you are being pulled in too many different directions. We recognize that."

Others were less diplomatic, such as a weary HR manager who simply said to us, "It can't go on like this for much longer." The presence of identity ambiguity only exacerbated these feelings of overload because it was more difficult to commit to and identify with the changes, not to mention the accompanying increases in work, without a clear sense of who the company was, where it was going, and what all these additional activities meant in relation to the new identity. Employees were also less motivated to "go the extra mile" for their company. As one sales manager explained, "If I knew why this mattered so much, I might care more." Furthermore, internal perceptions were more easily swayed by external feedback, which often was not positive and tended to have a strong effect on internal identity-discrepancy perceptions, which caused even more questioning of why all the changes were necessary. These ambiguity-fed feelings of change overload were consistently mentioned as a manifestation of the growing sensegiving imperative felt throughout Bozkinetic and were instrumental in the push toward achieving some new sense of identity clarity.

*Emergence of identity tensions.* Subtle tensions began to form as multiple views about who the company was becoming competed for preeminence among employees. This tension was exacerbated by the growing recognition of the increasingly dysfunctional and uncomfortable ambiguity about "who we are and who we're going to be," thus providing the political grounds for different parties to try to gain control of members' perceptions. A technical manager captured the spirit of the feeling by noting that "we're definitely schizophrenic right now, and I don't know any way around it, but we have to do something soon."

The fault lines of this evolving friction were most evident and telling in two emergent tensions involving different aspects of Bozkinetic's identity: (1) a continuing tension between aspects of the business focused on two different customer groups, one representative of Bozco's primary focus and the other more associated with Bozkinetic's new industry, and (2) a growing and potentially destructive tension between two different technology paradigms at the core of Bozkinetic's products and services, one old and the other new. One obvious tendency in a spin-off is to focus heavily on the future, not only because the new company wants to impress on others its belief in a positive, future-oriented outlook but also because it helps distinguish the new company from its parent and its newly focused competitor set. Thus the desire for an increased focus on new customer areas and future technologies was understandable because it helped Bozkinetic strengthen its desired image as an "innovator" and "technology leader." But it also led to internal perceptions that old customers and past technologies (both of which signified the past identity claims of "reliable and safe," "conservative,"

and “industry founder”) were being downplayed, even though people recognized that the company could not become a leader in the new technology and customer areas without continuing to excel in the old areas. A technology manager put it succinctly: “. . . we’ve got to put the infrastructure in place to handle the large ramp-up that’s expected next year for [technology Y]. At the same time, we got most of our customers still using [technology X]. We can’t take our eyes off of that because that’s where the money is coming from right now.” The resulting confusion fed the meanings-based identity ambiguity and heightened the emerging imperative to deal with the ambiguity quickly. An executive VP captured these tensions between the old and the new with an apparently minor but revealing example:

The only reason that thing [a long-used internal satisfaction survey] was postponed is that we needed to modify it and ask, “Does this fit with who we are becoming?” But people are pretty jumpy about changes to what we’ve done in the past right now, so that was why there was such a firestorm. If something’s not done soon, though, it’s only going to get worse

We refer to these as identity-based tensions and not identity conflicts themselves because neither of these reached the stage of actually taking on the designation of an “identity claim” (Glynn, 2000). The official rhetoric surrounding the company’s identity never included any of these tensions; instead, these tensions were visible only in areas symbolic of an organization’s identity, such as its structure, its business processes, and in its resource allocation decisions (Albert and Whetten, 1985; Fiol, 2002). In this way, they were evident for members to see and experience, but they had not yet reached the status of (or been used by someone as) a claim of “who we are as an organization.” It was clear, however, that if these tensions were not managed properly, they would form the foundation of an identity conflict filling the void created by the identity ambiguity. As these strong themes of identity ambiguity and sensegiving imperative began to gain prominence in the data, we recognized the need to better understand the outcomes of this change context. We therefore began asking informants about and coding documents for data related to how they responded to the sensegiving imperative that grew out of the identity ambiguity.

