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Source: *The Academy of Management Review*, Jan., 2000, Vol. 25, No. 1 (Jan., 2000), pp. 63-81

Published by: Academy of Management

Stable URL: <https://www.jstor.org/stable/259263>

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ORGANIZATIONAL IDENTITY, IMAGE, AND ADAPTIVE INSTABILITY

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Organizational identity usually is portrayed as that which is core, distinctive, and enduring about the character of an organization. We argue that because of the reciprocal interrelationships between identity and image, organizational identity, rather than enduring, is better viewed as a relatively fluid and unstable concept. We further argue that instead of destabilizing an organization, this instability in identity is actually adaptive in accomplishing change. The analysis leads to some provocative, but nonetheless constructive, implications for theory, research, and practice.

In recent years identity and image have become the subjects of rather intensive organizational study, perhaps because both concepts are multilevel notions dealing with individual and organizational issues and because both can lend insight into the character and behavior of organizations and their members. Whether those insights concern personal versus organizational identity (Ashforth & Mael, 1989), threats to identity (Elsbach & Kramer, 1996), organizational image and identification (Dutton, Dukerich, & Harquail, 1994), organizational image as an end state (Alvesson, 1990), adaptation (Dutton & Dukerich, 1991), issue interpretation (Gioia & Thomas, 1996), or member commitment (Whetten, Lewis, & Mischel, 1992), identity and image have acquired the status of key concepts employed to describe and explain individual and organizational behavior (see Whetten & Godfrey, 1998). In this article we focus attention primarily on the concepts of *organizational* identity and image.

Essential to most theoretical and empirical treatments of organizational identity is a view, specified by Albert and Whetten (1985), defining

identity as that which is central, enduring, and distinctive about an organization's character. Scholars have predicated virtually all later treatments of organizational identity on these definitional pillars. In contrast, scholars have seen organizational image as a broader concept, which includes notions involving the ways organization members believe others see the organization (Dutton & Dukerich, 1991); fabricated, projected pictures aimed at various constituencies (Bernstein, 1984); and the public's perception of a given organization (Berg, 1985).

In this article we argue that there is a close reciprocal relationship between organizational identity and various forms of image—a relationship that augurs for some reconsideration of the bases for the normally accepted conception of identity. We argue further that this reconsideration is important, because the consequences of adhering to the now taken-for-granted conception have implications not only for our ways of thinking about organizations and their members but especially for the ways in which we think about how organizations change. This is particularly the case as organizations deal with increasingly complex and turbulent environments and as the role of the media in organizational life becomes more pronounced.

Our main contention is that organizational identity, contrary to most treatments of it in the literature, is actually relatively dynamic and

We thank Samia Chreim, *AMR* special issue editor Jane Dutton, Martin Kilduff, Kristian Kreiner, Dave Lepak, Mette Morsing, Gary Weaver, and three anonymous *AMR* reviewers for constructive comments on earlier versions of this article.

that the apparent durability of identity is somewhat illusory. We argue that the seeming durability of identity is actually contained in the stability of the *labels* used by organization members to express who or what they believe the organization to be, but that the meaning associated with these labels changes so that identity actually is mutable. Therefore, we reconceptualize organizational identity as a potentially precarious and unstable notion, frequently up for redefinition and revision by organization members. We argue that the instability of identity arises mainly from its ongoing interrelationships with organizational image, which are clearly characterized by a notable degree of fluidity. Perhaps most important, we argue further that the instability of identity is actually adaptive in facilitating organizational change in response to environmental demands.

Although in recent theory and research on organizational identity one finds acknowledgment of its potentially changeable character (see the conversations in Whetten & Godfrey, 1998), scholars continue to downplay, underplay, or inadequately develop the implications of reconceptualizing identity as dynamic. Certainly, the presumption of stability has allowed researchers to more easily develop measures of an organization's identity, but we have come to a point in the theoretical development of the concept at which we need to account for its dynamism.

We first offer a brief exploration of the nature of organizational identity by weaving together multiple views from the literature; we then offer an overview of multiple forms of organizational image, followed by a description of the interrelationships between identity and image. We develop a depiction of the processes by which identity becomes unstable and mutable because of its complex interrelationships with image. Our initial approach to this depiction has its roots in realist ontological assumptions (i.e., it presumes some substantive basis for identity), suggesting a view of identity as changing incrementally. We then invoke several alternative views that not only help to produce an enhanced, multiperspective understanding of the nature of identity (Gioia & Pitre, 1990; Schultz and Hatch, 1996) but also serve to clarify and dramatize the degree to which identity can become malleable. These two alternative perspectives (a revisionist history view and a postmod-

ern view) are predicated on nominalist ontological assumptions (i.e., they presume that identity is a subjective, socially constructed phenomenon).

Taken together, these three perspectives lead to some provocative implications for our conceptualization of identity—implications that motivate a constructive attempt to reconcile a seeming paradox concerning the relationship of organizations and their environments. On the one hand, the creation and maintenance of an apparently enduring identity are essential to long-term success (Albert & Whetten, 1985; Collins & Porras, 1994); on the other hand, organizations must possess the ability to adapt quickly to increasingly turbulent environments as an essential condition for well-being and even survival (Brown & Eisenhardt, 1997; D'Aveni, 1994; Eisenhardt, 1989; Gustafson & Reger, 1995). Given the preference for order and stability in light of the need for change, one might thus reason that organizations must learn to change and yet somehow stay the same (cf. Gagliardi, 1986). Through the concept of "adaptive instability," we provide an alternative reading on change in modern organizations that demonstrates that existence within this paradox is possible and that, in fact, organizations can accomplish change despite implied threats to the ostensibly enduring nature of their identities. The result of our analysis is a heightening of the sense that identity and image are indeed key notions but that these concepts and their interplay are much more complex and elusive than current treatments would cast them.

ORGANIZATIONAL IDENTITY

Organizational identity is typically taken by scholars to be an organization's members' collective understanding of the features presumed to be central and relatively permanent, and that distinguish the organization from other organizations (Albert & Whetten, 1985). Core features of identity are presumed to be resistant to ephemeral or faddish attempts at alteration because of their ties to the organization's history. Gagliardi argues that the main strategy of an organization is usually geared to maintaining its identity, perhaps especially under threatening conditions of change (although he also notes that organizations "usually change to remain what they have always been . . . [they] must change in

order to preserve identity" [1986: 124–125]). Yet, this paradoxical statement nonetheless suggests that identity is not, and indeed cannot be, enduring in any strict sense, even though it apparently retains continuity in its essential features. There must be fluidity to the notion; otherwise, the organization stagnates in the face of an inevitably changing environment.

In examining the fluid nature of identity, it is useful to differentiate between an enduring identity and an identity having continuity. Whereas Ashforth and Mael (1996) see the two concepts as synonymous, we believe the difference is subtle, yet theoretically important. The notion of an identity that is enduring implies that identity remains the same over time—that it has some permanency. An identity with a sense of continuity, however, is one that shifts in its interpretation and meaning while retaining labels for "core" beliefs and values that extend over time and context.

