

# Promoción de la efectividad de las Organizaciones de Economía Social: Una propuesta basada en la gestión de la identidad

Francisco G. Nunes<sup>1</sup> ; Luis Manuel Dias Martins<sup>2</sup>  y Albino Lopes<sup>3</sup> 

Recibido: 8 de abril de 2019 / Aceptado: 18 de febrero de 2020 / Publicado: 29 de junio de 2020

**Resumen.** En este artículo, proponemos que las organizaciones de economía social (OES) pueden mejorar su efectividad si sus líderes desarrollan una estrategia dirigida a la gestión de la identidad organizacional, es decir, si consiguen involucrarse en la creación de una identidad laboral. Tras situar esta misión en el centro de la efectividad de las OES, identificamos cuatro funciones de la identidad laboral fundamentales a la hora de mejorar el rendimiento laboral: a) la identidad como lente y brújula; b) la identidad como recurso; c) la gestión de múltiples identidades; y d) la identidad como fuente de identificación. Finalizamos con sugerencias para que los líderes de OES desarrollen prácticas, que enfatizando en las cuatro funciones de la identidad laboral descritas anteriormente, aprovechen la identidad organizacional como un valioso activo que pueda ser utilizado por todos aquellos que sitúan el beneficio colectivo por encima de cualquier otro ingreso obtenido a través de la acción organizada.

**Palabras clave:** Economía Social; Efectividad Organizacional; Identidad Organizacional; Identidad Laboral; Liderazgo.

**Claves Econlit:** B55; L31; O35.

## [en] Promoting the effectiveness of Social Economy Organisations: a proposal based on identity management

**Abstract.** In this article, we propose that social economy organisations (SEOs) can improve their effectiveness if their leaders create a strategy for the management of organisational identity, that is, if they get involved in identity work. After placing the mission at the core of the effectiveness of SEOs, we identified four main focuses of identity work that we see as fundamental to promote the performance of these organisations: a) identity as a lens and as a compass; b) identity as a resource; c) management of multiple identities; d) identity as source of identification. We end with the suggestion of SEOs leaders' development practices that, by emphasizing these four lines of identity work, take advantage of organisational identity, a valuable asset to be used by all those who place the collective benefit above all other income obtained through organised action.

**Keywords:** Social Economy; Organisational Effectiveness; Organisational Identity; Identity Work; Leadership.

**Summary.** 1. Introduction. 2. Identity and effectiveness in Social Economy Organisations. 3. Exploring identity as a way to increase the effectiveness of social economy organisations. 4. Conclusion. 5. References.

**How to cite.** Nunes, F.G.; Dias Martins, L.M.; Lopes, A. (2020) Promoting the effectiveness of Social Economy Organisations: a proposal based on identity management. *REVESCO. Revista de Estudios Cooperativos*, vol. 135, e69180. <https://dx.doi.org/10.5209/reve.69180>.

## 1. Introduction

This paper proposes a framework for the management of social economy organisations (SEOs) based on organisational identity. The idea that organisations, like individuals, at certain moments of their existence, ask themselves such fundamental questions as “Who are we?” “What kind of business are we in?” or “What do we want to be?” (Albert and Whetten, 1985) is at the heart of the notion of organisational identity. Although most organisations do not explicitly pose such deep questions, when they do, it is usual to respond by resorting to the categories they belong to (for example, we are a school, we are a cooperative ...) or to

<sup>1</sup> ISCTE-IUL, BRU-IUL Instituto Universitário de Lisboa, Portugal. Bussines Research Unit. Dirección de correo electrónico: [francisco.nunes@iscte-iul.pt](mailto:francisco.nunes@iscte-iul.pt).

<sup>2</sup> ISCTE-IUL, BRU-IUL Instituto Universitário de Lisboa, Portugal. Bussines Research Unit. Dirección de correo electrónico: [lmartins@iscte-iul.pt](mailto:lmartins@iscte-iul.pt).

<sup>3</sup> ISCSP. Instituto Superior Ciências Sociais e Políticas da Universidade de Lisboa, Portugal. Dirección de correo electrónico: [alopes@iscsp.ulisboa.pt](mailto:alopes@iscsp.ulisboa.pt).

organisational attributes such as culture, philosophy, or the position they occupy in society. According to the seminal work of Albert and Whetten (1985) “for the purpose of defining identity as a scientific concept, we treat the criteria of central character, distinctiveness, and temporal continuity as all necessary and a sufficient set” (p.265). In this way, any element can be viewed as an affirmation of identity, as long as it fulfils three requirements:

- a) It refers to something central to the organization;
- b) It is distinguishable from other congeners;
- c) It tends to be enduring in its history.

To a greater or lesser extent, organisations are involved in this self-reflexive process about who they are and who they may become in order to actively build their identities, taking into account the context to which they are linked, a process that we will call identity work (Brown, 2015). At the organisational level, identity work refers to the thinking, communication and action processes that individuals and collectives use to create, share, maintain, or change the identity of the organisations they are part of (Kreiner and Murphy, 2016). In our view, identity work focused on specific aspects has the potential to positively influence the effectiveness of SEOs.

