Responsible Identity Practices

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Abstract

In this paper we claim that organizational identity practices are intrinsically normative. We begin by defining organizational identity as a *practice*, and subsequently introduce the Aristotelian concept of *practical wisdom* as a conceptual framework within which to evaluate the ethical normativity of specific organizational identity practices. Within this framework, we used the methodology of phronetic social science—which encourages scholars to describe and deliberate about what they observe rather than seeking to explain or predict—to study two organizations as they recursively discussed and enacted their organizational identities. We then evaluate these practices and identify specific ways in which these organizations could be more ethically responsible. We conclude that organizational identity research should take into account the normative or ethical dimensions of practice, and that philosophical and psychological practical wisdom literatures should devote more attention to the concept's social dimensions.

Key words: Identity, practice, wisdom, ethically responsible, common good

Introduction

Despite a considerable amount of theoretical and empirical research about organizational identity, the concept's ontological and epistemological status remains the subject of debate. What is clear, however, is that many authors share an assumption that organizational identity is important for both organization theory and management practice. Given its importance, it is perhaps surprising that relatively little scholarship has to date addressed the connection between organizational identity and ethics. Our specific purpose in this paper is to argue that the practice of organizational identity is intrinsically normative.

In the spirit of what Bourdieu (1990) called "fieldwork of philosophy," our approach is 'phronetic social science' (Flyvberg, 2001; Eikeland, 2001; Calori, 2002; Roos, 2005). Rather than generating propositional theory and/or testable hypotheses, this approach aspires to influence organizational practice in a positive way. Specifically, we describe the organizational identity practices we observe, deliberate about their normativity in light of a particular ethical concept, and then in reference to this concept, take a stance about the extent to which these practices are in fact responsible.

In the first section we briefly review the literature on organizational identity and define it *as a practice*. We then introduce practical wisdom (Aristotle, 1984) and the balance theory (Sternberg, 2001) as a conceptual framework to describe the normativity of practice. Next, we outline our research methodology and present illustrative case studies of two organizations' identity practices. We then deliberate about these cases using the balance theory and consider the implications of these deliberations for the literatures on organizational identity and practical wisdom.

Organizational Identity as a Practice

Organizational identity is an empirical, theoretical and practical construct of psychological and social phenomena, which can be used to enhance understanding of organizational processes (Haslam et al., 2003). Originally defined as "that which members believe to be central, enduring, and distinctive about their organization" (Albert and Whetten, 1985), the extent to which an identity must be enduring has

more recently been called into question (Gioia et al., 2000). Other definitions of organization identity hold that it reflects an organization's central and distinguishing attributes including core values, organizational culture, modes of performance, and products (Elsbach and Kramer, 1996), or a collective, commonly shared understanding of the organization's distinctive values and characteristics (Hatch and Schultz, 1997).

The wide variety of definitions stem from some fundamental dichotomies related to whether one sees organizational identity as shared beliefs or institutionalised claims (Whetten and Mackey, 2002), a process or a thing (Ravasi and van Rekom, 2003), or a macro or micro phenomenon (Brickson, 2000), which influence whether one studies it as a functionalist/social realist, interpretive/constructionist and post-modern phenomenon (Gioia, 1998). Many researchers see identity not as a rigid and enduring taxonomic position, but as more a mutable, contingent, and situationally dependent set of meanings (Brown and Starkey, 2000; Gioia and Thomas, 1996; Gioia et al., 2000). For example, Fiol (2001) proposes that organizational identity is a set of meanings that is socially-constructed rather than essentialist, the product of intersubjective, shared perceptions and understandings of the organization and its broad environment.

Orlikowski (2002: 257) has argued that "actively and recurrently producing a distinctive and shared…identity" can itself be thought of as an organizational *practice*. In an effort to move beyond the opposition between objectivism and subjectivism present in so much of the current organizational identity discourse, we conceptualise organizational identity as a practice that can simultaneously evoke prior meanings and create conditions for new ones. This conception draws on Giddens (1984), who sought to overcome the paralyzing dichotomization of "structure"[i] and "agency" by proposing that social structures constitute and are constituted by human action, with structure and agency mutually embedded in 'structuration' practices. Thus, structures can serve both as media and outcomes of the practices they recursively organize. Our conception also draws on Bourdieu's notion of *habitus*, which refers to a system of durable dispositions, structures or principles that it is "constituted in practice and is always oriented towards practical functions" (Bourdieu: 1990: 52). Conceptualizing organizational identity as a practice integrates both elements of this duality of structure, allowing us to focus on the recursive relationship between process and outcome.