### **Leaders’ Responses to the Sensegiving Imperative**

Even though senior leaders began seriously addressing the sensegiving imperative relatively late in our data collection, three themes still emerged that provided insight into the formal organizational responses to the identity ambiguity, as shown in table 3. Each theme, (1) refinement of the desired future image, (2) increased branding efforts, and (3) modeling behaviors associated with the desired future image, represented a purposeful attempt by top management to provide either new labels for describing the company or the desired, new meanings underlying those labels. For example, an executive VP identified the meaning void when he noted, “It’s pretty simple to say, ‘we’re the best [technology services] company in North America.’ That’s pretty focused, but

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I'm not sure everybody could repeat that back to you or even understand what it means to them." These efforts eventually began to produce the desired transition toward greater identity clarity later in the post-spin-off period.

**Refine the desired future image.** As top managers looked for a more meaningful future image to inspire employees, they used the worsening economy and increased instability in the world as a rationale for trying to get employees to focus on Bozkinetic as a source of significance and stability in their lives. They believed that by getting employees to buy into an image of the company as "something special" that "did the right thing regardless of cost," they could provide a meaningful sense of unity to replace the ambiguity present after the spin-off. According to the CEO:

Being financially sound is not good enough, and neither was being the most competitive. Neither was being the most innovative. Neither was being an independent, fast-moving company. It doesn't work. What counts is being the most caring company that delivers to its customers. Everybody knows what that is viscerally. The [people here] want to be winners. They want to be innovative winners, but I mistook that. I mistook that for the thing that drives them most, putting humanity and values and caring underneath it

In the end, the CEO cast the desired future image in telling, comparative terms by saying simply, "I want us to be different from [Bozco]. I want us to be 180 degrees different from the [Bozco] of now, but I want the values, character, and treatment of the technology for people to be like [Bozco] 1958." Subsequent communication and action by top management team members, in the form of modified and increased branding efforts as well as modeling behaviors that better represented the desired new identity, began to emphasize the "values," "caring," and "technology-for-people" themes that honed Bozkinetic's desired future image.

**Branding efforts.** Increased branding efforts also represented a significant effort to actively manage impressions, directly for external audiences and indirectly for insiders. The top management team believed that an increased brand presence reflecting their new desired image would help. As the CEO framed it,

... that's what we are working through with [our new branding agency]. How do you express yourself as the stewards of this technology? As the one who is most likely, because of our brand and our innovation, to bring it to life? To make people more secure, and more comforted, and more assured, and more productive?

The most delicate issue had to do with the fact that Bozkinetic retained Bozco's brand name, which had some clear upsides but also some problematic downsides, including negative perceptions held by analysts and customers. Senior leaders were torn, in that "We are mindful of the brand and don't want to hurt the brand," but they also saw themselves as victims of the "baggage from Bozco" (a senior VP). Unfortunately, the desirability of the brand depended on the audience for the brand image. The CEO explained, "This is complicated! Our name is still related to [Bozco]. [The media] still report our results in the same story that they report that

wholly separate imploding company called [Bozco]. . . . In the market we want to use that brand. In the investment community we want to separate ourselves from that brand." For that reason, senior managers took actions to begin distancing themselves from Bozco in the business press, while capitalizing on the brand appeal to enter new market segments. Branding consumed a major portion of top managers' time during the post-spin-off period because they deemed it to be an important means of communicating who Bozkinetic was to both internal and external audiences.