Identity is imputed from expressed values, but the *interpretation* of those values is not necessarily fixed or stable. Interpretations change, so invocations like "We stand for service!" or "We are an innovating company" mean different things to different groups at different times. There is a reassuring continuity for members (and also for interested external constituents) in saying that their mission or central values stay the same, but the representations and translations into action take different forms over time. Thus, even though the core appears stable, it is effectively in flux because of its practical ambiguity (allowing for flexible interpretations; see Gioia & Chittipeddi, 1991) and its complexity (allowing a repertoire of values to fit many instances; see Reger, Gustafson, DeMarie, & Mullane, 1994). A continuous feature of Hewlett-Packard's identity for many decades, for instance, has been based on the idea of the "H-P Way" as an expression of core values. Yet, the meaning of the specific values and actions associated with the "H-P Way" has changed many times over the years (see Collins & Porras, 1994), to arrive at its current form of elaboration (see www.hp.com).

It is also important to recognize that identity, even at the individual level, is a social construction (Gergen & Davis, 1985), deriving from repeated interactions with others (Cooley, 1902). This feature of identity has been at the heart of most theory and research on social and individ-

ual identity (Ashforth & Humphrey, 1995; Ashforth & Mael, 1996). For instance, James, as long ago as 1918, noted that people have markedly different identities for different roles and situations. As Weick puts it, "Identities are constituted out of the process of interaction. To shift among interactions is to shift among definitions of the self" (1995: 20). Similarly, Giddens (1991) noted that self-identity presumes reflexive awareness over time (i.e., identity must be actively created and sustained through interactions with others).

Thus, a sense of continuous formulation and preservation of the self through interaction is essential to notions of individual identity. This is an important recognition not only for individuals but also for organizations, because organizational identity is constructed via similar processes of interaction with outsiders—for instance, customers, media, rivals, and regulatory institutions (cf. Ashforth & Mael, 1996; Berg & Gagliardi, 1985; Fombrun, 1996; Gioia, 1998). As Fiol states in her anthropomorphic example of an acute care teaching hospital undergoing change in its identity, "You can no longer ask only me or look inside of me to understand my identity. You can also no longer take a single snapshot of me at one point in time and believe you have captured my identity" (1998: 68).

All of these views of organizational identity suggest that it is not only a complex phenomenon but also one that can vary with the context for which it is expressed (Fiol, Hatch, & Golden-Biddle, 1998; Wilkins, 1989). A sense of continuity in the self-interpretation of an organization in relation to its environment might prevail, but identity is nonetheless inherently dynamic. Such observations raise questions about the typically assumed durability of identity—an assumption that becomes more problematic when we consider the concept of organizational image and its relationships with identity.

ORGANIZATIONAL IMAGE

Organizational image has been the subject of many different conceptualizations and definitional debates. Dutton and Dukerich (1991) argued that organizational image is the way organization members believe others view the organization (although Dutton et al., 1994, appropriately relabeled this particular definition of image *construed external image*). Whetten et al.

(1992) took some issue with this definition and argued instead for defining image as the way "organizational elites" would like outsiders to see the organization. This orientation highlights top management's concern with projecting an image of the organization that is based (ideally) on identity. Such a "projected image" could be a bona fide attempt to represent essential features of organizational identity to others. It could also take the form of the projection of a desired future image (Gioia & Thomas, 1996) that communicates to insiders and outsiders a vision to be achieved.

Projected image, however, might also encompass attempts to convey a socially desirable, managed impression that emphasizes selected aspects of identity; it could even conceal or misrepresent identity. In fact, Bernstein (1984) held that image should be defined as a construction of public impressions created to appeal to an audience (and not necessarily the attempt to represent some ostensible reality). All these views, however, take image to be essentially an internal conception—that is, perceptions held or communicated by insiders.

Berg (1985) took a decidedly more external approach by focusing on perceptions held by outsiders. He defined image as the public's perception or impression of an organization, usually associated with a given action or event (which we term an external *transient impression*). This definition is related to Fombrun's (1996) definition of reputation as the collective judgments (by outsiders) of an organization's actions and achievements. Reputation can be distinguished from transient impressions in that the concept of reputation implies a more lasting, cumulative, and global assessment rendered over a longer time period; transient impressions concern more limited and/or ephemeral events.

To further complicate the conceptualization of image and its relationship with identity, in other disciplines scholars treat the notions of image and identity somewhat differently from those in the field of organizational study. In the fields of public relations and marketing, for instance, researchers employ the concepts of corporate identity, corporate image, and image management in their attempts to understand a corporation's relationship with its constituents (Brown & Cox, 1997; Grunig, 1993; Van Riel & Balmer, 1997). Corporate identity (actually, a form of projected image, despite the label) scholars focus on how

the "central idea" of a corporation is presented to its various constituents to achieve the corporation's strategic goals (Olins, 1995). Those in the corporate identity field are most concerned with visual representations of the corporation emphasized through the design and management of corporate symbols and logos (Hatch & Schultz, 1997; Olins, 1989). Although the concept of corporate identity is closely related to Bernstein's (1984) conception of a projected image, in recent work on corporate identity, van Riel and Balmer (1997) and Hatch and Schultz (1997) argue that projection of identity is equally important to both internal and external constituents. Projected images, however, might be differentiated from corporate identity in that projected images typically are associated with specific contexts, events, issues, and audiences; corporate identity usually is taken to include all verbal, graphic, and symbolic representations used by a company in its managed, corporate-level communication with various constituents.

We have summarized these multiple—sometimes overlapping and even conflicting—forms of image in Table 1. These differing notions suggest that image is a wide-ranging concept connoting perceptions that are both internal and external to the organization (see also Boorstin, 1961), as well as perceptions that are both projected and received. In fact, Grunig usefully explicates such divergent perspectives by making a distinction between image "as something that a communicator creates—constructs and projects or gives to other people . . . a message produced by the organization" (1993: 126) and an alternative notion of image wherein "receivers construct meaning—images—from their personal observations of reality or from the symbols given to them by other people . . . image as some sort of composite in the minds of publics" (1993: 126).