The fact that SEOs are eminently missionary and value-based entities immediately brings their identity to the centre of attention. Since identity represents the result of the collective action/reflection activity on the essence and future of the organisation, it is natural for it to consciously or unconsciously influence all aspects of organisational life, especially decisions pertaining to strategic positioning, how to take advantage of existing resources, how to solve the ambiguities and tensions inherent in the organisation’s existence and sustainability, or the patterns of its members’ daily activities. In line with this assumption, we propose that the creation of an integrated framework for identity management, translated into identity work, is an important resource for promoting the effectiveness of SEOs. In this sense, we join the proposal advanced by Young (2001), for whom “identity is a broad notion that can be used to understand and guide an organisation, virtually from any part of the non-profit sector” (155).

This article is organised as follows. As our argument emphasises the possibility of managing identity to promote the effectiveness of SEOs, a management activity designated here as identity work, we begin by delving into how we understand effectiveness within these organisations. Then, we identify four lines of identity work that we believe have the potential to maximise the effectiveness of SEOs:

- a) Identity as a lens and as a compass;
- b) Identity as a resource;
- c) Multiple identities;
- d) Identity as a source of identification.

We end by making some considerations about what could be done at the level of management training of the leaders of these organisations in order to place these lines of identity work on their development agenda.

## 2. Identity and effectiveness in Social Economy Organisations

Performance, longevity, sustainability, excellence, effectiveness are terms commonly used to describe favourable outcomes that can be achieved by organisations. More recently, the notions of performance and effectiveness have gained relevance to characterise this type of result or condition in SEOs. Since all the terms used are abstractions with different meanings and interests for distinct groups, they only gain precision when at least one indicator is used, which does not seem to be difficult considering the magnitude of the reservoir of already published indicators<sup>4</sup>.

Because SEOs tend to be characterised by their orientation towards social purposes, coupled with the nature of their property and concomitant restriction on the distribution of capital gains, at least on the basis of criteria that are not related to work, they, contrary to their profit-making counterparts, have the achievement of their mission as their ultimate indicator of effectiveness. Since the achievement of their mission involves economic or productive activities, it is usual to assess the effectiveness of SEOs on the basis of multiple indicators. Scholars of nongovernmental organisations use the term effectiveness to refer to the capability demonstrated by these organisations to mobilise civil society or other powerful stakeholder groups, while those engaged in the management of non-profits tend to focus on management practices or financial results.

<sup>4</sup> March and Sutton, 1997 have a fundamental discussion on this subject. Lecy, Schmitz, and Swedlund (2012) analysed 64 articles containing measures of organizational effectiveness of non-profit organizations and non-governmental organizations. Jun and Shiau (2012) also present a broad review of effectiveness indicators in the associative sector.

For example, Sowa, Selden, and Sandfort (2004) propose a multidimensional and integrated model for non-profit organisational effectiveness, known as MIMNOE, involving dimensions such as management capacity, management results, and program effectiveness, general dimensions with the potential to be measured by both documentary and perceptual indicators.

In a systematic review of the literature on the effectiveness of non-governmental and non-profit organisations, Lecy, Schmitz, and Swedlund (2012) identify the following as current dimensions for thinking about the effectiveness of SEOs:

- a) Management effectiveness, meaning the existence of leadership, people management, governance, budgetary management, or planning capacities that enable survival and growth;
- b) The effectiveness of programs, with the necessary assessment of their implementation, results, and impact;
- c) The effectiveness of networks insofar as the most effective organisations are those involved in networks as a way of mobilizing the actors and resources needed to achieve their objectives;
- d) Legitimacy, insofar as the brand and its reputation, which captures the history of the organisation in public opinion, are fundamental for the capture of all types of resources necessary for the existence of the organisation.

In a different but complementary perspective, Willems, Boenigk, and Jegers (2014) suggest that the effectiveness of non-profit organisations is based on their performance, whose indicators can be grouped into four categories:

- a) Financial performance, including the sale of services or products and donations or financing from the state;
- b) Performance from the perspective of specific groups, like volunteer satisfaction or donor loyalty;
- c) Market performance, including quality of service, image and reputation;
- d) Achievement of the organisational mission.

According to the same authors, effectiveness is, in turn, a concept that incorporates performance as described here, but also accommodates additional dimensions subordinated to specific objectives deriving from the organisation's mission, which implies considering processes, projects, and programs carried out by an organisation and the ratio between inputs mobilised and the outputs generated by these initiatives or organisational arrangements. As it becomes clear, emphasizing the importance of mission accomplishment is the touchstone that confers distinctiveness to the notion of effectiveness.