**Modeling behaviors.** Likewise, senior leaders made a concerted effort to begin modeling the behaviors that were representative of the desired future image. The belief was that by "walking the walk as well as talking the talk" (a senior VP), they could increase understanding and buy-in of the new future image and provide meaningful answers to the question "Who is the new Bozkinetic?" An executive VP summarized this belief by saying, "I think my point is that by acting very clearly, you help create an identity for yourself. By making those decisions you create an identity, as opposed to sitting around and saying, 'How do I want to convince people of our new identity?' They will observe it when they see what we are doing." The CEO observed that "you vote with your time," by which he meant that by letting people know what the top leaders spent their time on gave emphasis to those activities deemed most important to the success of the future image. He was transparent in indicating that he communicated with many people inside and outside Bozkinetic, that he was emphasizing innovative independence, customer communication, caring, "stewardship" of technology-for-people, and that getting the buy-in of his employees was a critical component of Bozkinetic's survival. Employees were not blind to this "showing by doing" approach, as one middle manager noted in explaining that in this period of leading by example, ". . . it's about what the leadership team is doing," so it became clear that employees noticed the modeled behaviors, which helped to clarify the desired future image.

### **Postscript to the Study**

Overall, our study covered three time periods: pre-spin-off (period 1), spin-off (period 2), and post-spin-off (period 3), over a total of 10 months. Our data provide clear evidence of a pronounced identity change from time period 1 to the end of time period 3 (six months after the spin-off). Bozkinetic's identity was originally described (in period 1) in terms of its relationship with Bozco, with identity claims such as "more innovative," "more agile competitor," and "safe and reliable." As period 2 came and went, ambiguity emerged about who the organization had become. It was not until late in period 3 that management was able to begin stabilizing the organization's identity around claims of "being something special," "doing the right thing," and "being stewards of the technology" through strong efforts at meaning management. A reasonable question to ask is whether at some later time Bozkinetic's identity continued to progress to some form that was notably different than it was at the study's conclusion at the end of period 3. To answer this question, we revisited one of our key informants almost two years after finishing

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the study. She clearly indicated that the core elements of Bozkinetic's identity, nearly two years on, were very similar to the core elements at the point at which we stopped our original data collection and were dramatically different from Bozkinetic's Bozco-era identity:

A lot of what was being talked about right after the spin has come to fruition since. I think people would say that we were beginning to gel as a company by 6 months after, and that there was a commonality of our vision and our goals as a separate company. So when we started hitting our stride later in that year, it was more like after the spin than before. The actions of our leadership post-spin really went a long way toward stabilizing our identity.

Taken together, these data suggest that the study tracked a bona fide identity change process over our 10 months of engagement and that the point at which we left essentially coincided with fading identity ambiguity and the attainment of a new identity clarity, which has held for some time.

### **DISCUSSION AND CONCLUSION**

Organizational change is now so ubiquitous that the experience of change has become something of a constant in modern organizations. Change now seems to be everywhere all the time, such that fluidity and discontinuity have become hallmarks of organizational life (cf. Bateson, 1989). Perhaps the organizational change with the most potential for disruption is a change in identity. The main purpose of this study was to better understand how organizational identity change occurs in the context of a corporate spin-off, a change context representative of subtractive-type organizational change (Albert, 1992). Research on corporate spin-offs and other forms of subtractive change is scarce, so our understanding of these contexts needs theoretical development. The findings of this study provide a starting point for that theoretical development by explicating an emergent state of identity ambiguity, the existence of which stemmed from loss of many of the spin-off's previous identity claims. This ambiguity-based model of identity change thus affords us an initial grounding that we might be able to augment with additional theoretical insights to build a more specified model of organizational identity change.

Insight into the specifics of identity ambiguity and its role in the identity change process begins with an understanding of its triggers. Discrepancies between organizational identity and image (specifically, construed external image and temporal identity discrepancies), along with changes in the organization's social comparators, result in a state of equivocality in which organization members are in doubt about who they are as an organization. All three of these triggers are forms of organizational "referents," and it is the constellation of convergences among these referents that promotes identity change in the wake of the identity ambiguity produced.<sup>1</sup> This identity ambiguity occurs mainly at the level of meanings, as old identity labels still exist yet no longer apply and new identity labels have yet to take on meaning for members.