The normative dimensions of practice have been repeatedly emphasized by many different philosophers and social theorists (e.g., MacIntyre, 1981; Bourdieu, 1990; Habermas, 1990;

4

Nussbaum, 2001, etc.). Following these arguments, it is clear that practice is never value-free, but instead functions as a differentiation of good from bad in reference to explicitly ethical concepts such as appropriateness (Gadamer, [1960] 2004), responsibility (Levinas, 1996) and justice (Derrida, 1990). In this sense, we suggest that the practice of organizational identity calls for critical reflection that seeks to clarify more precisely its normative aspects in general, as well as to identify specific practices of organizational identity that are normatively positive or negative.

Because conceptualizing organizational identity as a practice calls for a focus on processes, outcomes and normativity, our further exploration of these concepts calls for a conceptual framework that can accommodate these various elements, as well as a research methodology consistent with this framework.

Practical Wisdom as a Conceptual Framework

In order to develop a framework appropriate for understanding organizational identity as defined above, we draw on a particular concept that has proven quite robust over thousands of years as a way to describe and deliberate about ethically optimal practices: practical wisdom. Aristotle (1962) defined practical wisdom (Greek 'phronesis') as *the virtuous habit of making decisions and taking actions that serve the common good*, especially in the face of ambiguous or uncertain circumstances. Drawing on this definition, we use the term 'practical wisdom' to refer to an optimal (i.e., 'virtuous') practice of dealing with organizational challenges. The concept of practical wisdom does not therefore refer to 'the right answer' or to 'the capacity to generate the right answer' – i.e., it refers neither to a piece of knowledge nor to the person who might have it – but instead, to an habituated pattern of human actions that can be judged normatively positive both in terms of its process and its outcome. According to this definition, the manager whose actions exhibit the quality of practical wisdom remains constrained to some extent by fate, luck and contextual circumstances – and yet precisely in view of such circumstances, s/he acts in such a way as to enact the well-being (Greek 'eudaimonia') of the organization.

While organizational theorists have begun to use the concept of practical wisdom to describe how strategists and leaders deal ethically and effectively with uncertainty (Clegg and Ross Smith, 2003;

Taylor, 1993; Tsoukas and Cummings; 1997; Wilson and Jarzabkowski; 2004), the relevance of the concept to organizational identity has not yet been established.[ii]

Having defined organizational identity as a practice however, we are now in a position to establish this link. Specifically, we draw on the 'balance theory' (Sternberg, 1998; 2001; 2004) that refers to practical wisdom as:

"…the application of intelligence, creativity, and knowledge to the common good by balancing intrapersonal (one's own), interpersonal (others'), and extrapersonal (institutional or other larger) interests over the long and short terms, through the mediation of values, so as to adopt to, shape and select environments" (Sternberg, 2004: 287).[iii]

The balance theory addresses the habituated aspects of practical wisdom in terms of tacit knowledge (Polanyi, 1966). Furthermore, the balance theory indicates that every expression of our tacit knowledge is mediated through our values (Kohlberg, 1969; 1976) and thereby involves ethical normativity. Finally, the balance theory uses the term 'common good' to describe the ethically normative goal or outcome of practically wise action.

Rather than attempting to assess the ethical value of one particular outcome versus another, in this paper we assert that any action based on tacit knowledge and mediated by values *exemplifies the common good at the level of practice*, precisely to the extent that two distinct balances are struck: 1) balance of interests, and 2) balance of responses to the environment. The first of these balances involves intra-personal (i.e., self, whether in terms of prestige, power, money, knowledge, etc.), interpersonal (i.e., group or social, again in various terms) and/or extrapersonal (i.e., institutional or transcendental) interests (Sternberg, 2001: 231). As we will see in the case data presented below, this balance of interests can be enacted in practice through the inclusion and/or exclusion of specific stakeholders in the recursive representation of the organization's identity. The second balance involves adapting (i.e., conforming to existing circumstances), shaping (i.e., changing existing environmental circumstances) and selecting (i.e., choosing entirely new circumstances for action) (Sternberg, 2001: 231). Similarly, this balance of responses will become evident in our examples as the way organizational members recursively enact the relationship between their shared identity and its environment.

