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## **Organizational Identity Construction as a Control Mechanism**

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### **ABSTRACT**

This study examines how identities become constructed and regulated during a strategic organizational change process. Planning and implementing a strategy is a social process which consists of constructing, delivering, compelling, receiving, resisting and multiple contradicting meanings. The process includes multiple social factors influencing the strategy. The visions, notions, images, conceptions, assumptions and appreciation of members of an organization make the process dynamic and flexible. Thus, the strategy process is also always a matter of organizational change. By participating in the strategy process, the members produce meanings for the process and receive meanings produced somewhere else that shape their conceptions of the organization and of themselves. Another social process that takes place in organizations, and through which the meanings become negotiated, is identity formation. It is constructed in and around an organization, in its social and cultural interactions.

### **Keywords:**

Identity, Control, Strategy, Liquid modern

## **1. Introduction**

This study examines how identities become constructed and regulated (Alvesson & Willmott, 2002; Sveningsson & Alvesson, 2003) during a strategic, organizational change process. Planning and implementing a strategy is a social process which consists of constructing, delivering, compelling, receiving, resisting and multiple contradicting meanings. The strategy process is also always a matter of organizational change. By participating in the strategy process, the members of an organization produce meanings for the process and receive meanings produced somewhere else that shape their conceptions of the organization and of themselves (Ahrens & Chapman, 2007; Vaara & Whittington, 2012; Vaara & Reff Pedersen 2013; Whittle & Mueller, 2010). Another social process that takes place in organizations, and through which the meanings become negotiated, is identity formation. It is constructed in and around an organization, in its social and cultural interactions (Schultz, Maguire, Langley, & Tsoukas, 2012).

Organizational strategy is a modern control mechanism. It belongs to the era that Zygmunt Bauman (2000, also Kociatkiewicz & Kostera, 2014) named “solid modern”. It was an era of faith in progress, an effort to create societal and economic stability through the development of technology. Control mechanisms were immanent in these as stability was conceived as being reached by seizing. Therefore, the strategic management and organizational strategies that emerged in the early 1960s (Segal-Horn, 2004), which aim to stabilize the goals and actions of organizations by outlining boundaries for them, represent processes taking place in the solid modern era. This was then followed by the liquid modern era (Bauman, 2000). If the efforts to get rid of uncertainties and unknowns characterized the solid modern era, in the liquid modern era, change became the most influential phenomenon. The answer to problems of uncertainty was not to stabilize it, but instead, to conquer it with more uncertainty and speed up the change.

Ambivalence, rapid change and discontinuity became the norms in the liquid modern era (Kociatkiewicz & Kostera, 2014).

The liquid modern era also sets a challenge for strategy, especially for its classic school, whose primary concern is to maximize profit through rational planning (Segal-Horn, 2004). Strategic thinkers have had to adapt to continuous and speedy change in terms of society, competition, environment, stakeholders, and so on, that is the liquid modern. Thus, strategies are increasingly emergent and focus on what people are doing while they are strategizing (Whittington, 2006). Although the focus has turned to practices of strategy, questions of identity have also become important. We assume that identities are negotiated in strategy practices. Thus, identity formation, construction and regulation are an inherent part of practices in strategic change (Alvesson & Willmott, 2002).

This study aims to show one effect of the liquid modern era in a contemporary organizational strategy process by examining how two somewhat different, and even contradictory, strategy phases can exist simultaneously in an organization and how they lead to a floating condition for the personnel. We use the term ‘floating’ as a metaphor for the condition in which people do not know the exact direction of their actions. In a floating condition, their identity construction remains obscure because there does not exist clear framework and guidelines for it. Furthermore, it is argued that identity regulation as an organizational process and identity work as an individual process are considerable forms of action in strategic change, in the context of organizational discourse. It is not only a matter of congruence in strategy phases but also the tension between concordance and discordance in the reception of the phases. Therefore, in the reception of issues coming up, the strategic change it is a matter of how the members of an organization understand the meaning of the change: can they reach a relatively clear idea or does

it remain ambiguous? This tension is an immanent feature of the liquid modern era which makes the strategy practices uncertain.