<sup>1</sup> We thank an anonymous reviewer for the insight that the triggers are forms of organizational referents

As members cope with and try to manage this sense of ambiguity, they create meanings for the identity labels from

the events, actions, and discussions within the organization about who the organization is becoming, as evidenced by internally and externally projected images and the language chosen to describe the company. These socially constructed meanings often come from the top down because of the strategic importance of a clear organizational identity and the sensegiving imperative (Gioia and Chittipeddi, 1991) generated by members' need for sensemaking in the wake of the identity ambiguity. If these meanings provide a coherent sense of collective identity, then stability can emerge in members' perceptions, ambiguity will subside, and some new form of "identity clarity" or resolution can result. If the emergent meanings are not coherent or conflict with each other, then the identity can remain unstable, in a state of either identity ambiguity or growing identity conflict.

### Identity Ambiguity

The key to this process of meaning-based identity change, then, was the emergence of a state of identity ambiguity, especially as compared with the beginning state of identity clarity. The term ambiguity signifies "an ongoing stream that supports several different interpretations at the same time" (Weick, 1995: 91) or "a property possessed by any stimuli of having two or more meanings" (Levine, 1985: 8). In organizational settings, it often takes a form similar to the information equivocality discussed by Daft and his colleagues (Daft and Weick, 1984; Daft and Lengel, 1986), who defined it as "the multiplicity of meanings conveyed by information about organizational activities" (Daft and Macintosh, 1981: 211; see also March and Olsen, 1976; Meyerson, 1990). Accordingly, as applied to organizational identity, the type of ambiguity we uncovered at Bozkinetic involved a shared sense that there were multiple possible interpretations of who the organization was, thus leading to a sense of unformulated or nebulous identity.

After a transforming organizational event like a spin-off, ambiguity about identity becomes evident as the vagueness of self-definition emerges in contrast to the sense of clarity held before the event. It comes somewhat as a shock and initiates sensemaking processes among those involved (Weick, 1995), serving as a trigger for sensemaking activities aimed at producing a more structured understanding. Interestingly, identity ambiguity might be viewed as an unrecognized element of Lewin's (1951) venerable portrayal of change as involving "unfreezing, moving, and refreezing," in that such ambiguity provides an impetus for organization members to create workable new ways of understanding and acting. The ambiguity experienced by Bozkinetic's members after their spin-off was noticeable and noticed, and members felt open to discuss it because of its salience in the organization. This ambiguity was evident in organization members' language (e.g., no preferred labels available to describe their identity, or confusion about which labels best described the organization), in the organization's formal and informal projected images (e.g., lack of consistency in expressed identity labels or multiple identity labels used to describe the same attribute), and in a lack of clarity about what the expressed identity labels meant.

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Although some suggestive evidence of ambiguity concerning organizational identity has been present as a background issue in other studies (e.g., Dutton and Dukerich, 1991; Elsbach and Kramer, 1996), the specific notion of identity ambiguity has not been well articulated or empirically documented in the organizational studies literature as it has in social psychology, where notions of self-clarity and self-certainty have been used in relation to an individual's self-esteem and depression (cf. Baumgardner, 1990; Campbell, 1990; Setterlund and Niedenthal, 1993) and where Hall (1976) and Gould (1979) have described the concept of identity resolution. In part, this can be attributed to the propensity of extant organizational identity research to focus more on content than on process issues (Whetten and Godfrey, 1998). Furthermore, many of those studies that have specifically examined identity processes such as formation, change, and loss (e.g., Gioia and Thomas, 1996; Glynn, 2000; Reger et al., 1994) have provided evidence for the presence of identity dynamics and their connections with larger organizational dynamics, rather than studying the underlying processes associated with identity's dynamism. This study extends these earlier works by providing an explicit examination of one form of identity change and key processes associated with the identity ambiguity at its core.