We should be clear however that no particular set of interests or responses to environments is ethically good or bad *a priori*. Similarly, the metaphor of a balance does not indicate that some 'middle ground' exists that should be identified in advance without consideration of the context for action. Instead, the normative value of specific organizational identity practices can be identified as the extent to which these balances are struck in the unique and concrete circumstances for action – if the balances are struck well, then the practice is normatively positive, and if they are not struck well, then the practice is normatively negative. In sum, practical wisdom provides a conceptual framework that is appropriate for describing and deliberating about the normativity of organizational identity practices.

Two Illustrative Cases

Research methodology

Having introduced practical wisdom as a conceptual framework appropriate for the process, outcome and normativity of organizational identity practice, we now need a methodology that is consistent with this framework. Building on the work of Pierre Bourdieu, Michel Serres, Clifford Geertz, Roland Christensen and Richard Rorty, Flyvbjerg (2001) has develop precisely such a methodology, called 'phronetic social science' (cf. also Eikeland, 2001; Calori, 2002; Roos, 2005). This approach focuses on practices and values, and it encourages close contact between researcher and organizational reality. It seeks to develop case studies through rich description, and it presents these studies as interpretations that remain subject (with respect to their validity) to comparison to other interpretations developed through similar or alternative methods.

Method

We gathered data in two organizations – one an international NGO focused on helping home-less children, and the other a global company in the paint industry – using methods that are coherent with the methodological principles of phronetic social science. The period of data gathering lasted 15 months in the first case, and 8 months in the second. During these periods of time, we maintained close contact with senior executives via meetings, conference calls, and email; additionally, we

reviewed internal organizational documents and gathered secondary data on the organizations. With both organizations, we also facilitated serious play (Roos and Victor, 1999; Roos *et al.* 2004) interventions in the context of management retreats, during which the participants constructed and discussed three-dimensional models of the organization identity. During these events, we took participant-observation notes and captured visual data on videotape. Based on the rich descriptions we generated, we developed preliminary interpretations of the data that we presented to the executives for verification. The findings that we present here incorporate the feedback provided by these executives.

Commonly used psychological theories on identity suggest that identity becomes particularly salient when it is explicitly addressed and reflected on (e.g. Moshman, 1998). When members of an organization describe their identity, they make implicit claims about what they deem to be salient characteristics, and these claims both enable and constrain possibilities for action. We therefore devote particular attention in our interpretations below to the data gathered through the serious play intervention method because it was on those occasions when the organizational members were both enacting and reflecting on their organizational identity.

Case Illustration #1: NGO

Background

The NGO organization was founded in Bern, Switzerland in the 1950's with the mission of providing specialized health care services to chronically ill children. Its founder, Sven Bieber, had himself been orphaned and badly wounded during WWII, and he had been taken in by a small village clinic in Holland, where a kindly nurse had patiently assisted him through a period of convalescence that lasted several years. Bieber's experiences provided the basis for NGO's unique organizational model, which focused on the development and operation of residential care facilities in poverty-stricken communities. These facilities, referred to as 'nests', were deliberately kept small, housing no more than fifteen children at a time, and managed by a 'mother bird' who sought to provide excellent care as well as a family environment for the patients. The model proved so successful that the organization grew over the following decades to include thousands of 'nests', grouped in regional associations and spread throughout eighty different countries across the world.

With the rise of the AIDS epidemic, the organization had begun to struggle to accommodate to the exponentially-increasing need for its residential services, especially in Africa. Specifically, some of the 'mother birds' were so overwhelmed with requests for services, that they began to abandon the 'nest' entirely and focus their attention (and resources) instead on the education of other adults within the community to provide basic services to the increasing number of children suffering from AIDS. Moreover, some of these women began to focus their educational efforts on disease prevention strategies for the adults themselves. These new services represented a significant departure from NGO's traditional focus on children, as well as from its traditional mode of operation, and although some of the national and regional directors supported the shift, others did not. In turn, there was considerable disagreement among the organization's leadership team about whether or not to allow (much less encourage) the spread of such experimental activities throughout the organization.