Centrality of identity is seen as an important element of the liquid modern era because identity is a continuously changing project producing self-understanding (Edwards, 2009; Hall, 1992; Warnke, 2007). Implementing a strategy is a critical stage of change for an organization in which identities are supposed to meet and react to the demands of the strategy. The differences, deviations and inconsistencies between identities before, during and after the strategy process emphasize the project's character of identity formation. We follow Alvesson and Willmott (2002) by focusing on identity regulation as an organizational control, but instead of looking at management, we examine how symbolic control mechanisms built into the construction of the organizational identity are present during the strategy process. Symbolic control mechanisms are cultural and discursive objects (see Ricoeur, 1976; 1992) which signify and give meaning to the process of identity construction. In organizational reality, they can be artefacts which represent the values of the organization or sedimented and fixed ways of speaking in organizational discourse.

The strategy process contains many forms of social control, formal or informal, visible or non-visible, conscious or unconscious. We assume that the aim of implementing a strategy is shaping and reshaping the manner in which the members of an organization see themselves, and thus, have an influence on and control their self-understanding. It is then a matter of identity work by the organization's personnel (Alvesson & Willmott, 2002; Sveningsson & Alvesson, 2003). It also produces symbols and images that offer a point of comparison to members of an organization with which they can, and are, purported to identify. At the individual level, changes at the sociocultural level can function as control mechanisms by setting certain limits to, and directing the construction of, self-understanding. At the collective level, identity is one source of the shared

conception and image of the character of the organization. This conception contains knowledge about the different roles and positions of the members of the organization. Thus, identity defines and governs their agency and, in this sense, functions as a control mechanism (Andersen, 2004; Bryant, Darwin, & Booth, 2011; Mantere & Vaara, 2008).

The empirical part of the study consists of analysis of interview data collected at a relatively large Finnish bank. The bank is undergoing a strategic change and launched a vision that extends to the year 2025. The bank has condensed its strategic goal into two broad phases: being the leading bank in the Helsinki metropolitan area in 2025, and going back to their roots, which refers to their history as a co-operative organization. We follow the responses, reactions and interpretations of the two phases among the managers of different tiers of the bank organization. We examine how these sense-making processes are intertwined with identity and function as an identity control mechanism in the strategic change process. To fulfill the task, this study utilizes the six-item conception of identity regulation, developed by Alvesson and Willmott (2002), which provides a scheme for a detailed examination of the data.

This study contributes to the discussions about organizational identity, and we focus on the role of identity regulation as a symbolic control mechanism in organizational change (Alvesson & Willmott, 2002). The contribution is twofold. First, instead of concentrating solely on management practices, we investigate identity at the organizational level. The target organization is a high-level specialist organization and thus, the management practices in strategic change are not based on given orders. Instead, the strategic change has been carried out, at least apparently, by extensive negotiations among all levels of the organization. Second, we set the first issue in a broader context by elaborating on the ideas of the solid and fluid modern eras in a study of organizational strategy.

## **2. Organizational Change and Discourse: The Level(s) of Discourse of This Study**

Grant and Marshak (2011) distinguished five different discursive levels of organizational change. Firstly, we look at how these levels can be applied to the present study and locate the suitable level, or levels, for this study. Second, we discuss the concept of identity to highlight the ways in which it is connected to the discursive level of the study. The discursive approach to identity (Ricoeur, 1992; Singer, 2004) is suitable here because the study is based on a constructionist approach that emphasizes the use of language as a means of creating meanings (see Berger & Luckmann, 1966; Ricoeur, 1984, 1991a). Our preliminary argument is that when an organizational change occurs, it requires redefining organizational identity at all levels of the organization. The redefinition process of identity is the way the change becomes understandable to the members of the organization (Alvesson & Willmott, 2002). Organizational discourses fit a study of liquidity at the organizational level because they form an unstable, fragmented, multi-voiced and discordant field of communication, which is what liquidity deals with.

There is no single definition of discourse. In many cases, it has been connected to different kinds of uses of language. In the Foucauldian sense, discourse refers to a group of sentences or statements which comprise of objects and subjects (Alvesson & Kärreman, 2000). Ricoeur (1976, 1991a) elaborated on the relationship between discourse and text by putting forth the idea that discourse refers to a linguistic event or language use, and text is a discourse fixed by writing, that is, has reached temporal permanence. Broadly, discourse can be understood as set of interrelated texts that produce different ideas and objects (Grant & Marshak, 2011).