**Identity ambiguity vs. identity conflict.** It is also important to note how identity ambiguity differs from identity conflict, a concept involving multiple organizational identities vying for preeminence or privilege (Albert and Whetten, 1985; Fiol, 2002; Golden-Biddle and Rao, 1997; Foreman and Whetten, 2002), in which any one could viably serve as a collective answer to the question "Who are we?" but no two are mutually compatible (Glynn, 2000; Pratt and Foreman, 2000). Identity ambiguity is different because it refers to a situation in which the organization's identity is vague, not because two or more competing identity claims exist but because no claims exist or, more likely, because the meanings underlying those claims are in doubt or subject to multiple plausible interpretations (see also Katz and Kahn, 1966, for their distinction between role ambiguity and role conflict). For identity conflict, it is clear what the competing claims or identities mean for who the organization is (Golden-Biddle and Rao, 1997), but it is not clear which one is more appropriate, a distinction Weick (1995) highlighted as a lack of clarity involving uncertainty as opposed to a lack of clarity involving ambiguity.

Identity ambiguity, therefore, does not necessarily involve multiple identities or identity claims. Ambiguity can exist when no identity claims are made or members do not feel that the organization has a definitive identity. It can occur when a single organizational identity is in transition or has been called into question by an exogenous or endogenous event or feedback, or it can occur as multiple identities inhabit the same shared cognitive context but do not conflict with each other. For example, if the two identity claims of "innovative" and "independent" are both present in a particular context, there is no reason why they need to conflict with each other (i.e., being one does not preclude being the other), yet they still might be the source of ambiguity ("What

does it mean to be innovative or independent?" or even "How does being independent help us be innovative?").

Given the subtractive nature of an organizational spin-off (Albert, 1992), and the consequent divestiture of a previous identity (cf. Van Maanen and Schein, 1979), it should not be surprising that identity ambiguity emerged instead of identity conflict. As a spun-off organization copes with the loss of its previous identity, a meaning void will exist until a revised identity can be developed. This void provides the cognitive and affective context in which ambiguity can emerge. Actually, the probability is high for emergent ambiguities (identity-based and otherwise) to arise in the wake of any subtractive change and continue to exist until other changes occur to compensate for what was eliminated, an oft-used strategy to help soften the blow of a subtractive change (Albert, 1992). The occurrence of these changes—at Bozkinetic, the development of new identity labels and meanings in response to the sensegiving imperative—mark the transition from ambiguity to potential conflict because of the likelihood of differing ideas, perspectives, and philosophies competing for pre-eminence among organizational members.

One interesting question might be why Bozkinetic moved to identity resolution without identity conflict. It is clear that the members of Bozkinetic recognized and accepted the rationale for the spin-off and the reality that they were going to be independent but also saw that their way of doing business was not going to change dramatically. Theirs was not a situation that changed their ground rules for action and interaction and, therefore, did not undermine existing power structures. Thus, there was little need for conflict to produce alignment with some markedly new or different set of rules. There was, however, pronounced ambiguity and associated tensions that needed to be resolved about who they were becoming as a freestanding entity.

### **Labels, Meanings, and Identity Change through Ambiguity**

As illustrated in Bozkinetic's spin-off, the presence of identity ambiguity in an organization can be a tell-tale sign that identity change is under way. As noted, identity change often takes one of two forms at the organizational level: (1) when the labels used to express identity undergo change, or (2) the meanings underlying those identity labels change (Gioia, Schultz, and Corley, 2000). At Bozkinetic, both types of identity change occurred, albeit at different times, under different circumstances, and with different results. The first type of identity change occurred during the spin-off period as top management proffered new labels (Ashforth and Humphrey, 1997; Fiol, 2002) to describe who the company was after the spin-off (e.g., "independent," "technology leader"). As expressed by our informants, members did not reject these labels, nor did they create a conflict among competing identity claims. In fact, the new labels seemed like the type of identity claims that any newly independent company should be using to describe itself. Unfortunately, the employees did not understand these new labels, and many members did not know what they meant for who the company was becoming.