Despite being a central indicator, achieving the organisation's mission is a potentially vague criterion, subject to very different understandings and difficult to operationalise (Sawhill and Williamson, 2001). For example, a non-governmental organisation may aim to contribute to the sustainability of the planet by generalizing awareness and pro-ecological action, which is difficult to measure, especially if we take into account the time horizon required by cultural changes. At the limit, in SEOs designed to solve a specific problem of a certain group, for example, to build quality housing for the members of a given community or the eradication of a particular disease, to be effective would be to extinguish the organisation when the problem was solved - mission accomplished. Alternatively, a reflection on "who we are" as an organisation, that is, on identity, will tend to lead these organisations to redefine their reason of being in a somewhat more abstract way and not totally linked to specific activities, in this way allowing the longevity of the organisation through changing what the organisation does (the construction of housing has ended) and exploring new possibilities to continue to deal with the housing issues of the same group of people. In this sense, identity is influenced by previous organisational actions and shows, at the same time, a strong influence on subsequent activities. Identity work, that is, in-depth and structured reflection on the organisation's identity, the influence exerted by its history and its effect on future decisions, will affect the effectiveness of SEOs. More specifically, we propose the following:

*Proposition 1: The effectiveness of SEOs, when integrating the achievement of the mission as a central element, is affected by the degree to which organisations engage in identity work.*

### 3. Exploring identity as a way to increase the effectiveness of Social Economy Organisations

#### 3.1 Identity as a lens and as a compass: without knowing who we are and who we want to be, how can we make decisions about the future?

The most obvious way to establish the link between identity and organisational effectiveness would be to recognise that formal strategic planning processes often require managers to establish the organisation's mission or vision before undertaking an analysis of the external context and the organisational characteristics that will be the basis for a successful planning process. In addition to being a ritual of reducing uncertainty in the face of an unknown future, joint reflection on organisational purpose will affect organisational effectiveness by creating spaces for discussion in which consensus between key organisational actors about who we are can be established. For example, Voss, Cable, and Voss (2006) observed that the market performance of American theatres is negatively influenced by the existence of internal disagreement regarding organisational identity. We recognise the value of this identity work, but we seek to broaden the understanding of the effect of identity on organisational effectiveness by showing complementary aspects.

Organisational identity directly influences how members interpret what is happening in the organisational environment, and thus what issues are considered important or not, to the point of deserving consideration. As a general statement, we can say that the most effective organisations adapt to their environments. However, this adaptation process is far from automatic because the environment is not an objective entity that exerts unidirectional influence on organisations. To a large extent, what goes on outside of an organisation is complex and ambiguous and its meaning is largely constructed by organisational members (Weick, 1995). From the vast array of events, developments, or trends occurring in the environment, only those that are supposed to influence organisational performance deserve to be addressed (Dutton and Penner, 1993). Given the variety, complexity, and ambiguity of these events, it is necessary to work on the signalling of the information that deserves attention, the interpretation of its meaning, and to decide on whether or not the event should be treated as a relevant issue, thus deserving the mobilisation of resources, such as attention, discussion time, information acquisition, etc.

Organisational identity plays a key role in identifying the degree to which a subject deserves attention and mobilisation of other resources. In principle, only events that in any way influence aspects judged by the organisation as central, distinctive, or enduring capture the attention of the organisation. For example, managers of a school may be confronted with the results of a study that shows the position occupied by their school in the national ranking and observe that it occupies a modest place in the bottom third. To what extent this event will lead to specific actions to improve ranking position depends to a large extent on organisational identity. The school can define itself as an entity that is different from the others because it aims at educating children living in a disadvantaged neighbourhood whose parents' schooling is lower than the national average, which would affect the students' results. By stating its identity, this organisation can shift its terms of comparison to focus on schools with similar placements or, more simply, dismiss the relevance of the ranking of schools. As this event does not threaten a central element of its identity, it does not give rise to initiatives aimed at its resolution. On the reverse side, an organisation will be all the more motivated to act on an issue, the more it is seen as an opportunity to strengthen or broaden its core, distinctive, and enduring elements.

In addition to allowing the selection of subjects that deserve organisational action, identity also leads organisations to develop beliefs about domains that may or may not pertain to them, or identity domains (Livengood and Reger, 2010). For example, an organisation that cares for the elderly through retirement homes, day care centres, and home-based care may lack the ability to consider continued care as a possibility for evolution simply because the active promotion of health, through palliative care or physical therapy is not part of their identity. Organisations with a strong identity in a given domain will tend to limit investment in internal capabilities or in target markets outside this domain, which leads them to condition important strategic decisions by restricting self-imposed possibilities.

More generally, organisations can define who they are in a more or less consistent way with their actions. Organisations that define their identity in a manner which is coincident with what they do, that is, those that fail to disconnect who they are as an organisation from the products or services they provide, will tend to consider the entry into new activities or segments as illegitimate, which restricts innovation. In the opposite sense, organisations that express their identity in a manner which is totally disconnected from what they do will tend to look at all opportunities as exploitative, which will lead to diminished performance as a consequence of the dispersion of focus and resources (Raffaelli, Glynn and Tushman, 2015). Virtue will be somewhere between disconnection and total connection or, in Weick's (1979) terms, a loosely coupled situation.