We next employ these various forms of image to provide a theoretical description of the processes by which identity and image are interrelated. These interrelationships (which we present in narrative form but also represent graphically as a dynamic process model) strongly suggest the fluidity of identity. Following the presentation of this process model, we bring the revisionist history and postmodern perspectives to bear on the question of how image and identity are interrelated, and we ex-

TABLE 1
Forms of Image

Label	Definition in Literature	Representative Examples
Construed external image	Organization members' perceptions of how outsiders perceive the organization	Dutton & Dukerich (1991) Dutton, Dukerich, & Harquail (1994)
Projected image	Image created by an organization to be communicated to constituents; might or might not represent ostensible reality; singular image of the organization	Alvesson (1990) Bernstein (1984)
Desired future image	Visionary perception the organization would like external others and internal members to have of the organization sometime in the future	Gioia & Chittipeddi (1991) Gioia & Thomas (1996)
Corporate identity	Consistent and targeted representations of the corporation emphasized through the management of corporate symbols and logos; strategically planned and operationally applied internal and external self-representation	Olins (1989) van Riel & Balmer (1997)
Transient impression	Short-term impression constructed by a receiver either through direct observation or interpretation of symbols provided by an organization	Berg (1985) Grunig (1993)
Reputation	Relatively stable, long-term, collective judgments by outsiders of an organization's actions and achievements	Fombrun (1996) Fombrun & Shanley (1990)

plore the consequences for the reconceptualization of identity.

IDENTITY-IMAGE INTERRELATIONSHIPS

Image in its multiple guises provides a catalyst for members' reflexive examination of their organizational self-definition. Image often acts as a destabilizing force on identity, frequently requiring members to revisit and reconstruct their organizational sense of self. To examine the processes by which identity becomes inter-related with, and susceptible to, the influence of image, we begin with the assumption that organization members (especially top management members) have developed some sense of "who we are as an organization" (Albert & Whetten, 1985) and have communicated that identity to internal and external constituencies. Over time, organization members receive feedback about their organizational portrayal, or some event occurs that makes identity concerns salient (cf. Dutton & Dukerich, 1991; Elsbach & Kramer, 1996). Because organization members

are simultaneously also members of external groups (e.g., as customers, as members of special-interest groups monitoring the organization's actions, or simply as audiences for media portrayals of their company), and thus sensitized to outsider views of their own organization, the tendency to compare their views of their organization with others' views of the organization is heightened further (Hatch & Schultz, 1997).

Shell Oil's experience with the burgeoning controversy over its plan to dispose of the mammoth Brent Spar offshore storage and loading platform by sinking it in the Atlantic provides a good example of these processes in action. The original plan was opposed by Greenpeace, and eventually by national governments in northern Europe, as environmentally unsound. The controversy and negative feedback not only influenced Shell ultimately to reconsider and revise its plan but also to reconsider its own identity. Shell asked a series of self-reflective questions, prompted by the images it projected to the public and the images conveyed in return in revis-

ing its identity to that of a more socially responsible business practitioner (see www.shellexplor.brentspar.com for a detailed corporate report).

Figure 1 presents a skeletal depiction of the processes by which various forms of image are likely to destabilize and foster changes in identity. As is the case with most process frameworks, however, Figure 1 presents a distilled, somewhat sterile, and even overly rational depiction of a process that is, in actuality, a richer, more complex, more subtle, and often more tacit process. Within this simplified theoretical portrayal, we have included several representative questions as a way of highlighting and illustrating some of the key comparisons that members make between identity and image.

When information from outsiders conveys an unexpected transient impression (Berg, 1985; Grunig, 1993) or reputation (Fombrun, 1996), organization members are prompted to compare their identity and image. Who we believe ourselves to be as an organization is partly based on how others see us (cf. Cooley, 1902; Gergen & Davis, 1985), so feedback from outsiders concerning the impression we are making on them prompts us to look at our own sense of self and to assess the similarity of the two views. This assessment specifically involves an explicit or implicit comparison between identity and construed external image (Dutton et al., 1994). Rhetorically, the comparison might be framed in terms of Albert and Whetten's fundamental self-reflective question, "Who are we as an organization?" (although it is theoretically more revealing to cast the question as "Who do we think we are?" or even "Who do we think we should be?"), and the parallel other-reflective questions, "Who do *they* think we are" and "Who do *they* think we should be" (see Dutton & Dukerich, 1991, for a classic example).

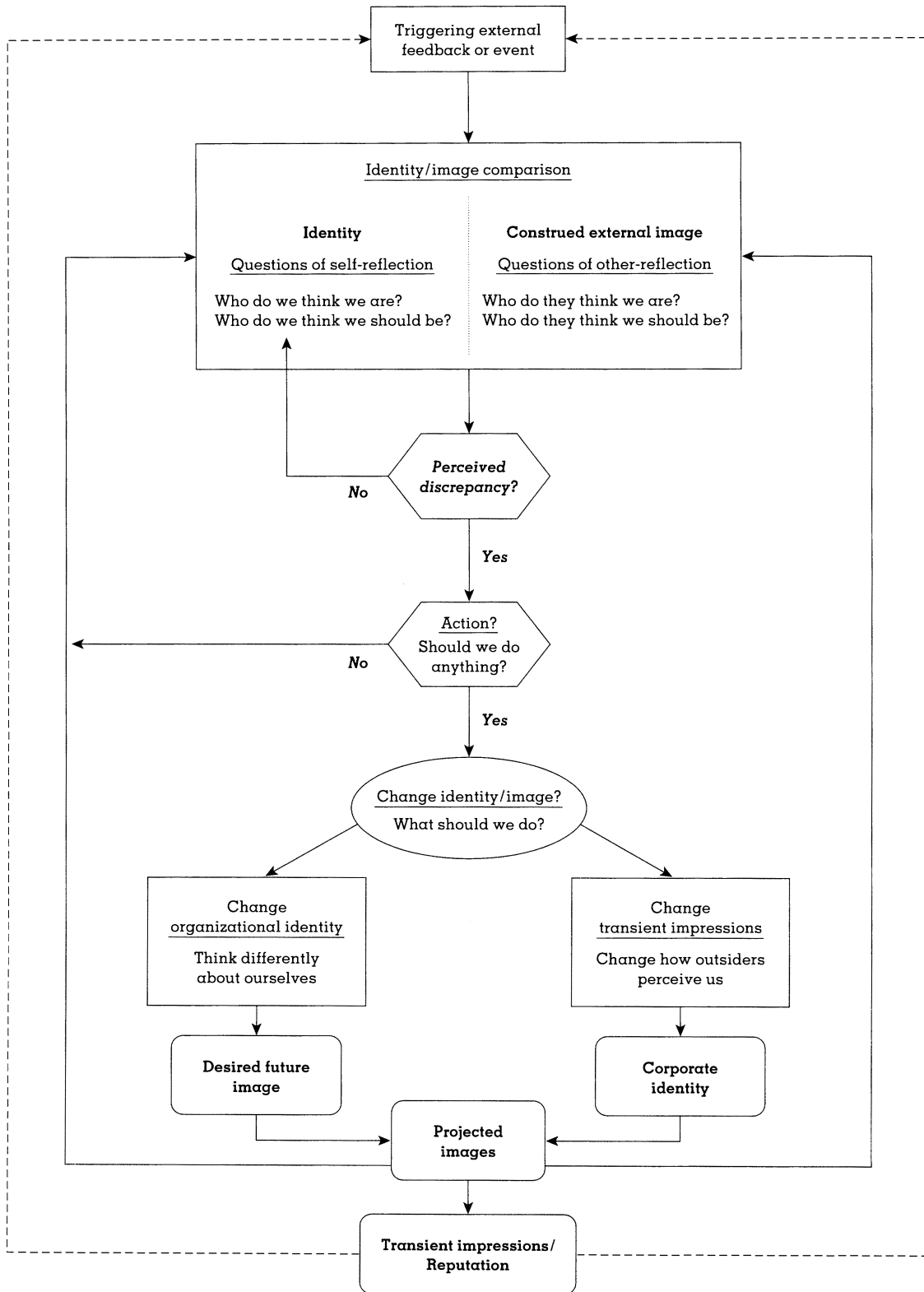
If the outcome of this comparison is a sense that there is no discrepancy between the two perceptions—that the way "we see ourselves" corresponds with how "others see us"—then identity is affirmed, and no apparent need for change exists. This was Shell's initial response after receiving approval from the British government to sink the Brent Spar in the North Atlantic. If this comparison, however, results in a sense that the way "we see ourselves" is inconsistent with how we think "others see us" (i.e., there is a discrepancy between identity and construed external image), then several implicit or explicit