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This state of ambiguity about the meaning of the organization's identity labels represents the second form of identity change in process. At Bozkinetic, identity ambiguity was actually increased by top management's creation of new labels that held little meaning for the membership. Yet identity ambiguity could have emerged even if top management had not introduced these new labels, because the old labels (applicable to the company while it was part of its parent) probably would not have been as meaningful to employees. Either way, ambiguity is likely to have arisen as members sought to understand what it meant to be an independent company and whether their old identity labels applied. Thus, whether the ambiguity arises because new labels hold no meaning or because old labels have lost their meaning, the result is similar: the equivocality of meaning facilitates identity change via meaning change.

Because ambiguity involves equivocality of meanings, it is not surprising that identity ambiguity led to more of a meanings-based form of identity change, as opposed to a labels-based change. When identity labels lose their meanings enough for ambiguity to arise, the potential for identity change is strong. If we have labels to describe ourselves, but their meaning is not clear to us, who are we really? What is our identity? Answers to such questions are likely to result in different meanings being applied to the identity labels, and as those meanings become clearer or take on significance for members, the identity represented by the labels changes. Thus identity ambiguity represents a state of identity destabilization, and the process of filling the void of ambiguity with meaning can facilitate identity change.

One of the unexpected but enlightening findings of this study involved the juxtaposition of both planned and unplanned aspects of identity change and their relationships to changes in labels and meanings. Clearly, Bozkinetic intended to change and worked hard at trying to develop a new sense of organizational identity. Just as clearly, there were strong unintended aspects involved with the change effort. One possible upshot of our findings is the suggestion that intentional (planned) change is more likely to revolve around labels-based identity change (Fiol, 2002), whereas more unintentional (unplanned) change is more likely to revolve around meanings-based identity change. The labels-based form is similar to other forms of organizational change that occur via various "signaling" processes; the meanings-based form is arguably more subtle and distinctive (Corley and Gioia, 2003) and therefore has more potential for unique contributions to changing identity. One practical implication of this finding is to make identity change issues more salient to change leaders. Doing so would encourage more attention to these more subtle aspects, as well as better sensegiving processes that are better timed to help members with their sensemaking.

From a more overarching view, it is apparent that achieving identity change involves both cognitive and behavioral approaches. An important part of what changed was members' perceptions of Bozkinetic in the competitive world, independent from Bozco. In this sense, identity change was very much a cognitive enterprise, one that provoked execu-

tives to realize that they too needed to see it as a cognitive enterprise and engage in sensegiving activities such as increased branding efforts and modeling of behaviors associated with the desired future image. Actions in support of identity change seemed to matter more later in the process, perhaps because behaviors translate concepts into action. In the “launch” stages of identity change, then, it is the cognitive aspect of identity that matters; for identity change to take hold, however, ideas need to be transformed into observable actions.

### Temporal Identity Discrepancies

Of the other concepts to come out of this study, perhaps the most interesting for understanding organizational identity change was the emergence of a heretofore understudied type of identity discrepancy, temporal identity discrepancies (for related work, see Brun, 2002; Chreim, 2002). In contrast to many of the identity discrepancies discussed in previous research that are based, explicitly or implicitly, on Festinger’s (1954) notion of social comparison—such as construed external image discrepancies (Gioia, Schultz, and Corley, 2000), current-ideal identity gaps (Reger et al., 1994), or identity-reputation discrepancies (Fombrun, 1996; Chreim, 2002)—the main feature of the temporal identity discrepancies at Bozkinetic was a grounding in time-based differences, a discrepancy more in line with Albert’s (1977) temporal comparison theory. Temporal identity discrepancies represent instances in which organization members recognize an inconsistency in identity claims when they compare a hoped-for future image with present or past identities that are still salient for them. Thus these discrepancies arise when perceptions of “who the company is” currently do not match with (1) some projected image of the company, (2) the perceived direction the company’s identity is taking, or (3) past identities, or who the company used to be (see Foreman and Whetten, 2002, for related work on discrepancies as applied to organizational identification).

