

# BRINGING MEANING IN: THE RELATIONSHIP BETWEEN STRATEGIC RENEWAL AND OCCUPATIONAL IDENTITY

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## INTRODUCTION

Massive changes in consumer trends and a precipitous decline in advertising revenue are forcing newspapers to fight for survival. This rapid deterioration of an established business model forces strategic renewal defined as “refreshment or replacement of attributes of an organization that have the potential to substantially affect its long-term prospects” (Agarwal & Helfat, 2009, p. 282). Strategic renewal implies that general change and adaptation are insufficient for survival.

Researchers studying strategic renewal in dramatic contexts, such as that currently being experienced by media organizations, focus on understanding how external factors such as technology, competition and regulations impact strategic renewal (Capron & Mitchell, 2009; Tushman & Anderson, 1986). Certainly, the response to this type of technological disruption is fundamental to an organization’s success or failure with strategic renewal. It does, however, leave very little guidance to organizations, like media, who are not only engaging in strategic renewal but are doing so while embedded within the occupation of journalism. Occupational membership plays a substantial role in determining the skills or work of members in organizations (Bechky, 2011; Nelson & Irwin, 2014). Consequently, the work and hence occupational identity of the majority of their members is as closely aligned with the occupation as it is with the organization (Pratt et al., 2006). Though the work of members of occupations evolves, significant changes take time to develop, and members may be more or less resistant depending on the nature of the change (Nelson & Irwin, 2014).

Organizations and occupations themselves change and adapt over time (Nelson & Irwin, 2014; Van Maanen & Barley, 1984). What is unclear, however, is how the changes to organizational attributes necessary for strategic renewal and occupational identity are related, as most of these studies focus on the occupation and not the organization. In spite of the central role occupational members have in organizations, strategy researchers treat occupations as a contextual variable in studies of strategic renewal (e.g. Nag, Corley, & Gioia, 2007).

During strategic renewal, members of occupations must reconcile their occupational identity with any change resulting from the strategic renewal process. We examine this issue by focusing on the research question: *How are strategic renewal and occupational identity related?*

## THEORY

### Strategic Renewal

Our understanding of strategic renewal covers two main areas: external factors such as environmental triggers (e.g. Tushman & Anderson, 1986) and internal factors such as skill and

capability changes (e.g. Salvato, 2009), roles of the CEO or top management team (Tripsas, 2009), organizational identity (Nag et al., 2007; Tripsas, 2009) and underlying processes leading to strategic renewal (Crossan, Lane, & White, 1999; Teece, Pisano, & Shuen, 1997).

Most of the research on strategic renewal focuses on macro organizational factors. Though these are instrumental in understanding strategic renewal, focusing our attention at the organization and industry level of analysis leaves a significant gap in our understanding of how this process is enacted across the entire organization. Additionally, the planned nature and assumption of organizational control continues to prevail in spite of research to the contrary (e.g. Balogun & Johnson, 2005; Mintzberg & Waters, 1985). We seek to fill these gaps by shifting the focus from entities and processes enacted in organizations to actual work being performed in organizations (Barley & Kunda, 2001; Bechky, 2011). It is particularly appropriate when considering the foundational arguments of strategic renewal rest on the importance of altering organizational activities.

## **Occupational Identity**

Occupational identity impacts the activities of those in organizations (Van Maanen & Barley, 1984). Nelson and Irwin (2014), in their study of change to the occupational identity of librarians, provide a concrete example of how central occupational identity is to the interpretation and adoption of new work practices at the institutional level of an occupation. Similar to Nelson and Irwin's work, most studies of occupational identity focus on the institutional level of analysis in order to yield insights into the literature on occupations. Consequently, the mechanisms linking occupational identity to other key organizational processes such as strategic renewal are largely unknown. Research also shows that in spite of having a common occupational group, organizations experience change in different ways (e.g. Barley, 1984). Strategic renewal involves changing the work practices of organizational members thus it is logical to conclude that changing the activities of those who enter the organization with a specific set of activities differs from situations where activities are not guided by occupational identity.