questions arise (e.g., "Should we be concerned about this mismatch in perceptions?" "Do we need to take action to resolve the discrepancy?"). One possibility is that organization members will see the discrepancy as acceptable or not worthy of the effort needed to reconcile the differing perceptions (e.g., negative feedback from a stakeholder group not deemed important to the organization's self-definition or mission); they might therefore elect to do nothing ("We can live with it"), with no further considerations or implications for identity, which was Shell's early response to Greenpeace's objections.

Alternatively, however, the discrepancy could be seen as important by top management and a decision made to take some action to resolve it. This occurred at Shell after Greenpeace occupied the Brent Spar, leading to widespread media attention, public awareness, and objection by the German government. Such a decision suggests two major options: (1) change something about the way we see ourselves (i.e., change aspects of our identity) or (2) attempt to change the way others perceive us (i.e., change others' external impression/reputation). If the discrepancy is pronounced and consequential, it can suggest the need to reevaluate and change aspects of identity, which ultimately occurred at Shell. Because direct interventions or exhortations to members to alter their conceptions of the organization are unlikely to be effective (Reger et al., 1994), a viable alternative for top management is to project an attractive vision in the form of a desired future image as a precursor to a hoped-for future identity. For instance, Shell created websites and published a set of revised guiding principles, the *Report to Society*, portraying itself as not only technically competent but also as socially sensitive. Such desired future images can serve to "pull" identity into subsequent alignment (Gioia & Thomas, 1996). A public declaration of that future image also can signal to outsiders that the organization is changing; thus, the projection of a compelling future image can directly affect both identity and construed external image, as well as external perceptions of the organization (Figure 1).

If top management members decide, however, that the identity-image discrepancy should be resolved instead by attempting to change how outsiders perceive the organization ("We need to get them to see us the way we would like"), they can attempt several tactics. First, they can

FIGURE 1
Process Model of Identity-Image Interdependence



project an image to their outside constituencies that more clearly or more strongly conveys their conception of the organization's identity. Such an attempt at strategically altering images of the organization to better communicate the organization's sense of identity—a central function of an organization's corporate identity program—is aimed at influencing outsiders' perceptions to be better aligned with self-definitions. Shell's initial response to the negative publicity, for instance, involved numerous corporate identity efforts aimed at helping outsiders see who the "real Shell" was.

Second, top management members can project images aimed not at better communicating identity but at highlighting and emphasizing certain socially desirable aspects of their identity, thus attempting to manipulate outsider perceptions by engaging in organizational impression management. For example, Shell projected images aimed at highlighting its engineering identity and scientific prowess, as well as calling repeated attention to its core principles.

Last, in the extreme, the organization can project patently false images in an attempt to misrepresent the organization to its publics. In the Brent Spar case, Shell did not make a concerted effort to misrepresent itself to external audiences. In an interesting twist, however, Greenpeace—Shell's original protagonist in the conflict—did supply misinformation to the media in an attempt to misrepresent Shell's image. This misinformation concerning the alleged volume and toxicity of the Brent Spar's contents was eventually refuted, enabling Shell to regain credibility.

Regardless of the initial purpose of the projected images, however, outsiders develop their own images (transient impressions) of the organization from their idiosyncratic interpretations and from other available information obtained from media sources and other agents (Fombrun & Shanley, 1990). Thus, organizationally projected images are likely to have more indirect effects via subsequent feedback to the organization, depending on how the constituencies and other intermediaries interpret them. In some cases the external audience might indeed affirm the organization's image projection. More likely, however, is some alteration of the projected image as intermediaries transmit, distort, add to, and otherwise modify it (into a *refracted*

image, in Rindova & Fombrun's, 1998, terms) so that the identity/image comparison process recurs anew in cyclical fashion. For example, Shell launched a series of conversations with public constituencies—a process that prompted repeated reflection within Shell over the life of the Brent Spar saga (1991–1999).

It is important to note that either in trying to change identity or in trying to change others' perceptions, an organization's projection of some altered image for the consumption of insiders and/or outsiders is likely to influence and alter subsequent conceptions of identity because of the close relationships between image and identity. Even the projection of an intentionally false image arguably can influence later conceptions of identity. The essence of this aspect of the process is that projected images are received, given their own interpretations by constituents and intermediaries, and fed back to the organization, often in modified form, which subsequently affects insider perceptions of their own identity (connoted by the feedback loops in Figure 1; see also Fiol & Kooor-Misra, 1997). As Hatch and Schultz note, "Who we are is reflected in what we are doing and how others interpret who we are and what we are doing" (1997: 54).

There are some summary observations to make about this description of the process. First, organizational identity is not solely an internally determined concept. Identity involves interactions and interrelationships between insiders and outsiders and, perhaps especially, insider perceptions of outsider impressions. Construed external image, thus, is key to the process of initiating changes in identity; it represents organization members' interpretation of the feedback received from outsiders regarding the organization's fulfillment of expectations. It also represents the medium through which members determine how outsiders perceive the organization, thus affording a benchmark against which they can compare their own sense of the organization. In this way construed external image acts as the primary concept linking organizational self-definition through self-reflection with self-definition through other-reflection.

Second, the bases for asserting the interrelationships between identity and image are well established in the literature. In principle, those bases reach back at the individual level to Cooley (1902) and James (1918), and extend for-

ward at the organizational level to Albert and Whetten (1985), Dutton and Dukerich (1991), Dutton et al. (1994), Reger et al. (1994), Elsbach and Kramer (1996), Gioia and Thomas (1996), and the insightful synopses contained in Whetten and Godfrey (1998), among others. Assembling these essential processes into a coherent framework demonstrates that the relationships between identity and image create the potential, and often the likelihood, for a mutable identity.