In short, organisational identity influences all aspects that can be seen as strategic because it determines the signalling and interpretation of opportunities and threats, influences positioning decisions, affects the mobilisation of resources, and regulates the generation of strategic responses. Organisational identity acts as

a lens and as a compass that leads the organisation to look at certain aspects and not others as it guides its course in a context marked by the complexity and ambiguity of more or less compromising events of its effectiveness. In line with this argument, identity work in SEOs plays a leading role in generating effectiveness by allowing these organisations to gain a greater understanding of how their identity affects what they do and what they can do in the future. Thus, we propose the following:

*Proposition 2: SEOs that engage in identity work will be all the more effective the more this work allows clarifying the central, distinctive, and lasting elements and how these condition the strategic action of the organisation.*

### **3.2. Identity as a resource: use what is central, distinctive, and enduring as a competitive advantage**

SEOs can take advantage of their identity as a source of competitive advantage if they look at identity not as a fixed attribute but as something changeable and manageable. This assertion gains intelligibility within the perspective of the resource-based strategy. As described by Barney (1991), this perspective corresponds to a change in the emphasis of the strategic analysis that, usually, focuses on external factors to the detriment of the resources held by the organisations. Resources are defined as “all assets, capabilities, organisational processes, business attributes, information, knowledge, etc. controlled by a company that enables it to design and implement strategies that improve its efficiency and effectiveness.” (p. 101) In turn, a given resource has the potential to provide a competitive advantage, one that competitors are not using, the benefits of which they are unable to duplicate, when it is characterised by four attributes:

- a) It has value, in that it allows exploring opportunities or neutralizing threats;
- b) It is rare, in relation to current and potential competitors;
- c) It is imperfectly imitable;
- d) There are no equivalent substitutes for this resource that are endowed with value but which are not rare or imperfectly imitable.

When analysing the resources available in a given organisation according to the criteria set forth by Barney and Hesterly (2012), it is usual to use the VRIO acronym (value, rarity, inimitability and organisation). Under the resource-based approach, the requirement of inimitability is especially important in that it opens the door to identity as an organisational resource generating sustainable competitive advantage. According to Barney (1991), if it is not difficult to conceive that valuable, rare, and non-substitutable resources can be a source of competitive advantage, the attribute of imperfect imitability deserves special attention. More precisely, this difficulty in imitating an organisation’s resources can come from the fact that organisations are historical and social entities, which develop resources at times that are often unrepeatable, which contributes to imperfect imitability. On the other hand, it is often difficult to understand the causal nexus between certain resources and the competitive superiority provided by them, even for the companies that own them, a condition known as causal ambiguity, and a characteristic that hampers imitation by competitors. Finally, resources can represent complex social phenomena such as interpersonal networks, consumer reputation or loyalty, idiosyncrasy-dependent factors, and thus difficult to imitate.

If we remember that organisational identity is the result of complex, tacit, and ambiguous social interaction processes that have led to the expression of attributes that are seen as central, distinctive, and enduring, so institutionalised that they become defining elements of who we are and what we do which can be used to guide the attribution of internal sense and communication with external groups, then identity affects organisational effectiveness. The unique and nearly inimitable character of identity can be a source of sustained competitive advantage, but this is not always true since identity can be both a source of competitive advantage and inertia because it tends to link the organisation with its past, even if the assets that were and are exploited cease to make strategic sense. In this sense, identity would be a source of competitive disadvantage. Identity will be a source of competitive advantage if it provides the possibility for an organisation to do something that competitors cannot do or cannot do as well (Stimpert, Gustafson and Sarason, 1998).

Managers’ ability to regulate identity by leveraging their potential contribution to the creation of sustained competitive advantages was explored by Sillince (2006) and Sillince and Simpson (2010). Since the competitive potential of resources needs to be communicated to competitors, customers, and other stakeholders, rhetoric is the medium through which organisations explore different elements of their identity to communicate with different audiences. More precisely, an organisation has the possibility to develop specific arguments to maximise its attractiveness as a valuable resource, its distinctiveness as a rare resource, its centrality as an inimitable resource, and its durability as a resource that is difficult to replace. Table 1 summarises the set of arguments put forward by the author about how the rhetoric centred on different

aspects of identity, communicated in a judicious and specific manner to different interest groups, emphasises value, rarity, imitability, and substitutability in order to increase organisational effectiveness.

Table.1. Rhetorical strategies to explore attributes of identity as resources

Resources	Attributes of organisational identity	Example of rhetorical strategy
Valuable	Attractiveness: rhetoric affects effectiveness if it uses an attractive element of identity to communicate a resource as valuable	<ul style="list-style-type: none"> <li>• Maximise legitimacy by publicizing awards and certifications</li> <li>• Publicise a clear position: we provide the most humanised and warm service that people can get at prices they can afford</li> </ul>
Rare	Distinctness: rhetoric affects effectiveness if it uses a distinct identity to communicate a resource as rare	<ul style="list-style-type: none"> <li>• Most providers continue to seek a profit. As this is not our purpose, we can focus on the service we provide to people</li> <li>• We are not guided by rules and procedures, but by people and their needs</li> </ul>
Inimitable	Central: rhetoric affects effectiveness if it uses a central element to communicate a resource as inimitable	<ul style="list-style-type: none"> <li>• In essence, we were established to address complex population issues like this one.</li> <li>• It took us a long time to acquire the necessary competence to obtain the recognition of users and funders</li> <li>• Only here can one acquire the knowledge needed to work effectively</li> </ul>
Non-replaceable	Enduring: Rhetoric affects effectiveness if it uses an enduring element of its identity to communicate a resource as non-replaceable	<ul style="list-style-type: none"> <li>• We will continue to develop the skills that have led us to work this way</li> <li>• In essence, we were established to solve complex issues of populations like this one, and we will continue to be so</li> <li>• There is no possibility of replacing our way of dealing with users, for example, with a computer system</li> </ul>