In late 2001, one of the African regional directors contacted us to explore the possibility of designing an intervention to facilitate a strategic dialogue within the leadership team about this issue. Together with him and a program director from the Bern headquarters, we designed a one and half-day retreat in which the 10 members of the leadership team would gather in Granada, Spain to reflect on the NGO organizational identity, especially including the 'nest' and 'mother bird' concepts. This exercise would serve as an input to a strategy development process that would take place during the following four days.

Practices

The retreat began with a series of warm-up exercises through which participants became familiar and comfortable with the use of the three-dimensional medium of LEGO materials in a playful mode to express themselves. Then the participants were asked to build models that represented their personal views of the identity of the NGO organization. Once these personal stories had been shared and discussed, participants were asked collectively to build a single model that expressed their shared view of the NGO organizational identity. They were specifically instructed to use important details of the individual models and build a representation that expressed the organization's identity as they saw it at that point in time.

The group ended up with a three-dimensional metaphorical representation of the NGO organizational identity as a tree. The roots of the organization represented the post-WWII history of the organization,

its founder Sven Bieber, and the basic organizational principles of the 'nest' and the 'mother bird'. The trunk of the tree represented the strategic vision of the NGO organization, which was to provide a 'nest' in which children could deal with chronic illness, including an umbrella structure that provided physical security, nutrition, respect of their rights, a family atmosphere, and love. These additional elements allow the organization to build emotional self-confidence in the children as well as serve their physical well-being.

The branches of the tree represented the positive presence of the organization in the community. Specifically, there was a ladder representing the organization's endeavour to give sick children a future, and there were healthy adults sitting on top of the ladder. These branches also stretched out to include all the different contributions made by the organization to the development of local communities, including primary health care, education, and emergency relief. The leaves and fruits of the tree were the values shared by NGO staff members and their stakeholders, including animal metaphors such as: 1) a tiger representing the courage to innovate and try out new things; 2) an elephant representing strong commitment to the health and welfare of children; and 3) a horse representing trust among the NGO staff and accountability to donors and other stakeholders, including national governments and international aid organizations. The group also recognized that specific aspects of each of these metaphorical elements of the organization's identity were 'red flags' that threatened to disrupt the organization's activities. At the level of the roots, the founder was placed in a 'bubble of sacredness', which prevented anyone in the organization from reflecting critically on him or his legacy. Also in the roots, the mother bird was represented with a net over her head, which prevented her from flying too far away from the tree.

At the level of the trunk of the tree, the nest had high walls around it. These walls were initially constructed to represent the way in which the organization provided children with a haven from the violence and disease that are commonplace in impoverished communities around the world. And yet as the group discussed these walls, some of the team members began to insist that the walls were keeping the children and the mother bird inside, and that the impact of the organization on the community would be increased if they were broken down instead. Tangled up in the branches of the tree were the organization's regional directors, and the group depicted these people as obstacles to the smooth flow of information between the HQ's and the local operations. Some of the regional directors were represented falling asleep, while others wore cowboy hats and bandit masks, while

others faced down and backward toward the historical roots of the organization rather than up and outward toward the emerging needs within the local communities.

Finally, among the leaves and fruits shared as values among NGO staff members and stakeholders, the tiger that represented courage to innovate and try new things was tied down by bureaucracy. The horse was chained down by the lack of clear communication about performance measurement. The conversation among the group about this chain included an extensive set of reflections about the shame and guilt they felt in view of the allegation, implicit in a performance measurement process, that they were not optimally effective, and that they were wasting donor resources that could be spent on the children. In this sense, the group felt that people in the organization struggled to trust each other because they did not have consistent information about what was happening in other communities around the world. And in turn, the group felt that the donors and other stakeholders struggled to trust the organization's capacity to complete its mission because it did not have a way to measure and compare the performance of different operations.

Case Illustration #2: Colours Inc.