In addition to these processes, wherein communicated image encourages (usually) incremental shifts in identity, there are other processes that tend to exacerbate and even accelerate changes in identity. In the following sections we highlight two perspectives—revisionist history and postmodernism—which provide alternative views augmenting the argument that identity is dynamic. Each suggests provocative conclusions about the effects of image on the stability of identity. Revisionist history offers a compelling demonstration that members typically reinterpret the past in light of current insider beliefs and outsider perceptions, which has the effect of making identity appear stable to perceivers, even as it changes. The postmodern perspective offers an unsettling argument for the relentless power of market and media images, which implies an extraordinary influence of images on identity over relatively short periods of time. Consideration of these arguments leads to further reflection about the nature of organizational identity and the implications for organizational change.

Revisionist History, Identity, and Image

Just as organizational history is important to any change process, the revision of that history is equally important. Plausible change proposals by top management must be seen as somehow related to “who we have been,” yet proposals for major change usually imply some inconsistency with previous identity. Whenever the question comes up about “who we are” or, especially, “who we want to be,” not only do organization members revise their current perceptions of their organization (Ashforth & Mael, 1996), they also engage in a process of revising their current perceptions of the past (cf. Loftus, 1980). The “facts” of the past might not be in doubt, but their meaning always is.

All organizational history, in an important sense, thus becomes revisionist history. Both identity and image sustain only indirect inheritances from the past; other aspects of that inheritance are supplied by current orientations and (re)constructions of the meaning of past events. What organization members in earlier times took as “roots” are subjected to revised interpretations, as current needs or desired future image fuels the reinvention of the past. This process tends to foster the construction of a partially mythological history that modifies previous identity to conform to some image of a current or a desired future state. As old Hungarian folk wisdom puts it, “The future is not in doubt; it is the past we worry about.” Seen in this light, revisionist history has unavoidable implications; it virtually assures some infidelity to previous conceptions of identity.

When organizations design and launch a planned change effort, they frequently employ a visionary projected future image as an impetus and a guide for achieving some desired revision in their structure, process, performance, and prestige (Gioia & Thomas, 1996). Such images, which include symbolic representations of imagined future states that compromise present and past views, demand the reexamination of current identity. If the existing identity cannot be altered in some way, the change effort is unlikely to be successful.

Biggart’s (1977) study of the U.S. Postal Service’s reorganization effort is illustrative of the efficacy of revising the interpretation of the past. She found that executives charged with managing the change process pointedly discredited previously valued attributes of the organization (including former management styles, systems, structures, and even logos that were considered central to the organization’s self-definition) in favor of newly espoused attributes. Thus, they reevaluated organizational history and identity as out of touch with the times, and they reinterpreted it as a way of justifying and motivating the need for change (Chreim, 1998).

A related tactic for changing members’ ways of understanding their organization is to inject intentional ambiguity into a complacent organization to produce the necessary interpretive instability that creates opportunities for changing aspects of identity. When top managers induce “ambiguity-by-design” (Gioia & Chittipeddi, 1991), they tend to destabilize existing interpre-

tations and create a desire for resolution of the ambiguity (i.e., a desire for a revised way of understanding that can alter the existing interpretations now deemed to be unworkable and yet still connect with the organization's history; cf. Pondy & Huff, 1985). Top management can then fill the interpretational vacuum by offering a preferred view that lends structure to the equivocal setting (e.g., see Gioia & Chittipeddi's, 1991, example of a university's ambiguous "top 10" future image, or Barney's, 1998, example of Koch Industries' labeling itself as a "discovery" company, both of which fostered change and adaptation). Such revised images require a reconsideration of "who we have been" if members are to maintain their desire for continuity in identity, so revisions to the current interpretation of past identity occur. Ambiguity-by-design thus fosters consistency with, but departure from, the historical identity in need of current revision.

The upshot of the revisionist history perspective is the presentation of a view of identity as even more malleable than our process model suggests, simply because historical identity is susceptible to reinterpretation as organizations try to align their identities with current images. The attempts to maintain continuity with past understandings make identity appear stable to perceivers, even as it changes. The revisionist history view suggests that image strongly influences identity; the postmodern view, however, pushes that argument to the limit.

The Postmodern Lens on Identity and Image

The implications of the blurred distinctions between identity and image are taken even further in a postmodern perspective. One finds the suggestion that image not only influences, but comes to dominate, organizational sensemaking in its most radical version in postmodern portraits of contemporary organizational life (Baudrillard, 1988, 1990; Hassard & Parker, 1993). In spite of the sophisticated vocabulary, the conclusion is simple: regardless of the starting point, everything ends up as image. More dramatically, everything ends up as *illusion*.

According to postmodernists, the usual portrayal of identity within a modernist tradition is one emphasizing the influence of origin (founding) and asserting that the sense of identity is held at a deep level in the cultural surround of

an organization (Schultz, 1992). In this traditional view there is a relatively fixed notion of the historical development of identity that assumes the persistence of an essential identity, despite changing events, times, and perceptions. Modernists, thus, see identity as the center anchor that endures and preserves its distinctiveness, despite the need for organizations to change. This identity is carefully projected onto the external environment, where it blends with "cultural capital" (Bourdieu, 1984) in the social construction of an image. Shifting images might, of course, influence the way organizational members perceive their identity but rarely are assumed to challenge the permanent core of the organizational identity.

This portrayal is markedly different from the dynamic, ephemeral, artificial, and even superficial portrait of organizational life in the postmodern literature, which stresses the process and predominance of image over claims of substantive bases for identity. In short, the relationship between identity and image is turned upside-down when seen through a postmodern lens; instead of emerging from organizational depth and origin, identity becomes a chameleon-like imitation of images prevailing in the postmodern marketplace. Organizational identity, thus, moves from a stable and distinct origin toward a copy of images of dominating organizations.

In their analyses, Baudrillard (1988) and Perniola (1982) have pursued this line of thought; they argue that identity is transformed into "image without identity" (Perniola, 1982: 59), because identity is replaced by simulations of external images (which Baudrillard terms *simulacra*). Identity no longer holds a distinct and persistent core of its own but becomes a reflection of the images of the present moment. These authors see these images largely as constructed and transmitted by mass media and professional communicators within a given context.

Thus, images themselves do not originate from some basic organizational reality but, rather, have been transformed through the pursuit of success in an increasingly volatile and hypercompetitive marketplace. Baudrillard (1988) particularly emphasizes this perspective, tracing the progression of image from (1) its beginnings as a reflection of some basic reality, to (2) a means of masking and perverting a basic

reality, to (3) masking an absence of reality, to (4) no longer bearing a relation to reality. As radical as such a depiction is, it points to the shifting nature of image and its distancing from original character. In this sense, image not only supplants identity; image and identity both end up as illusions.

Those holding a postmodern perspective, even in its less radical forms, see identity as most likely an illusion (Rosenau, 1992), albeit a necessary illusion—one required to reassure organization members. We work diligently, if perhaps unconsciously, at constructing identity similarly from day to day to maintain the belief that we are the same person or organization that we were yesterday. Only over the long run, by retrospectively bracketing experience (Weick, 1979), do we become aware that progressive changes have occurred.