Source: Prepared from the work of Sillince (2006). Examples of rhetoric strategy appropriate for SEOs were developed by authors

What is important to emphasise in this proposal is that one of the fundamental components of identity work is the articulation of adequate rhetoric about how to communicate the elements of identity in such a way that it can be used as a source of sustained competitive advantage. Inherent in this view is the possibility that resources, including organisational identity, can be managed in a way that provides increased effectiveness over the long term, challenging the role of top managers in identifying, creating, and feeding the resources that provide sustained competitive advantage and, in this case, communication with different audiences plays a preponderant role. In this context, we formulate the following proposition:

*Proposition 3: SEOs that engage in identity work will be more effective the more this work allows the use of their central, distinctive, and enduring elements as a source of competitive advantage through appropriate rhetorical articulation.*

**3.3 Identity as multiplicity: when being more than one thing can be beneficial**

Using identity as a perspective to look at SEOs leads us to describe these entities as social actors. Referring to an entity as a social actor means that society should be able to adequately identify it, expect it to act in a self-directed and accountable way, set specific goals for itself, and decide and undertake actions that are not necessarily aligned with the interests and desires of its individual members (King, Felin and Whetten, 2010). As social actors, SEOs are led to express who they are, placing themselves in broader categories (e.g., social

economy, healthcare) and at the same time assert that the organisation differs from its counterparts (Foreman, Whetten, and Mackey, 2012). That is, the process of identity development involves a process of balancing legitimacy and distinctiveness. As organisations are not created in a vacuum, they are driven to incorporate into their identity the expectations of relevant groups, so as to incorporate the elements of legitimacy of the category they belong to (Deephouse and Suchman, 2008). On the other hand, organisations express their identity in such a way that they can have a unique image of themselves. The result is a dynamic balance between the search for legitimacy and difference until a level of distinctiveness is found and the organisation becomes as distinct as is legitimately possible, a process identical to that proposed by Brewer (1991) on the creation of favourable self-concept as a result of the quest to solve the opposition between the need to be different from and identical to the others.

The creation and management of organisational identity are the responsibility of the founders of organisations and top managers. However, identity only becomes organisational when it is shared by members and when it is assumed to be an integral part of the organisation's character. The process by which identity elements migrate from individuals to the organisation can be described as a journey beginning with the ideas of the founders or top leaders and ending in what is set up in the organisation (Crossan, Maurer and White, 2011). More precisely, the beliefs, values, principles, and identities of the founders and other powerful actors generated at the individual level ("I think") are institutionalised at the organisational level ("the organisation is") through intermediate negotiation processes of senses that compel members of an organisation to increasingly share the meaning of who the organisation is ("we think") (Ashforth, Rogers, & Corley, 2011). The result of this process, which begins in specific individuals and ends in the organisation, is the shared perception of a reality as being objective, external to individuals, which defines what the organisation really *is*.

Because SEOs are actors, the definition of who they are and what they do is influenced by the expectations expressed by the groups with whom they have to relate. SEOs often construct their identity in complex and strongly institutionalised environments, that is, in which different logics about how an organisation should be organised and act strongly influence the structure and dynamics of organisations. For example, those working in the field of health care or education are obliged to follow a set of prescriptions about how they should be organised, what resources they should have, and what fundamental attributes should be present in the services they provide. In response to these demands, they are expected to develop more than one identity, becoming hybrid organisations.

It is usual to consider the existence of two types of hybrid identities (Whetten, Foreman, and Dyer, 2014), namely ideographic and holographic. In an ideographic organisation, different groups hold different conceptions of organisational identity. For example, doctors, nurses, and managers may differ in how they describe the identity of the hospital in which they work. In a holographic organisation, all members describe the organisation as having more than one identity. This second type of hybridity, the holographic, has deserved special attention, and it is usual to describe organisations using two dimensions: utilitarian, that is, focused on obtaining economic benefits; normative, that is to say, centred on the generation of social or symbolic benefits. For example, in a health care organisation facing a financial constraint, the discussion may arise about the answer to the question "who are we, a business or humanitarian organisation?" A hybrid organisation will tend to respond with a conjunction (and) rather than a disjunction (or). Typically, SEOs are hybrids in that they pursue utilitarian and normative purposes, naturally with different emphases in these two identities.