From the time of its founding in the 1920s in Germany, Colours Inc. had remained a closely-held family business selling industrial paints. Beginning in the 1960s, the company had begun a large scale and highly successful international expansion. By 2004, roughly three-quarters of the company's employees were located in some 30 other countries around the world, and a combination of mergers and organic growth had led the company's revenues to approach US$1 billion.

Concern about the quality of some of the paint company's customer relationships around the world led the company to initiate what was referred to as a "customer-focused strategy" in 2003. A senior human resources manager from Colours Inc. contacted us to explore ways of implementing this new strategy through use of a facilitated workshop that would be integrated into an established management development programme. Together with the human resource manager, we developed a two-day program aimed at helping a diverse group of managers from various country operations better understand their role in implementing the new strategy by inviting them to build representations of the organization's identity and its customers.

Practices

In February 2004, 20 participants gathered at a site located in one of Colours Inc.'s newer markets, and were divided into two groups of 10. Each group included participants from a variety of different company operations, although the international operations were somewhat disproportionately represented in Group 2. Following some warm-up activities, each participant was asked to build an individual model of Colours Inc's identity, which they then presented to their group for discussion. Individuals in both groups included some critical views about Colours Inc. in their identity constructions; an occurrence that several participants indicated to facilitators during the break surprised them. Subsequently, each group was asked to work collectively to build a group model representing the identity of Colours Inc.

Group 1 built a single consolidated model of company identity, which eliminated everything of a critical nature that had been included in the individual models. The model consisted only of a "peacock"[iv] "heart," and "family" to represent to organization's identity. When challenged by the facilitator about the fact that their critical comments were not evident in the group model, several individuals simply pointed to the three core symbols and said "it" was all contained in these elements. Indeed, these three symbols appeared to include a variety of meanings. The role of "family" in the company's identity was particularly complicated, as at times it referred to the founding family, a "family-style" way of working internally, or even treating customers like "family". Similarly, the heart symbolized at different times implied compassion and supportiveness within the company, a kindly and helpful attitude towards customers, or even concern and respect for environment. The peacock symbol seemed to include strong elements of a brand identity, but also adaptability, friendliness, family connection, and professionalism.

The model constructed by Group 2 was quite different. Group 2's model was a more elaborate and analytical representation of the organization's structure and values, including a symbol representing its German cultural heritage. Several critical elements—for example, overly complex processes—were also included, but no mention was made of peacocks or hearts. In particular, one participant from China insisted that these symbols were simply not relevant in her part of the organization.

After these constructions were completed and fully discussed within the groups, each group then took turns describing its identity representations to the other. At this point, strong disagreements between the groups ensued, leading several group members to become visibly tense and upset. Individuals from Group 1 found Group 2's construction overly complicated and critical. Several members of Group

2 commented that Group 1 appeared to be living in a "dream world". This concluded the end of the first day of building, and that evening all participants were invited to a large and generous dinner hosted by a leading company manager. A member of the founding family who was also a company board member attended this dinner. In his welcoming comments, this individual made explicit mention of "peacock identity," in addition to the close-knit familial feeling of the organization.

In the morning of the second day, participants were invited to revise their identity constructions from the previous day. Group 2 appeared to regret having built a model of Colours Inc. that showed the organization in a somewhat critical and complex light. Their interactions were notably more subdued and pensive than they had been during the group construction and presentation on the previous afternoon. Enthusiasm and energy seemed to return when the group set about vigorously revising and simplifying their own construction to focus on more traditional identity symbols such as the peacock and the company's logo. This revised construction represented a complete backtrack from the group's assertion the previous day that their organization was highly complex, and that the peacock need not be included in its identity representation.

The next step was to invite both groups to construct models of what they deemed to be their most important customers, and place these models around their organizational identity construction. The intention was to illustrate important attributes of the customer relationships and reflect on how important customers viewed Colours Inc's various identity attributes. Participants at each table then modified their collective identity constructions in light of the additional "external, customer" information, and presented their results to the other group. The placement of customer models demonstrated that some customers were close to the company because of a perceived shared set of values, while others were in a semi-close but non-committed relationship with Colours Inc., and still others were actually very distant from Colours Inc.'s identity representation. There was much discussion of – and some disagreement about – changes in customer demands, its implications for Colours Inc.'s identity, and its impact on how Colours Inc. develops and manages business. Some participants believed customers found Colours Inc.'s traditional symbols irrelevant, while others believed these were of critical importance. Group 1 hurriedly removed these customer constructions after the "customer model-building" part of the session was declared over, however, they very carefully left the three core symbols untouched in the middle of the table. Group 2 also removed the customer representations quickly, but they also took the opportunity to radically simplify their organizational identity

representation to include just a few core elements, including peacock, heart, and family. In doing so, they over-rode objections from the Chinese woman, who commented that her customers were far more interested in obtaining the lowest price than with these identity symbols.