Grant and Marshak's (2011) five discursive levels are the intrapsychic-, micro-, meso-, macro- and meta-levels. In many cases, these levels are interdependent and exist simultaneously. This kind of perfusion of meaning is important in this study because we are interested in how the

meanings of the bank's strategy are interpreted at different levels of the organization. Although the levels of organizational discourse are not analytically in a hierarchy, the power of the actors who create, deliver and receive meanings may vary considerably. Thus, power struggles may occur at the discursive levels (see Musson & Duberley, 2007) among the actors involved in the strategic change which have an impact on the identity formation processes.

By telling stories, individuals explain and interpret a wide variety of events and incidents that happen to them, as well as issues they have heard about, or seen themselves, in the form of a story. As a result, people have inner stories with which they make sense of their lives. These inner stories are influenced and structured by a wide range of linguistic schemas, scripts, metaphors and frames. Grant and Marshak (2011) called this level of discourse the intrapsychic level. Although it can be considered the basic level for the formation of an individual identity, it is only partly in our focus because we are interested in the dynamics of collective identities. It is a matter of tension between the scripts and frames offered by the strategy and what kind of an influence they have on individual identities.

The second level of discourse, the micro-level, also concerns the individual level but emphasizes the language and metaphors people use to express their attitudes, values and connections to the organization (Grant & Marshak, 2011). Micro-level discourse is interesting to us because we looked for articulations of identity from the interview data. It is a matter of how individual-level conceptions of the strategy become uttered in discourses about identity. Solid modernity means compression of the interpretations of a strategy, but liquid modernity can be understood as an opening up of multiple possibilities and means for interpretation. Therefore, in the liquid modern era, the members of organizations meet a wide range of meanings through which they need to construct their identities.



The third level of discourse is the meso-level (Grant & Marshak, 2011). According to Alvesson and Kärreman (2000), meso-level discourse is based on language use but emphasizes its context. Thus, this type of discourse aims to discern patterns behind speech and texts and analyze them relative to other texts to identify how discourses form everyday social situations. Meso-level discourses are important because we are interested in exploring how the phases of the organizational strategy outline and shape identity (Brown, 2006). These kinds of discursive actions operate through social negotiations and construct the meanings given to conflicts, norms, values, and so forth, in organizations (Grant & Marshak, 2011). Furthermore, we assume that discursive control mechanisms are relevant at this level because certain strategic goals mentioned in the organization are the subjects of social negotiations. This reflects the liquid modern in the sense that strategic changes today are not as reliant on ties between the organization and its members. As Bauman (2000) stated, the workforce is no longer as stable as it was in the modern era, but is mobile instead. Workers do not expect to serve the same organization during their entire working career. Therefore, the contextual messages of the organization are also ambiguous, which emphasizes the meaning of identity work.

The macro-level discourse collects and integrates meso-level discursive interactions into broader ensembles of institutionalized conventions. Macro-level discourses are part of the cultural order of an organization, and they may contain knowledge on how to make sense of change at the organizational level. Furthermore, the role of macro-level discourse is important in the formation processes of hegemonic conceptions and attitudes, collective ideas and shared social practices in organizations (Grant & Marshak, 2011; Alvesson & Kärreman, 2000). In the case organization, the strategy is launched in a very dense linguistic form that leaves a lot of room for diverse interpretations and speculation. Becoming the leading Finnish bank in 2025 consists of uncertain

future expectations and requires prospective sense-making (Boje, 2008), and the phrase “back to the roots” refers to ideals of past times which have never been real.

The broadest level of discourse is the meta-level, which refers to the constitutional processes of certain discursive phenomena as diversity or organizational development and change. These phenomena are usually legitimized in societal and broader institutional spheres, and they exceed the organizational boundaries (Alvesson & Kärreman, 2000; Grant & Marshak, 2011). In this study, the bank justifies the strategic change by referring to issues such as globalization, prolific competition, decreasing costs, and current finances if the bank is the leading bank in 2025. Furthermore, the phrase “back to our roots” is justified and legitimized by customer satisfaction and soft values. These issues form the meta-level discourse. This reflects the idea that, in liquid modernity, the answer to uncertainty is increasing and accelerating multiplicity. Organizational strategies are opening up to the world.