The hybrid character of an organisation's identity has advantages and disadvantages, so its management can have consequences for organisational effectiveness. Among the advantages, we can highlight the adaptability that hybridity provides, insofar as it allows responding to expectations and communicating effectively with various interest groups (Pratt and Foreman, 2000). On the other hand, the existence of multiple identities, because they convey different perspectives on the same topic, can stimulate the deepening of the debate when important decisions are being made and, thus, contribute to improving strategic decisions.

The main disadvantages inherent to the existence of hybrid identities are related to the conflicting nature of the need to respond to different expectations about the principles to be observed and the paths to follow, which may compromise the strategic orientation. In ideographic organisations, different internal groups can support distinct identities, which can give rise to strong ambiguity or conflict over "who we are as an organisation" and ultimately lead to situations of prolonged impasse or inability to act, or even of professionals' disconnection from the organisation. For example, a health care service solely focused on the utilitarian or business dimension can be seen as an entity that violates the normative commitment and patient focus that is part of professionals' ideology.

Because most SEOs are good candidates for developing hybrid identities, the management of this duality becomes an aspect that deserves leaders' attention, since the strategy to be used to deal with these oppositions will influence the effectiveness of their organisations. Therefore we propose the following:

*Proposition 4: SEOs that are involved in identity work will be all the more effective the more this work allows the design of appropriate strategies for balancing hybrid identities.*

### **3.4 Identity as a source of identification: using the attractiveness of organizational identity to promote pro-organisation behaviours**

The effectiveness of all organisations depends to a greater or lesser degree on the existence of constructive behaviour on the part of their members. Organisations that produce products depend on employees who are sufficiently committed to paying attention to errors or failures in the production process, not to be absent from work except for reasons of force majeure, or even to engage in quality improvement processes. Organisations that produce services are even more dependent on their members' behaviour since, in addition to the reasons given above, their central activity only happens because their members behave, often in front of the customer or receiver of the service, with whom they often co-produce the service provided by the organisation. Services can be defined as the result of a resource application process, especially knowledge and interpersonal skills, for the benefit of others (Greer, Lush and Vargo, 2016) and receivers of the services form their impression of the quality of service based on the experience they had when in contact with the providers, so the way they act is central to service performance, an effect that is well-documented in the scientific literature (Hong et al., 2013). Given this evidence, explaining why people decide to act constructively in the organisation to which they belong has played a central role in organisational theory (Tyler, 1999) and is on the agendas of all those who perform management functions. What is remarkable is that organisational identity, by activating the connection that individuals establish with the organisation they belong to, is a determining factor in the emergence of the most varied types of pro-organisation behaviours.

The sequence by which organisational identity influences organisational behaviour was suggested by Dutton, Dukerich, and Harquail (1994) and can be summarised as follows:

- a) The more favourably a person describes the identity of the organisation to which they belong, the more they identify with that organisation;
- b) The more a person believes that the organisation to which they belong projects a favourable image abroad, the more they will identify with that organisation;
- c) The more a person identifies with an organisation, the more likely they will be to display behaviours that favour it.

The explanation for this chain of events lies in human beings' need to live with an at least acceptable level of self-esteem, belonging to groups, and being different from other human beings. Belonging to certain organisations provides individuals with the opportunity to meet these needs, which leads them to incorporate this membership in the way they say who they are as people (Ashforth and Mael, 1989). The more favourable individuals' evaluation of this belonging, the more they will identify with their organisation, and it is even common to define identification as the perception of belonging to an organisation, in such a way that individuals define themselves on the terms of the organisation of which they are members (Mael and Ashforth, 1992). As a consequence of high levels of identification, or integration between organisational identity and the identity of individuals, behaviours that favour the organisation of belonging, manifested in very different ways, will tend to be observed. For example, in a review of the research on this topic, Ashforth, Harrison, and Corley (2008) report that more identified members are more cooperative, work harder, make more favourable decisions for the organisation, are more motivated by factors that are related to the work itself as opposed to motivation for money, share more information with colleagues and show a greater predisposition to coordinate with their peers and bosses. The impact of this pattern of behaviour on organisational outcomes is evident.

What kind of identity work can be developed to make identity more attractive to organisational members and integrate it into their identity? Schinoff, Rogers, and Corley (2016) suggest that top managers assume the role of identity keepers by being responsible for communicating identity to members of the organisation. More precisely, these guardians should:

- a) Address members at every possible opportunity by telling them "who we are" by carefully creating oral and written messages to convey in an interpersonal or collective context;
- b) Be a model, or to use artefacts, that show "who we are" also in respect to interpersonal or collective communication, functioning as if the organisational identity materialised in a person or an object; "Experiencing who we are" by creating experiences in organisational members that lead them to contact with or even model elements of identity.