Thus, postmodernists hold that given identity's susceptibility to the vagaries of image, the presumption that organizational identity "exists" and is deeply held by its members is better construed as an illusion. In this view the alleged abiding character of identity is instead cast as a comforting falsification intended to maintain a sense of consensuality where none might actually exist, because of the inherent fluidity associated with the production of an immediate, visible, changeable image. Given the superficiality, malleability, and influenceability of image in the postmodern view (Baudrillard, 1988; Schultz, 1992), the assertion that either image or identity is "enduring" is simply dismissed.

Is It Really All Just Image?

If one considers the arguments about the interrelationships between identity and image, particularly from revisionist history and postmodern perspectives, one is confronted with increasing doubt or even skepticism about the viability of the notion of a stable organizational identity. At best, a bona fide identity appears to "exist" only in the first stages of an organization's history, but it soon becomes subject to the significant influence of image, perhaps ultimately to be transformed into an illusory image (if one accepts a radical postmodern position). This is a rather provocative portrayal of identity for scholars and practitioners. Is it accurate? Or is there some intellectual sleight-of-hand operating here? On the one hand, revisionist history

and the processes articulated by postmodernists constitute conceptually viable views, so it is important to acknowledge that shifts in identity and image can occur. On the other hand, there are some limiting reasons why these shifts are not necessarily carried to their extreme conclusions.

First of all, the organizational environment itself serves to constrain extreme changes in identity. The same environment that fosters shifts in identity in the first place (by reflecting altered images of an organization's preferred projections of identity) simultaneously operates to limit the degree of those shifts. Agents and institutions in the environment work to maintain some semblance of recognition and stability in the environment in which *they* deal. They would like to believe that organizations with which they interact are similar to what they were yesterday, so they seek to affirm stability in their own perceptions and, consequently, communicate a desire for nonradical shifts in identity and image. Organizations cannot construct just any arbitrarily chosen identity. Changes in identity are constrained within nonspecified, but nonetheless moderating, environmental bounds. One of the main assumptions in the population ecology perspective, for instance, is that organizations face strong internal and external inertial forces that hinder their attempts at adapting to environmental changes (Hannan & Freeman, 1977, 1984). Research has shown that there are certain conditions under which organizational inertia plays an even stronger role (e.g., in times of organizational decline; Cameron, Whetten & Kim, 1987; Whetten, 1981), thus making a complete shift of identity into image unlikely for many organizations.

Second, some research on threats to organizational identity implies that elements of identity remain separate from image for organization members, even during times of focused image management (i.e., when organizations are trying to achieve some desired image, such as membership in an elite group). Elsbach and Kramer (1996) found that university faculty members felt that some key aspects of their identity were threatened even when an esteem-enhancing image of the organization was portrayed (i.e., a high ranking in the *Business Week* survey). Such a ranking "implied that other central and valued dimensions of their organization were unimportant or undervalued" (1996: 468). Receiving the

ranking based on the success of the MBA program, for instance, threatened aspects of identity associated with the Ph.D. program. Thus, even in situations where an organizational image positively changes from that originally associated with the organization, identity can remain a distinct and important concept.

Finally, the fact that organizations have multiple identities in multiple contexts with multiple audiences not only undermines the idea of a holistic identity but also implies that neither identity nor image changes in a uniform or unified fashion. Identities consist of constellations of features and labels appropriate for different contexts and interactions. Yet, some of the labels are shared in common across different identities, which implies that meanings for the common labels are flexible enough to accommodate the differing demands of multiple possible contexts and audiences (e.g., customers, employees, and competitors). Still, the degree of change in meaning is likely to be inhibited, because companion identities are unlikely to be shifting together. Therefore, the multiple identities common in large, complex organizations actually can work to insulate the organization from wholesale alterations in the common core features of identity. Nonetheless, this self-same multiplicity also implies incremental shifts in the many facets of identity, thus maintaining identity in a state of flux and again suggesting that a stable, common identity cannot endure in any strict sense.

Taken together, the upshot of the arguments for the progressive transformation of identity into image (and perhaps into illusion), as well as arguments noting limits on such transformations, is that organizational identity is inevitably influenced by image but does not necessarily *become* image in some insidious fashion. Nonetheless, the overarching implication is that both identity and image are dynamic. The result of this dynamism and consequent instability is not as disheartening as it might sound, however. We argue instead that it is this very instability in identity that facilitates organizational adaptation to changes in internal and external environments.

ADAPTIVE INSTABILITY

The basic concept of adaptive instability in organizational identity is a straightforward one:

as a consequence of its interrelationships with image in its various guises, organizational identity becomes dynamic and mutable. This instability in identity actually confers benefit to the organization, because it allows better adaptation to the demands of an environment that is itself undergoing continuous change. This notion builds upon the process description offered earlier, wherein organizational identity forms the basis for the development and projection of images, which are then received by outsiders, given their own interpretations, fed back to the organization in modified form, and subsequently affect insiders' perception of their own identity.

This reciprocal process of projection and modification accounts for the observations noted by both revisionist historians and postmodernists, but it is distinct in one critical way: the strong role of image does not result in the wholesale dissolution of identity over time and replacement with image or (in the extreme) illusion but, rather, in a kind of dynamism that fosters adjustment. With the notion of adaptive instability, we see the interrelationship between identity and image as mutually influencing and ultimately useful in aligning an organization's sense of self-definition with its environment. Without this recursive process, an organization would find itself trapped with an inevitably stagnant identity, unprepared to address demands that might have survival implications.

Identity change can occur either reactively or proactively. The interpretation of an organization's projected image(s) by outsiders most often results in a reactive examination of identity. An obvious, but nonetheless striking, example exists in the relationship organizations currently have with the media. Over time, an organization is subjected to multiple interpretations of its identity and image, most often transmitted through the media. This relationship results in a process of identity and image change, similar to the punctuated equilibrium processes described by Gersick (1991) and exemplified by Dutton and Dukerich's (1991) study of the New York/New Jersey Port Authority's attempts to reconcile its changing image with its strongly held identity.

Another example concerns IBM; IBM had both an identity and a reputation as a single-minded mainframe company, which hindered its ability to capitalize on the burgeoning PC market in the 1980s. Over a relatively short period of time, IBM

responded to its negative public impression—that of a ponderous giant unable to take advantage of a lucrative market exploited by smaller, more adroit companies. It shifted its identity into that of a multifaceted technology organization, ready to compete with smaller PC companies through advances in PC technology and expansion into such businesses as network computing and management consulting. IBM took a substantially new way of approaching business, which, in turn, changed the way it thought of itself and how others perceived it. The interplay of identity and image worked dynamically to foster a necessary change in IBM's basic orientation toward itself and the market; image influenced identity, which, in turn, influenced image. Unexpected disruptions and their associated reactive changes constitute the most obvious examples of identity-image interaction.