In addition to a lack of research linking occupational identity to the overall process of strategic renewal, occupational identity is seen as hindering strategic renewal. There is a rich literature describing reasons for occupational resistance to change as occupational members struggle to maintain autonomy and control from the bureaucracy over their tasks and activities (e.g. Townley, 2002; Van Maanen & Barley, 1984). Foundational work by Van Maanen and Barley (1984) depict the relationship between occupations and the organizations employing them as one of tension, resistance and a battle for autonomy and control.

There is research to suggest this relationship is not always adversarial. In his study of the illegal creation of artifacts by craftsmen, Anteby (2008) examines why management at an aeronautical plant allows skilled craftsmen to illegally utilize firm resources to create personal mementos. The study by Anteby is not examining occupational identity enactment during strategic renewal, but it does highlight the reality that organizations hire members of an occupation to leverage their expertise and provide opportunities to maintain their sense of identity through enacting this expertise.

The focus on conflict in studies examining occupations in organizations does not consider that occupational identity may potentially enable strategy renewal. There are a growing number of studies focused on how members from different occupations are able to collaborate. For

example, members of occupations will use artifacts to not only reinforce occupational jurisdictions but also to transfer and transform knowledge during product development processes (Bechky, 2003; Carlile, 2002). This example illustrates that occupational identity is a key enabler of essential activities during periods of uncertainty. By definition, strategic renewal is a highly uncertain process requiring flexibility and adaptation. Consequently it is reasonable to assume that occupational identity may also play a more positive role during periods of renewal than the review of the literature suggests.

Our current understanding of the relationship between occupational identity and strategic renewal does not take into account there may also be a positive role for occupational identity during strategic renewal. Therefore, our study fills an important gap by examining the overall relationship between occupational identity and strategic renewal in order to reveal mechanisms that potentially help and hinder the process.

## METHODS

To answer our research question of, “*How are strategic renewal and occupational identity related?*”, we engaged in a one-year qualitative study at NatNews, a Canadian media organization, currently undergoing strategic renewal and inhabited by members of the occupation of journalism. Our data includes 50 formal taped and transcribed interviews, 48 informal interviews, field observations notes, archival data and a book by a former Editor-In-Chief. Handwritten notes capturing the informal interviews, meeting minutes and field notes were transcribed within 36 hours of leaving the field resulting in over 400 double-spaced pages.

We used a constant comparison method during our data collection as we cycled between data and theory (Corbin & Strauss, 1990). As we analyzed data, the first author conducted member checks from time to time to confirm we were accurately capturing day-to-day practices and the work of different occupational roles in the newsroom (cf. Barley & Kunda, 2001; Bechky, 2011). After these checks we made adjustments to the coding. As part of the analysis we wrote descriptions of each strategic initiative, which we revisited as new information came available. The first author also wrote memos after several of the initial interviews and observation days to help identify the emerging themes and capture early thoughts.

## FINDINGS

Our findings reveal several gaps in our understanding of strategic renewal. First, the values and beliefs forming the foundation of occupational identity are much more flexible than prevailing research on social identities suggests. These beliefs exist in tension that editors and reporters must balance and trade-off as they engage in their everyday activities and work. This flexibility in values and beliefs can enable adaptations during the strategic renewal process. Similar to other studies, we find evidence that occupational identity hinders strategic renewal, however, occupational identity can also facilitate strategic renewal. As opposed to acting as an obstacle to renewal the flexibility created by constantly balancing beliefs and values enables members to adopt new activities in order to get the job done.

Second, strategic renewal involves changes to activities and outputs as organizations respond to meet the needs of their environment (Albert et al., 2015). At NatNews, editorial content is a driver of economic value thus a key part of their overall strategy. This economic value is generated in part by the knowledge or expertise captured in the editorial content. In

addition to expertise, editorial content is an enactment of the beliefs and values forming the foundation of occupational identity. In other words, strategic renewal and occupational identity are intimately intertwined in the content itself, thus strategic renewal efforts that alter outputs may also impact the way members of the occupation either showcase their expertise or enact their values and beliefs. Our analysis reveals the need to broaden our assumptions that attributes such as product and capabilities are vehicles for creating economic value alone. Engaging in activities can either challenge or reinforce meanings important to the occupational identity of those enacting them (Barley, 1983). Thus a more holistic perspective on strategic renewal must account for this intimate relationship with occupational identity.