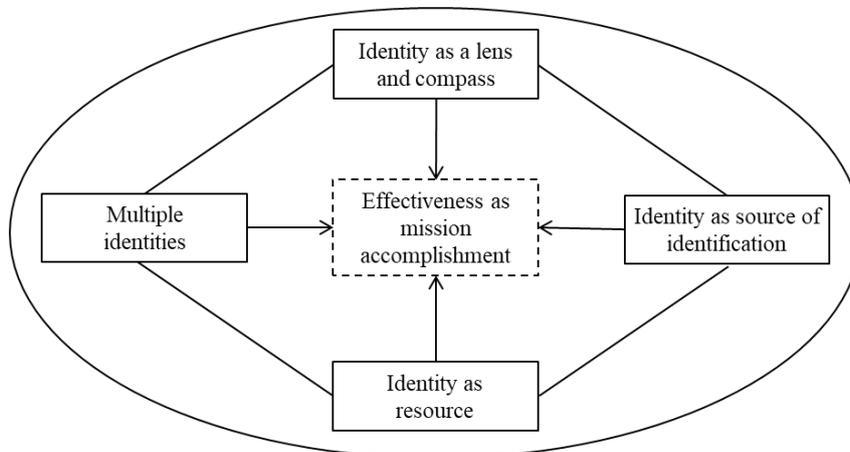
If behaviour in favour of the organisation depends on identification, which depends, at least in part, on the characteristics that individuals recognise in the organisational identity and if the founders and managers are responsible for identity management, we advance the following proposition:

*Proposition 5: SEOs that are involved in identity work will be all the more effective the more this work allows to use of the attractiveness of their central, distinctive, and enduring elements as sources of member identification which, in turn, will translate into behaviours in favour of the organisation.*

#### 4. Conclusion

In this article, we describe SEOs as eminently missionary and value-based entities, attributes that call for organisational identity as a decisive resource for promoting organisational effectiveness. More specifically, we have highlighted four complementary domains of identity work, designed to build identity, which can be considered by SEO leaders. The figure represents these domains. Identity work can take passive or active forms (Oliver, 2015), and our proposal is for managers to be active in the institutionalisation of routines by which, like individuals (Watson, 2008), the organisation may seek to create a relatively coherent and distinctive notion of identity and, within socially acceptable limits, to influence the various identities that integrate it by reference to the context in which it exists.

Figure.1. Lines of identity work as a way to promote the effectiveness of SEOs



Identity functions as both a lens and a compass. By allowing attention to be focused on some internal and external aspects, making them issues that may or may not deserve to be addressed, organisational identity is as much a form of vision as it is of blindness. By leading an organisation to act in certain domains rather than in others, organisational identity favours legitimate action in a given activity but may hinder innovation. Identity work that considers these effects of identity on the processes used by the organisation to signal, filter, and process information about problems or opportunities will lead to more lucid organisational strategies which are more likely to maximise organisational effectiveness. As Whetten and Godfrey (1998) remind us, “you must know who you are before you act.” (p. 113), advanced training in organisational strategy by SEO leaders combined with the inclusion of specific moments in their agenda for these possible effects to be discussed will be an appropriate development tool.

Identity works as a resource. When they are valuable, rare, inimitable, and difficult to replace, resources can contribute to building sustained comparative advantages. Identity work leading to the creation and use of rhetoric strategies capable of highlighting the attractiveness, distinctiveness, centrality, and durability of the identity can contribute to valuing the resources available in the SEO and, in this way, enhance its effectiveness. Training in public communication and marketing, coupled with the development of personal rhetorical skills, seems to be a proper management development activity.

Identity involves multiplicity and SEOs are serious candidates for being hybrid social actors. The existence of dual identities has advantages and disadvantages and their management is a challenge since it often implies the need to reconcile elements that do not go hand in hand. Training that allows one to learn to deal with this duality without becoming anxious, seeing it not as an exception but as something natural (acceptance), which facilitates the possibility of looking at the two elements separately (differentiation) and then putting them together at a higher level of abstraction (integration), will be determinant for the proper management of this SEO characteristic, with the aim of ensuring their sustainability (Smith et al., 2012).

Identity is an important source of identification for organisational members, a factor that usually generates a diverse set of behaviours that are beneficial to the organisation. To emphasise the favourable aspects of organisational identity, especially its central, distinctive, and enduring factors, through its

intentional increase and the selection of members whose individual identity profile is compatible with the attributes of organisational identity, as well as managing the reputation of the organisation in the community in which it is inserted, will be a relevant way of managing the identity and, with this, of promoting organisational effectiveness. The strategies of "telling," "showing," and "experiencing" who we are, as suggested by Schinoff, Rogers, and Corley (2016) are accessible ways to maximise identification as long as they become routines.

As a summary, we will say that the promotion of SEO effectiveness, apart from ideally being based on a set of multiple indicators, to be selected according to the characteristics that each organisation considers more appropriate for itself and its context, is dependent on the intensity and intentionality that their leaders place in identity work, that which promotes dialogue, thinking, and actions tending to create, share, maintain, or change the identity of the organisations (Kreiner and Murphy, 2016) of which they are members. By emphasizing the use of identity work as an instrument to enhance the effectiveness of SEOs, we urge leaders to take advantage of one of the fundamental attributes of these organisations, identity, which is an available asset that can be used by all those who place the collective benefit above other benefits obtainable through organised action.