Interpretations and Deliberations

The Balance of Interests

We now use the balance theory of practical wisdom as a conceptual framework to interpret the various ways in which the organizational identity practices in the two cases balanced intra-personal, interpersonal and/or extrapersonal interests (Sternberg, 2001).

Beginning with the case of NGO, extrapersonal interests pertaining to their organizational identity were evidenced by three key elements: the children, the donors and the founder's ideal. The children's interests were placed at the heart of the model, represented in the trunk of the tree as the 'nest', in the branches as the ladder providing them with a future, in the leaves of the tree, where the elephant represents a commitment to the welfare of the children, etc. Other extrapersonal interests included the representation of the community in the branches of the tree, and the donors, whose interest in accountability appeared in the fruits and leaves of the tree. Finally, it seems that the 'founder's ideal' could also be considered an extrapersonal interest.

As for interpersonal interests, within the NGO organization and within the leadership team, these were represented by walls built by the organization that both protected them from the threats of the outside world, and at the same time, constrained them from reaching out more effectively to the community. Additionally, the representation in the leaves and fruits of the values shared by staff members and stakeholders provided evidence of interpersonal interests, as did the horse representing trust among the staff. More reflexively, the red flags represented a shared, interpersonal interest in the smooth implementation of the strategy that the leadership team had developed. Specifically, the regional directors appeared as obstacles to the smooth flows of information within the organization – and this depiction provided evidence of a shared, interpersonal interest in the smooth flow of information. Another negative illustration of a shared interpersonal interest is the problem of performance measurement, represented as a chain restricting the horse of trust.

Finally, at an intrapersonal level, we did not see extensive evidence with NGO of the leadership team members' own individual interests, with the exception of the discussion about performance measurement. This discussion made it clear that each of them took great pride in their selfless devotion to the work of NGO, especially in the effectiveness with which they personally served the interests of the children.

Continuing with the case of Colours, Inc., the importance of extrapersonal interests first became apparent due to the explicit focus on considering customer interests. Participants believed customers viewed the organization's identity symbols such as the peacock in a variety of ways—for some, it was thought to be quite important, while for others—it was perceived as irrelevant. The importance they placed on taking the external customers' interests into account was evident when they modified their identity constructions to focus even more intently on the peacock, heart and family. Nonetheless, both groups sought to remove the extrapersonal "customers" at the first opportunity. This acknowledgement of the customer interest was also mediated by a discussion of the founding "German" ideals of the organization, as illustrated by the use of a national symbol in the second group's construction. The surprise that participants expressed in realizing how *differentiated* the company's customers really were led the group to rethink its consideration of the extrapersonal interests of "customers" as a homogenous whole, in favour of focusing on sub-groups and even individual customers separately.

In terms of interpersonal interests, the importance of the "family"-style way of working was emphasized for Colours, Inc., combined with the heart representing a compassionate, mutually supportive way of working. These values were strengthened by the speech given by the founder's grandson at the end of the first day. The debate between the two groups concerning the veracity of the use of the three core symbols to fully describe the organization's identity—combined with the second group's decision to backtrack and adopt these three symbols—provided further evidence of the balance of interpersonal interests. Nevertheless, some voices were largely ignored, such as the Chinese woman's comment that her customers were only really interested in lower prices rather than the organization's identity attributes.

Regarding intrapersonal interests, several Colours, Inc. participants struggled to reconcile the very different opinions some participants expressed about the organization with their own personal views. Several individuals clearly identified personally quite closely with the peacock, family, and heart, and

resisted at an emotional level the notion that these values might no longer be considered relevant for the organization. Other participants seemed to express no intrapersonal interest in the core identity symbols themselves; rather, they indicated stronger interest in generating greater short term revenues for their own parts of the business through simply offering customers lower prices.