Third, we highlight how minor changes in activities can have a major impact on the associated meanings central to enacting occupational identity. We provide an example of how creating content that follows editorial guidelines, but is commissioned by an advertiser, causes visceral negative reactions in the newsroom. Our data show that even if editorial rules are followed, and the content creation process remains largely intact, this change in relational boundaries can alter the meaning of activity enactment. This reality limits deploying capabilities across the organization, as ‘internal alignment’ involves aligning meanings as well as the ‘how’ and ‘what’ of activities themselves.

Finally, our research findings suggest occupational identity may not be as unifying outside of organizational boundaries as literature suggests. Our analysis provides evidence that even when former employees with significant tenure at NatNews perform work at their new employer, it is not accepted as a perfect substitute for the work they had performed within the organization. Similarly, reporters who had been viewed as producing lower quality content when working elsewhere were treated as equals when they entered the organization. This finding suggests that organizational membership plays an important legitimizing function of equal importance to the possession of expertise and occupational membership when evaluating work.

## DISCUSSION

Strategy research focuses on how organizational identity influences key outcomes, however a macro-focus on organizational identity alone fails to capture the reality that organizations are comprised of different occupational and departmental groups (Barley, 1986; Huising, 2015; Trice & Beyer, 1993). Our data analysis suggests that focusing on meso-level identities, such as occupational identity, has the potential to yield new insights on strategic renewal and change. Our study reveals that focusing on the occupational identity embedded within the organization is an important source of variation in either supporting or resisting strategic renewal. Thus *who* is performing the work in organizations is an important factor in strategic renewal.

Second, our research shows that accounting for *where* work is performed is essential to understanding strategic renewal. From a strategy perspective, isolating resources and capabilities focuses on knowledge, expertise and know-how (Teece, 2007; Zander & Kogut, 1995; Zollo & Winter, 2002). From an occupational identity perspective, members of the occupation are experts (Abbott, 1988) and organizations hire them for this expertise. In their study of flute making Cook and Yannow (1993) find that flute makers from one organization still require additional training even when they perform the same activities at a new organization. The authors conclude that doing and knowing are cultural and largely tacit thus embedded within

the organizational context. Our findings support the conclusion that the organizational context where the work is performed plays a key factor in legitimizing this expertise even if members belong to the same occupation.

Third, our research reveals strategic renewal and occupational identity are intimately intertwined not only through activities but based on product or output. At NatNews editorial content has three specific functions: generate economic value, showcase expertise and reinforce purpose and meaning. In other words, the purpose or *why* work is performed is captured in the product.

Fourth and perhaps most importantly, our research reveals the need to broaden our assumptions about strategic renewal. There are currently three key assumptions in the dominant view of strategic renewal. First, the main function of key strategic attributes such as product/service and capabilities is to either directly or indirectly create economic value. Second, capabilities have clear and identifiable purposes that can be linked to the overall strategy of an organization. Capabilities exist to support an organization's strategy and are shaped by day-to-day activities of organizational members (Salvato, 2009). Third, though capabilities may adapt over time, research focuses on the deterministic aspects in creating capabilities such as top management decision-making (Barr et al. 1992) or structure (Zander & Kogut, 1995).

Our research suggests that these assumptions are tenuous as they fail to capture the reality that products and activities also serve other non-economic functions within an organization. Engaging in activities and generating content creates and reinforces meanings (Barthes, 1995; Barley, 1983). These meanings have no direct economic value but are embedded within the activities and products themselves. It is impossible to disentangle the non-economic value from the economic value of activities and outputs. Activities involved in creating their product are NatNew's differentiation strategy but occupational members create and reinforce meanings while performing these same activities. As a result, our understanding of strategic renewal is incomplete unless we consider the intimate relationship between the activities and the occupational identity of performing them during the strategic renewal process.

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