### **3. Organizational Identity**

We start our elaboration of the concept of identity by following Gioia and Patvardhan (2012), who stated that identity is not a state of mind or affairs, but instead, should be understood as a process and flow. The history of the concept of identity is long-standing and broad. It encompasses Erik H. Erikson’s (1980 [1959]) elementary psychological theories of the development of an individual’s identity during his or her lifespan and identity crisis, profound discussions about the politics of identity (Calhoun, 1994; Goldberg, 1993; Hall, 1992, 1996, 1997; Somers & Gibson, 1994; Taylor, 1989, 1992) within ethnicity and racism debates, and introduces the idea of a narrative identity in philosophy (Ricoeur, 1991b, 1992).

Some attention should be paid to the processual and fluid character of identity. To say that identity is “not as an entity, per se, but rather as a process” (Gioia & Patvardhan, 2012, 51) reflects a significant change that occurred in the way identity has been conceptualized. In the tradition of psychology, identity was understood as the structure of an individual’s mind (Erikson, 1980 [1959]; Marcia, 1980), which contains ideas about an individual’s self-sameness and continuation and will become one during the phases of a lifespan. Thus, identity understood in this manner is an entity that is constructed during childhood and adolescence, becomes solid in adulthood, and can be the subject of an identity crisis if it falls apart for any reason.

Stuart Hall (1992; also 1996) distinguished three conceptions of identity: the subject of enlightenment, the sociological subject, and the postmodern subject, according to the era in which they were predominant (Hall does not make a clear distinction between the terms ‘subject’ and ‘identity’). Central to the subject of enlightenment is the idea that every individual has a solid core that remains the same throughout his or her whole lifetime. The substance of the core is the same as identity. The sociological subject is a product of the growing complexity of the modern era and dissolves the autonomy of the subject of enlightenment. The identity of the sociological subject forms in relation to (significant) others who convey the cultural meanings, values and symbols of society. For us, the most interesting identity is the last one, the postmodern subject. Social, economic, and industrial structures have fallen apart since the era of modernism, and that development has caused subjectivity and identities to fragment. A subject that was considered stable and coherent is replaced by multiple identities which are often contradictory and controversial. Identities are also in continuous motion and incomplete because they are composed of what they are not. They are constantly molded in relation to surrounding cultural representations

and thus, the traditional identity that used to be an entity has transformed into a flexible project in the postmodern era.

The flexible characteristic of identities is important in studying organizational change. As Sveningsson and Alvesson (2003) argued, members of an organization aspire to shape their identities amid multiple organizational discourses. In the present case, the strategic organizational change has continued for a relatively long time and thus, it has been required to adapt one's identity to the change several times. In other words, in organizational change, there is a need for identity work (Sveningsson & Alvesson, 2003) which consists of efforts to maintain coherence in turbulent conditions and revise, assess and reconstruct a collective self-understanding.

This kind of standpoint emphasizes the processual character and fluidity of identities. If identity is an answer to the question "who am I?" (Pratt, 2012), it is also a matter of either individual or collective self-understanding which, for one's own part, requires self-awareness or self-interpretations (Laitinen, 2002, 2009). We are therefore speaking about an ipse identity, that is, an identity that only a being who is capable of self-interpretations has (Laitinen, 2009; Ricoeur, 1991c, 1992). For us, any collective identity, whether an organization, ethnic group, or nation, is a collection of human beings possessing ipse identities and who have some kind of self-understanding as a group.

Alvesson and Willmott (2002) distinguished six fields and processes where identity regulation may take place. We use these in our analysis to point out how two different and partly contradictory strategy phases can exist simultaneously in the target organization and thus, regulate identity formation among personnel:

1. Central life interests. Answering the questions of who we are or what we are in general. In the organizational context, it refers to the professional affiliation or organizational position.
2. Coherence. A sense of continuity and recognizability over time and situations. Connects different experiences and reduces fragmentation.
3. Distinctiveness. Somebody is definable by themselves and others, and as different from someone else. Is sometimes unique or shared with others (narrative character).
4. Direction. Implies what is desirable, appropriate and valued in organization. “The identity or self-image of a person offers guidelines for decision making.”
5. Social values. Identity is connected to socially valued issues that convey positive meanings.
6. Self-awareness. Identity is an object for subjective reflection.