The Balance of Responses

Focusing on the balance of responses component of the balance theory of practical wisdom, we now interpret the various ways in which the organizational identity practices in the two cases balanced adaptation to the existing environment, shaping of the existing environment and selection of new environments in which to act (Sternberg, 2001).

The basic metaphor of the tree rooted in the founder's untouchable ideal suggested that the NGO organization was slow moving and not very *adaptive*. This lack of adaptation was similarly evidenced by walls of the village preventing the mother birds from flying out to respond to the rising AIDS epidemic. At the same time, the fact that the mother birds were depicted as wanting to fly, rather than simply to nest, resonated with the strategic challenge that had inspired the workshop design, and indicated that certain people within the NGO organization were already adapting in new and different ways to change in the environment.

With respect to *shaping* the environment, the entire mission and activity of the NGO organization could be thought of as an attempt to shape the lives of sick children in impoverished communities. In this sense, NGO has over the course of its history been remarkably effective, as evidenced by its expansion throughout the world. Of course, its capacity to shape the lives of children in impoverished communities has arguably been reduced by changes in the environment, and by its subsequent unwillingness (or inability) to extend its reach and broaden its range of services.

In this light, while some members of the NGO management team appeared to exhibit *selective* responses to the environment by advocating new prevention strategies in the communities beyond the walls of the village, the majority appeared to continue the historical practice of remaining within the walls. The clearest representation of this tension within NGO's organizational identity was the tiger, fierce and ready to attack new problems, but tied down by the organization's bureaucracy.

Colours Inc. largely resisted *adapting* to environmental signals represented by differentiated customer representations and participants from non-German operations. The participants demonstrated a strong desire for internal conformity and conflict avoidance, which on a micro level led the two groups to adapt and push relatively quickly towards a convergence of views on organizational identity representations. On a macro level, this convergence in views could be seen as a decrease in the variety of adaptive responses for the organization. In this sense, while the peacock represented an adaptive orientation in the organization, the fact that participants clung to this symbol in opposition to all evidence to the contrary indicated a relative lack of adaptability.

Regarding *shaping*, the Colours Inc. participants' projection of the organization's core identity attributes on the market—for example, treating customers like "family"—may have been evidence of shaping responses. The debate about whether these attributes worked to differentiate them in the market in places such as China provided further evidence that the group was concerned with shaping the environment.

As a profitable and growing company, Colours Inc. planned to continue its international expansion to new markets, and in this respect the group seemed to be *selecting* new markets in which to thrive. However, these selective organizational responses appeared to be restricted due to the organization's attachment to the core identity representations of the peacock.

Summary Deliberations

According to the conceptual framework introduced above, organizational identity practices can be considered normatively positive (i.e., ethically responsible) to the extent that they strike the two balances associated with practical wisdom, namely, the balance of interests and the balance of responses to the environment (Sternberg, 2001). In keeping with our phronetic research methodology, we have in the preceding section sought to *describe* the various ways in which organizational identity practices at NGO and Colours Inc. did, or did not appear to strike those two balances. Guided by this same methodology, we now turn to *deliberate* about those same practices and make normative judgements about the extent to which they appeared to exemplify practical wisdom.

In our view, both of the organizations are currently out of balance, and thus not as ethically responsible as they could be. More specifically, we claim that NGO's identity practices exhibit an over-emphasis on extrapersonal interests. They would be wiser (i.e., more ethically responsible) if they

focused on interpersonal interests, dealing with their heritage and implementing performance measurement. Similarly, we claim that NGO's identity practices exhibit an over-emphasis on shaping the environment, based on an outdated conception of a) the needs of children, and b) their operational model. They would therefore be more practically wise to place additional emphasis on adapting their operational model to fit those needs, and/or selecting new environments.

Regarding Colours Inc., we claim that their identity practices over-emphasize interpersonal interests. They are too obsessed with how they work together, to the exclusion of the interests of their customers and the outside world more broadly. They continue to try to shape the environment based on an outdated view of who the important external players are, even though these needs are changing. They would therefore be more practically wise to consider how to be better aware of – and adaptively respond to – emerging circumstances in their environment.