Because past theorizing about the role of discrepancies in identity change has given little consideration to time-based incongruities, this finding represents an opportunity to understand more about why and how identity changes over time. Most conceptions of changing organizational identity are based in a “looking-glass self” approach (Cooley, 1902), in which members come to understand the organization’s identity and any need for changing it via social comparisons (Festinger, 1954) based on feedback received from outsiders. Changes in identity then arise from attempts to align identity perceptions with social feedback. Temporal identity discrepancies highlight the possibility that organizational identity change can be sparked internally, by insiders looking at desired future images or past identities and comparing them with current identity claims. Although Albert’s (1977) original theorizing about temporal comparisons was based on the assumption that their underlying motive involved maintaining stability of the self over time, he later expanded this to include the motive of recognizing changes in the self over time (Albert, 1992). Such theorizing is consistent with

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Markus and Kunda's (1986) discussions of the stability and malleability of the self at the micro level.

### **Change Overload**

The growing sense of change overload felt throughout the organization provided an initial context and impetus for the ambiguity to become noticeable. Change overload, although a second-order, researcher-generated term, was instantly recognizable and meaningful for our informants, helping demonstrate its credibility or face validity. Bozkinetic's experience of change overload stemmed from individuals' feelings of over-work, doing too many new activities, and declining commitment among employees. Yet our informants treated it as a collective concept that had gripped most of the organization. As a collective construct, change overload implies that Bozkinetic exceeded its comfortable or "characteristic level of change" (Jansen, 1996) and compares with Eby et al.'s (2000) notion of "readiness for change."

Change overload, although a straightforward idea, seems to capture a prevalent change dynamic. It has the kind of resonance with these other concepts that suggests deep-structure connections. Its strong presence in the midst of the identity ambiguity is intriguing because it represents a relationship between two concepts that have previously not been juxtaposed. Although more research is needed before a clear operationalization is possible, the notion of a collective sense of overload in the amount or intensity of change confronting an organization is a key theoretical finding from this study. It also holds practical significance in that it brings voice to a concern faced by any organization coping with change, not just those undergoing a spin-off or identity change. Hence, the concept of change overload is likely to be transferable to other organizations and contexts and can be thought of as a critical component in the effective management of change.

### **Transferability of Findings**

A reasonable question often arises concerning the transferability of case study findings, including grounded theory models, to wider domains. Although it is always potentially problematic to argue for extensions from case studies, this study has a number of features that suggest that the processes we found operating at Bozkinetic are likely to share commonalities with other domains. Clearly, the reasons for the spin-off could have an effect on identity change processes, but there is nothing unusual in the spin-off context we studied. In fact, the reasons for this specific spin-off (changes in the competitive environment indicating that an independent company would be more viable) are increasingly common, which lends confidence that similar processes are likely in other settings.

More generally, it seems fair to say that in any major change context, and perhaps especially a major identity change situation like a spin-off, there are likely to be ambiguities.

Although specific characteristics might differ, the processes associated with those ambiguities and their resolution that surfaced in this study would seem to apply to other locales as well. Overall, it is apparent that our informants' experi-

ences have commonalities with other domains, so the model seems plausibly transferable. There is little that is unique to Bozkinetic, in principle, about social referent change, temporal identity discrepancies, construed external image discrepancies, refining desired future image, or branding efforts. For that reason, we have confidence that the model itself is likely to have applicability beyond this particular study. In addition, the presence of such concepts in the grounded theory points up another advantage of the model: beyond its specifics, the model consolidates many issues and ideas into a coherent constellation of change-relevant features, and it is a model that can become increasingly useful over time.

Given the ubiquity and pace of major change efforts in modern organizations, the need to understand the processes underlying such change has become vital for researchers. The findings of this study indicate that the role played by organizational identity and its dynamism is an important subset of the broader study of organizational change processes. As past research has illustrated, significant change often implicates the organization's identity; this study suggests that if organizational identity changes, some form of identity ambiguity is likely. Our findings provide insight into the processes and factors underlying this identity ambiguity and change. The findings and grounded model thus serve as an initial, empirical step toward understanding organizational identity change in general, and subtractive-type change in spin-offs, in particular.

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