In this study, we use these items as follows. First, we look at the two strategy phases in the context of the items. The phases contain certain norms and directions for the construction of the identities of personnel or as exemplars of their opinions. With the six items, it is possible to show the discordances between the phases. Second, we look closer at the individual level and set the items as framework for the examination of the personnel’s reception of the phases.

#### **4. Case Organization and Data**

The case organization is a large financial institution located in Finland, Helsingin OP Bank Plc (HOP Bank). It is part of OP-Pohjola Group Central Co-operative (OP-Pohjola) which is among

the largest financial groups in Finland, employing some 12,000 people (OP-Pohjola annual report, 2013). HOP Bank is the single largest bank within OP-Pohjola, employing more than 700 people.

We conducted 30 interviews in several rounds between December 2012 and December 2014, covering all organizational levels: OP-Pohjola Group senior management and the OP Bank management team, middle management, and operations personnel. The interviews were audio-recorded and resulted in 55 hours of interview speech and 700 pages of transcribed text. In addition to the interviews, we were provided the official strategy documents and conducted participant observations. The themes in the semi-structured interviews related to the description of the organizational strategy, the meaning and role of numerical information in the organizational strategy, the communication of the strategy, and the forms of influence used by management.

## **5. Analysis**

The analysis focuses on two slogans (phrases) which condense the strategy into one sentence. The first one was launched in 2012: “being the leading bank in Helsinki metropolitan area in the year 2025.” This is a heavily future-oriented type of strategy in which the time span is longer than usual. The second slogan came to public attention when the bank put out a press release in 2014. The slogan, “back to our roots,” refers to the origin of the bank as a co-operative organization. In contrast to the first slogan, this strategy phase is oriented in the past. We are interested in the fact that the two strategy phases exist side by side and create tension. This tension reflects the liquid modern era in which the personnel are in a confusing position. Furthermore, they represent a situation that requires identity regulation and identity work.

The analysis consists of two steps. First, we look at the slogans in light of the elements of organizational identities, as Alvesson and Willmott (2002) presented. When an organization

launches strategic ideas, the outline of the strategy sets normative recommendations for how identities should be interpreted in the organization. This is the core of identity regulation. We focus first on the slogans and analyze what kind of frames the slogans offer to identity work in the bank. Second, we look more closely at the reception of the strategic slogans. We examine how the members of the organization adjusted to the change by doing identity work in the presence of external influences whose purpose was to have an impact on the personnel's identities. In a broader context, we show how the liquidity of the two strategies leads personnel to a floating, and also volatile, condition.

The slogan of being the leading bank in 2025 in the Helsinki area is a strategy phase which emphasizes competition with their main competitor, Nordea bank. The type of motivation is instrumental, as the strategy only sets the main target and does not say what kind of actions and peoples are needed to reach it. Furthermore, it only answers the identity question of who we are (item 1 in Alvesson and Willmott's items) at the organizational level but does not distinguish any individual identities. For a sense of continuity and coherence (item 2), the phase calls for adherence to the very long-term vision. Being the leading bank builds up and presents the organization as distinctive (item 3), and thus, victorious.

The direction (item 4) is very dense and unambiguous, but also quite vague because of its generality. Social values (item 5) are weakly represented in the sense that the strategy is very instrumental. However, in the banking industry, being on top carries positive connotations. This also concerns self-awareness (item 6); self-reflection is only technical and instrumental. Some elements of pride can be found as the image of victory becomes part of the personnel's self-understanding. In general, the strategy of being the leading bank emphasizes hard corporate, competitive, and professional attitudes.

The slogan “back to our roots”, the second strategy phase, appeals inward to the organization itself by referring to its past. The roots of the bank are in the co-operative form of organization. Thus, the bank’s traditional values include mutual collaboration, security, communality, collectivity and humane attitude toward business. Being a co-operative organization gives a relatively clear picture not only of who they are (item 1) but also makes them distinctive (item 3) in the banking industry in general. They are the largest and most renowned co-operative banking group in Finland, which is a strong identity attribute. The bank, founded in 1902, is more than 100 years old, which functions as a source for senses of coherence and continuity over time (item 2). The phrase then refers strongly to traditions and adherence to the past. The temporal dimension is also present in choosing the direction of the organization (item 4).