Other research, however, has demonstrated that organizations can also be proactive in inducing identity change, even in the absence of obvious external pressure or crisis. As previously noted, Gioia and Chittipeddi (1991) described a case wherein top managers intentionally introduced ambiguity into a change situation to destabilize a strongly held (albeit outmoded) identity in preparation for a strategic change effort. In a later study of the same organization, Gioia and Thomas (1996) found that the top managers sustained the ongoing change effort by projecting and touting a captivating future image (becoming a "top-10 public research university") to help guide the organization toward a new, desired identity. They projected this desirable future image on the assumption that the image would channel identity into alignment.

Such a proactive tack can facilitate change in an organization that is not (or is not likely to be) ready for the changes inevitably occurring in the environment, and it is based on the belief that an organization cannot change if it is complacent about its self-definition—a self-definition held to be maladaptive. To induce change, the organization must be destabilized and convinced that there is a necessity for a different way of seeing and being. This proactive stance acts to head off an eventual crisis by self-inducing a more moderate sense of urgency for change within the organization (a manifestation of Reger et al.'s, 1994, notion of tectonic change).

These two positions on adaptive instability—reactive and proactive—represent two sides of the same coin. Identity and image are dynamically and recursively interrelated; the organization's self-definition is inherently unstable, yet this instability is adaptive for the organization. The difference is one of agency; reactive change stems from the actions of outsiders, and proactive change is self-induced. Regardless of the nature of the change, these arguments suggest a reconceptualization of identity that has both theoretical and practical implications.

Implications of a Mutable Identity for Theory and Research

In most writings on organizational identity, scholars use Albert and Whetten's (1985) definition, typically invoking the main dimensions of identity as that which is core, distinctive, and enduring. This definition has served us well as a good first approximation and point of departure for explorations into organizational identity. Yet, even as this definition has furthered investigations, it also has tended to impose limits on our ability to explore the concept's richness and dynamism. The foregoing discussion strongly suggests that because of the close relationships between identity and image, the characterization of identity as an enduring or stable notion becomes problematic, especially under conditions of change. Recognizing the socially constructed nature of organizational identity, and accounting for the implications of revisionist history processes and postmodernist considerations, imply the need for some alteration in the conceptualization of identity. The theoretical implication of acknowledging a socially constructed (and reconstructed) organizational identity is that even though we might use the same labels to describe the elements of a core identity, those elements are nonetheless subject to multiple and variable interpretations, which implies that identity changes with changing interpretations. Because we use the same labels over time to describe core elements of identity, it is deceptively easy to presume that identity is stable or enduring. The durability is in the *labels*, however—not in the interpretation of the meanings that make up the ostensible core.

We seem to have operated on an assumption that if some aspect of identity is core, it is, by definition, stable, and conversely, that if some

aspect is changing, it is almost, by definition, peripheral. We need to be careful of this presumption; because of the processes described earlier, even the core can shift, not only because of altered beliefs and values but also because of changing interpretations of persistent labels. Although we maintain a belief in "core" elements of identity, that belief does not imply that the core is some tangible entity. Because identity is not a "thing" but, rather, a concept constructed and reconstructed by organization members, it is theoretically important to avoid its reification.

All these considerations tend to render the traditional definition of organizational identity as too static to capture the pace of change of modern organizations. The guiding notion of a stable identity encourages researchers to continue to frame organizational identity as enduring, even as it becomes more apparent that identity changes over relatively short periods. Ironically, researchers continue to invoke the durability criterion, even as they acknowledge and produce evidence that identity is malleable—for example, Ashforth and Mael (1996), Dutton and Dukerich (1991), and Dutton et al. (1994). We would encourage researchers to be more open to the idea of a changeable identity. For cross-sectional studies, it is possible to act *as if* identity is stable. Such an assumption makes for parsimony, simplicity, clarity, and convenience in research reporting—and it has served us well. For longitudinal studies and more complex portrayals, however, we need to have the theoretical wherewithal to account for the dynamism of identity.

Another way to make this important point is to note that theoretical conceptions need to keep up with the changing character and form of modern organizations. Unless we revise and expand our theoretical assumptions, how might we account for "virtual organizations" (i.e., those temporary networks of people or organizations that come together quickly to accomplish a task and then dissolve, such as the temporary organizations assembled to make movies)? Such organizations are ephemeral by design, but they have a distinct identity. Similarly, how might we account for "hollow corporations" that outsource many of their operations, or organizations operating in volatile, hypercompetitive environments that seem to incorporate changeability into the definitions of themselves (e.g., Silicon

Valley companies)? How do we examine the identity of an organization like the Florida Marlins baseball team, which won the 1997 World Series and then was decimated in the space of months by the trading of key players? All these examples point to new ways of organizing, in which impermanence is a hallmark, and even a source of pride. Because these kinds of organizations are burgeoning, it becomes imperative to develop theoretical concepts that might more appropriately represent them.

The defining portrayal of identity is no longer represented by the assertion "This is who we are as an organization!" nor even by the question "Who are we as an organization?" Capturing the ambiguity and mutability of identity instead revolves around such questions as "Is this who we really are as an organization?" or, more provocatively, "Is this who we are becoming as an organization?" or even "Is this who we want to be?" These latter questions more adequately capture the important features of organizational identity as a negotiated, interactive, reflexive concept that, at its essence, amounts to an organizational work-in-progress.

It should be clear that identity will be called into question with increasing frequency in the modern and postmodern environment of organizations. Consequently, we believe that it is necessary to encourage the study of identity as something other than an enduring, reified concept. We need to study how organization members adapt to frequent information that suggests reconsideration of their organization's identity. We also need to better understand the interrelationships among different projections of identity and the feedback received by organization members. In particular, we need to investigate the processes by which discrepancies between identity and different types of image are reconciled (Corley & Gioia, 1999). In addition, we need to study how organization members work to maintain continuity in the interpretation of identity in the face of the increasing influence of image in a media-dominated environment (Alvesson, 1990)—for example, Canon Camera's "Image is Everything" ad campaign. Although we are skeptical of a radical postmodern view that identity soon becomes transformed into image and, ultimately, into illusion, we nonetheless believe that identity can shift relatively quickly because of its interrelationship with image. The mutability of identity demands not only

revised theoretical concepts but also revised empirical approaches.

Implications of a Mutable Identity for Managers and Consultants

These theoretical considerations also have practical manifestations. They suggest that a strategic concern for organizations might be the management of instability in identity, rather than the more frequently touted idea of trying to maintain an identity perceived as fixed. Of course, the attempt to balance stability and instability in identity is both delicate and dangerous. In its most risky form, it can lead to the unintended substitution of faddish image for key values and can unwittingly produce the postmodern picture of identity as illusion (if managers are overly attuned to popular but potentially fleeting images in the media). Yet, successful accomplishment of this balance creates a sense of adaptiveness, affording the organization increased capacity for change, while maintaining a continuing sense of connection to central values.