We present these deliberations as normative judgments of the ethical responsibility of specific organizational identity practices. As we stated at the outset, phronetic social science does not aspire to generate prepositional theory or testable hypotheses, but instead, to influence organizational practice in a positive way. In this sense, the pragmatic purpose of presenting these deliberations is first and foremost to provide the NGO and Colours Inc. organizational members with specific points of reflection. Additional phronetic research focused on this case data could take the form of conversations with the participants themselves concerning our deliberations, or even additional collaboration using the interventions methods described above.

Implications

The overall purpose of this paper was to claim that organizational identity practices are intrinsically normative. We began by defining organizational identity as a practice, and we introduced practical wisdom as a conceptual framework within which to evaluate the ethical normativity of specific organizational identity practices. Within this framework, we selected the methodology of phronetic social science to study two organizations as they recursively discussed and enacted their organizational identities. We evaluated these practices and identified specific ways in which these organizations could be more ethically responsible, i.e., practically wise. We now outline in brief the

implications of these claims for the streams of literature focused on organizational identity and practical wisdom.

We propose that the debilitating dichotomies (e.g., process/outcome, etc.) within the organizational identity field may be overcome by defining organizational identity as a practice. The further implication of this claim is that all organizational identity research should take into account the normative or ethical dimensions of practice. Within the practical wisdom literature, the dominant tendency is to view it as an individual-level phenomenon. We accept this tendency, but insist nevertheless that it remains important to take note of the ways in which this phenomenon *always* takes place in a particular social context. In this sense, the philosophical and psychological practical wisdom literatures should devote more attention to its social dimensions. Our research takes an initial step in this direction, by using the concept of practical wisdom metaphorically as a way to deliberate about the ethical character of organizational identity practices.

We are aware that the framework we have developed and applied carries certain limitations. We found it difficult, using the balance theory, to describe a status quo lack of response to environment, and to differentiate 'internal' from 'external' factors in the organizational environment. Additionally, we have not adequately explored the tacit knowledge component of the balance theory, though our data-gathering methods seem to provide a uniquely effective way to access these dimensions of experience (cf. Jung, 1961; Barry, 1994). Using such methods, future empirical research may fruitfully explore the recursive relationship between identity and image at the level of practice.

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[i] Structure(s) are "rules, resources, or sets of transformational relations organized as properties of social systems" (Giddens, 1984:25)

[ii] This problem opens up an entirely different set of debates about the extent to which it is possible to extend ethical responsibility beyond the individual to include groups of people such as organizations or societies. Hannah Arendt's *Eichmann in Jerusalem* provides one poignant example of this problematic, considering the extent to which moral responsibility for the Holocaust could or should be assigned to the individuals who were 'just following orders' or, by contrast, to the society within which such norms of behavior were created, sanctioned and even prized. Of course, the history of jurisprudence is based primarily on the notion of individual responsibility, though it is interesting to note (following Nietzsche, Foucault, Butler, etc.) how the metaphysical concept of the subject has itself been created as a way to hold people liable for property debts. On this account, we are drawn to more recent developments in philosophy that suggest that the individual subject emerges only on the basis of a more primary relational, intersubjective being (cf. Merleau-Ponty). In this sense, we suggest the heroic notion of practical wisdom as an individual virtue needs to be replaced with a post-heroic concept that grants primacy to the social milieu – and indeed, while we cannot fully pursue this line of thought here, we suggest that Bourdieu's characterization of the optimal relationship to the 'habitus' as 'playing the game' may provide precisely such a concept.

[iii] Other researchers in the field of psychology have characterized practical wisdom as an expert knowledge system (Baltes and Kuntzman, 2004), as the application of intelligence, creativity and knowledge (Sternberg, 2004), and as an integration of cognitive, reflective and affective personality characteristics (Ardelt, 2004). Practical wisdom has also been associated with positive human qualities such as good judgment skills, psychological health, humour, autonomy, and maturity (Ardelt, 2004). Educational psychologists have further emphasized the importance of imagination for the development and exercise of wisdom (e.g., Noel, 1999). We choose Sternberg's notion because it allows us to focus on balancing as a practice that can be enacted in different spheres of organizational life.

[iv] A colourful bird was used as the logo, referred to in this paper as the "peacock".