Social values (item 5) reflect the basic values of co-operative organizations in general. Self-awareness (item 6) was needed when the model was brought from the past to be able to compare it with the present and future mode of being. In this case, the self-awareness is collective. To summarize, the slogan awakens idealistic associations of a steady, warm and trustworthy organization.

The reception of being the leading bank in 2025 was investigated next. When we looked at the frequencies of the items mentioned in the data, three of the identity items were clearly more emphasized than the others: who we are (1), coherence (2) and direction (4); it is not surprising that the item that came up most often was direction. However, the items distinctiveness (3), social values (5) and self-awareness (6) were almost completely absent. This distinction among the frequencies illustrates where the emphasis of this strategy phase lies: the business orientation. As an example, we found only one reference to social values, and it was negative in the sense that the bank no longer has them:



It has always been with us [emphasis on sales], but its weight is now the be-all and end-all. If it was in the past, yes it was important also then, and I understand that we are in a bank and we need profit. But formerly, there was also another kind of objectives, and now I feel that all of the weight is plainly on the sales. (Manager 1)

The distinctiveness (item 3) of the HOP Bank was related to the smaller branches within the OP Group. They did not identify themselves as small banks either, which were considered rural “little sisters.” The business orientation identity is more of a feature of HOP Bank than the smaller rural banks, and thus, they should have different instructions. However, HOP Bank is also getting instructions from the OP Group, which seems relatively arbitrary. The rarity of distinctiveness, social values and self-awareness indicates that the 2025 strategy is directing the identity work toward a hard business orientation rather than toward a soft and humane way of being:

Occasionally, there come orders of what we have to do here, but they are such that the one who is giving those orders does not know what we are doing here. OK, they might have a better vision than we have here, and they are directing issues in a certain direction. [...] but if the parent company [OP Group] has to give similar instructions to all local co-operatives in Janakkala or Sotkamo [small towns in Finland], so they cannot be similar to Helsinki. (M2)

Item 1 (who we are) clearly shows that the 2025 strategy has struck a chord. The data contained several parts in which the personnel are doing identity work by elaborating their role and position in the strategy. Most often, they have accepted the target, but some discordances exist. The extracts below show that the business orientation is the main issue in the managers’ professional identities.

The business-oriented images of the strategy have been very influential in the sense that it has been “hammered into” their heads, and is described as an instinct:

Yes, here, yes it is the issue that profit is the purpose of exchange-listed company, which have hammered into our heads, we have to make money. That’s the task of an exchange-listed company, rising the business owner’s value, that’s it. And you can see it. (M3)

How has this work changed during the last two years? Yes, everyone has to be more and more effective every day, and it is all and only about selling. (M1)

As the analysis above shows, the bank personnel have adopted the ideas of the 2025 strategy. As a future-oriented strategy, it is apparent that the identity items concerning direction were the most frequent in the data.

Now, we look at the reception of “back to our roots.” If the distribution of the identity items was polarized in the “2025” strategy, in the case of the “back to our roots” strategy, the distribution was more balanced. Only item 1 (who we are) was more common than the others. The most notable differences between the identity items of the two strategy phases were item 3 (distinction) and item 5 (social values). Both items appeared more frequently in the data in the “back to our roots” strategy. Items 2 (coherence) and 4 (direction) appeared more frequently in the 2025 strategy, but the difference between them was smaller. Therefore, according to the frequencies, the emphasis changed from direction and coherence to distinction and social values.