Do we really believe that intentionally destabilizing identity for the sake of instigating change is a viable recommendation for top managers? Yes, as long as that attempt is guided by a compelling future image that remains sensitive to the maintenance of continuity in elements of identity that provide the necessary security to accomplish change. Such a recommendation stems from the recognition that identity change is not always triggered by events in high-velocity environments (Gioia & Chittipeddi, 1991; Gustafson & Reger, 1995), by environmental jolts (Meyer, 1982), or by stigma (Fiol & Kooor-Misra, 1997; Sutton & Callahan, 1987), but also by proactive preparation for envisioned change to maintain viability.

We find two striking examples in the transformations of a former computer peripherals manufacturing firm in Pittsburgh and of the Danish hearing-aid manufacturer, Oticon. In the case of the computer peripherals manufacturer, the vice president of operations described how, in mere months, they transformed the organization from a hardware manufacturer into an Internet publishing firm by changing not only what they offered their customers but also their self-definition: "We had to think differently of ourselves in order to change from a product-

oriented company to a service-oriented firm" (personal conversation with vice president of operations, The Internet Group, May 1997).

At Oticon, the CEO—Lars Kolind—undertook the task of transforming the organization from a production-focused company to a service-focused company. Under the slogan "think the unthinkable," the company communicated a new identity through the use of "The Spaghetti Organization" metaphor and through the key symbols of a paper-free organization with flexible working environments (Morsing & Eiberg, 1998). The company shared this future image with the local media, who were then invited to talk with Oticon employees about their feelings toward the company's new image. Over the next several months, the projected Oticon image made international headlines. This intense external interest served to shake loose the old identity held by the organization's members and to move the company toward achieving the CEO's vision for an altered identity (Morsing & Eiberg, 1998).

Both firms, then, accomplished their transformations by projecting a new image of themselves and then working toward that image to transform identity (see Abratt, 1989; Balmer, 1995; and Dowling, 1994, for discussions of related issues in the corporate image literature).

If we take seriously the tenet that organizations must change, and if we take seriously the idea that bona fide change requires an alteration in some core beliefs about the character of the organization, then our conceptual representations, as well as our practical recommendations, must also specifically account for the malleability of identity. As is the case with many aspects of organizational change, consultants often play key roles in an organization's attempts to deal with identity change. Recasting identity as a more dynamic concept holds several implications for identity and image consultants, who deal primarily in the realm of "corporate identity." Their main intent is to project an image that captures the "central idea" of a corporation, expressing the core values of the company mainly through visual representations that also aid the corporation in achieving its strategic goals.

Given their vanguard role in corporate identity management, consultants are now beginning to recognize that the traditional, sequential process of identity management (identifying the

core beliefs, forming a visual image of the core, obtaining internal consensus for that image, launching the symbolic representation to the public, and, finally, "making it stick"; Olins, 1995: 63) becomes problematic when trying to account for the fluid and dynamic identity now characterizing many client organizations. No longer can they rely on the organization having a single, stable identity that can be identified, agreed upon, and easily projected. Instead, identity management now must involve the simultaneous formation of identity and image by linking internal preferences with internal and external projections and perceptions in a dynamic process. Here, the consultant's task is not only to figure out the corporate identity (or at least the identity that the corporation wants to project) but, concurrently, to assess what will be successful in the marketplace as a projected representation.

Thus, consultants find themselves in the often awkward position of trying to tell top managers what they would like to hear while also expressing what others would like the organization to be. Therefore, we argue that identity consultants now operate in a world that requires them to help define or even transform an identity in a way that simultaneously connotes stability and continuity with an adroit adaptiveness to the preferences and demands of multiple audiences and different situations. In other words, identity consultants find themselves at the crossroads of the paradox that organizations must execute the delicate balancing act of simultaneously changing while staying the same.

British Airways (BA) is an example of a company that has transformed its corporate identity and image with the assistance of identity consultants. As of the early 1990s, BA had become a running joke in the airline industry ("BA = Bloody Awful"). Its consulting firm confronted top management with the uncomfortable conclusion that BA harbored an identity that included a misplaced pride in the traditional British disdain for customer service (and was therefore suffering in a competitive business travel world that emphasized service). BA then transformed its expression of corporate identity by adopting a dynamic logo and a new slogan ("the world's favorite airline"), aimed at both insiders and outsiders, while also touting those nonproblematic features of identity that employees held dear. Along with other substantive and

symbolic changes, both audiences came to accept the projection; as of 1998, BA was the number one rated international business travel airline.¹

The now more apparent relationships between corporate identity and image also have implications for the kinds of services offered by identity and image consultants and desired by organizations. Traditionally, identity and image management have developed as two separate types of professional services. Identity services were provided specifically by corporate identity consultants, whereas image management has been the purview of advertising and public relations (Fombrun, 1996). Consultants now are crossing the boundaries between identity and image management, however, by creating new services that necessarily integrate the concerns for both identity and image. These new services focus on integrating internal and external communication practices, while creating new forms of interactive relations between customers and organizational members. Fundamental to these changes is the recognition by consultants that shifting and multiple interpretations of identity must be reflected in the creation of the identity program itself. Taking a fluid approach to identity change implies that a "central" characteristic of identity might be its ability to shift and transform according to the context in which it is being expressed.

CONCLUSION

With our questioning of the alleged enduring character of organizational identity, we have attempted to advance its conceptualization in a way that better represents the essential nature of perceptual life in organizations. The concept of identity is key to understanding modern organizations. In fact, acknowledging

¹ It also is interesting to note that BA more recently introduced yet another alteration in its corporate identity that can be seen as an attempt to balance stability and change. This new program symbolizes the multicultural diversity of "the world's favorite airline" in its use of a series of distinct tailfin designs, each created by leading designers from different countries and each clearly referring to a different national heritage. Stability is symbolized in a BA logo on the front of each airplane; change and multiple identities in the distinctive tailfins. The international attention devoted to the corporate identity campaign has clearly led to the increasing globalization of a formerly very British identity.

the interrelationships among identity and image allows the recognition that it is the very fluidity of identity that helps organizations adapt to changes. Accordingly, a concern of theorists and researchers is no longer solely the study of a durable organizational identity but also a concern for the implications of a mutable identity.

The necessity to change in order to adapt, but nonetheless to retain a sense that identity stays the same, has been argued by Gagliardi (1986). In his view, to preserve the character of identity, organizations, paradoxically, must change. We argue instead that the project of management is now different, because of the influential interrelationships between identity and image, and also because of the rise to prominence of image in the current era. The strategic concern of management is no longer the preservation of a fixed identity but the ability to manage and balance a flexible identity in light of shifting external images. Maintenance of consistency becomes the maintenance of dynamic consistency. Instability fosters adaptability.

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