A closer look at item 1 revealed that identity is connected to issues of locality, closeness and countryside. All of this stems from the bank’s previous co-operative ideology and image. The following extract illustrates these issues:

Values [of the organization], human dignity, responsibility, success together, so surprisingly many knows, and they are hammered into us, we have clear values and destination, but everything around them, is basically missing. (M6)

The second most frequently appearing identity item, distinctiveness, is connected to the bank's previous form as a co-operative and is used to distinguish the bank from its competitors. The strength of the distinction is based on knowledge and awareness of the history of the bank:

Actually, for those who have been with the bank for a long time, it is possible to conceive the operations models, those special features which are typical for that kind of an organization [co-operative]. Yes, it is, and many people can say that it is unique, it has those special features and with these features it is a unique whole. (M9)

The most notable difference between the two strategies is that item 5 (social values) does not appear in the "2025" strategy but is quite visible in the "roots" strategy. Ethical standards and locality were considered distinctively co-operative issues. This reflects the discordance of the strategies, by dissociating the straightforward business orientation from the soft values of the co-operative operations:

Ethicality, I know that it is ranked high in the strategy, and it is very important for me. I believe that in the future these issues are considered more and more. Not all want to work in a non-ethical company. (M1)

A long time ago, when I came to work at Päijät-Hämeen Osuuspankki [the mid-Finland unit of the OP-Group], I instantly got the feeling that I belonged to some smaller group.

Everything was palpable in a certain manner, and I would say that this is one meaning [of being in a co-operative bank]. (M3)

However, the co-operative characteristic is also seen as belonging to the organization's past. The first extract below concerns the merger of the old co-operative bank and the business-oriented OP Pohjola. As can be seen, a considerate attitude also exists towards the old values, and from this point of view, the OP Group looks like it is estranged from the overall organization:

I know the roots of this bank and all. I have such an opinion that OP-Group has never understood this bank [OP-Helsinki]. It has always been considered as a competitor. (M11)

But it is good, I think, when you have seen the old world, so this kind of processes we do not have anymore. (M11)

In general, the two simultaneous strategy phases caused confusion among the bank's personnel. The phases regulate the process of identity work in many controversial directions, whether it was a matter of the organization's distinctiveness, direction or social values. Furthermore, this has led to a floating condition for the personnel. The final extracts below show two different reactions caused by the tension. First, the ideas and content of the strategy have become obscured in such a way that the strategy, in general, is not as apparent as it was when the strategies were launched. This has resulted in a return to practical issues and activities: services and customer satisfaction are now in focus. Second, the identity work has been transferred to the individual level; because the strategy phases are somewhat confusing, sense-making is pushed toward individuals. The

personnel are more responsible for interpreting the strategy, but they still felt like they have to be part of the organizational processes:

There is not so much talk about the strategy anymore, what are the practical activities more visible today and what are required in the present banking business environment ... the objectives that often numerical ... sometimes also qualitative, but most often numerical. As a matter of fact, there are qualitative objectives again ... customer satisfaction is a qualitative objective. (M13)

how spontaneously and complacently you are in this [strategic] change, what kind of issues and activities you have to take care yourself. That you are aware how the things change and how the things are organized and taken care [...] so, the strategy is not as visible as it used to be, that we made a strategic plan and then we implemented and implemented until it was on the grass-roots level. Nevertheless, now we do not actually speak about the strategy too much. Instead, there emerge new openings to the services and everything, and then you have to participate. (M12)

## **6. Conclusions**

We started this paper by arguing that organizational strategy is a discursive control mechanism which stems from the solid modern era (Bauman, 2000). However, the problem with that era was that there was an illusion of all-encompassing controllability. In the context of strategy, this meant that all strategic operations, from implementation to the desired outcome, could be governed by management. Furthermore, following Bauman (2000), we adopted the idea of the liquid modern era, which has evolved from the solid modern in an increasingly complex world where the meaning

of identity has become increasingly important. In the liquid modern era, the strategy process is no longer rationally directed. Instead, multiple interpretations of the strategy may appear and can be denied or challenged, for example.

In this study, we presented a case from the banking industry in which two contradictory strategy phases existed. We contend that this kind of situation might lead to personnel ending up in a floating condition; that is, they struggle with tension between two goals. On one hand, they had to do identity work to adapt to the strategy, which directed them towards a business-oriented future. On the other hand, traditional co-operative ideals were presented as the base for their work. In the analysis of the data, we showed how these two strategy phases pulled the bank's personnel in different directions. The analysis was based on six identity items (Alvesson & Willmott, 2002). We showed that, although the two strategy phases are contradictory, they were accepted and supported at the level of identity. However, this caused a floating condition for the personnel because they were supposed to accept and follow both strategies.

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