## 5. References

- Albert, S.; Whetten, D. A. (1985) Organizational identity. *Research in organizational behavior*, N° 7, pp. 263-295.
- Ashforth, B. E.; F. Mael (1989) Social identity theory and the organization. *Academy of Management Review*, vol. 4, N° 1, pp. 20–39.
- Ashforth, B. E.; Harrison, S. H.; Corley, K. G. (2008) Identification in organizations: an examination of four fundamental questions. *Journal of Management*, vol. 34, N° 3, pp. 325–74.
- Ashforth, B. E.; Rogers, K. M.; Corley, K. G. (2011) Identity in organizations: exploring cross-level dynamics. *Organization Science*, vol. 22, N° 5, pp. 1144-1156.
- Barney, J. (1991) Firm resources and sustained competitive advantage. *Journal of Management*, vol. 17, N° 1, pp. 99-120.
- Barney, J.; Hesterly, W. S. (2012) *Strategic management and competitive advantage: concepts and cases*. Boston: Pearson.
- Brewer, M. B. (1991) The social self: on being the same and different at the same time. *Personality and Social Psychology Bulletin*, vol. 17, N° 5, pp. 475-482.
- Brown, A. D. (2015) Identities and identity work in organizations. *International Journal of Management Reviews*, vol. 17, N° 1, pp. 20-40.
- Crossan, M.; Maurer, C.; White, R. (2011) Reflections on the 2009 AMR decade award: do we have a theory of organizational learning? *Academy of Management Review*, vol. 36, N° 3, pp. 446-460.
- Deephouse, D. L.; Suchman, M. (2008) Legitimacy in organizational institutionalism. In: Greenwood, R.; Oliver, C.; Suddaby, R.; Sahlin, K. (Org.). *The SAGE handbook of organizational institutionalism*. London: SAGE, pp. 49-77.
- Dutton, J. E.; Dukerich, J. M.; Harquail, C. V. (1994) Organizational images and member identification. *Administrative Science Quarterly*, vol. 39, N° 2, pp. 239–263.
- Dutton, J. E.; Penner, W. (1993) The importance of organizational identity for strategic agenda building. In: Hendry, J.; Johnson, G.; Newton, J. (Org.). *Strategic thinking: leadership and the management of change*. Chichester: John Wiley, pp. 89-113.
- Foreman, P. O.; Whetten, D. A.; Mackey, A. (2012) An identity-based view of reputation, image, and legitimacy: Clarifications and distinctions among related constructs. In: Barnett, M. L.; Pollock, T. G. (Org.). *The Oxford handbook of corporate reputation*. Oxford: Oxford University Press, pp. 179-200.
- Greer, C.; Lusch, R.; Vargo, S. (2016) A service perspective: Key managerial insights from service-dominant (S-D) logic. *Organizational Dynamics*, vol. 45, N° 1, pp. 28-38.
- Hong, Y.; Liao, H.; Hu, J.; Jiang, K. (2013) Missing link in the service profit chain: a meta-analytic review of the antecedents, consequents, and moderators of service climate. *Journal of Applied Psychology*, vol. 98, N° 2, pp. 237-267.
- Jun, K.-N.; Shiau, E. (2012) How are we doing? A multiple constituency approach to civic association effectiveness. *Nonprofit and Voluntary Sector Quarterly*, vol. 41, N° 4, pp. 632–655.
- King, B. G.; Felin, T.; Whetten, D. A. (2010) Finding the organization in organizational theory: a meta-theory of the organization as a social actor. *Organization Science*, vol. 21, N° 1, pp. 290-305.
- Kreiner, G. E.; Murphy, C. (2016) Organizational identity work. In: Pratt, M. G.; Schultz, M.; Ashforth, B.; Ravasi, D. (Org.). *The Oxford handbook of organizational identity*. Oxford: Oxford University Press, pp. 276-293.
- Lecy, J. D.; Schmitz, H. P.; Swedlund, H. (2012) Non-governmental and not-for-profit organizational effectiveness: A modern synthesis. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, vol. 23, N° 2, pp. 434-357.
- Livengood, R. S.; Reger, R. K. (2010) That's our turf! Identity domains and competitive dynamics. *Academy of Management Review*, vol. 35, N° 1, pp. 48–66.
- Mael, F. A.; Ashforth, B. E. (1992) Alumni and their alma mater: a partial test of the reformulated model of organizational identification. *Journal of Organizational Behavior*, vol. 13, N° 2, pp. 103–123.

- March, J. G.; Sutton, R. I. (1997) Organizational performance as a dependent variable. *Organization Science*, vol. 8, N° 6, pp. 698-706.
- Oliver, D. (2015) Identity work as a strategic practice. In: Golsorkhi, D.; Rouleau, L.; Seidl, D.; Vaara, E. (Org.). *Cambridge handbook of strategy as practice*. Cambridge: Cambridge University Press, pp. 331-344.
- Pratt, M.; Foreman, P. O. (2000) Classifying managerial responses to multiple organizational identities. *Academy of Management Review*, vol. 25, N° 1, pp. 18-42.
- Raffaelli, R. L.; Glynn, M. A.; Tuhsman, M. (2015) *Organizational identity as a strategic resource: building dynamic capabilities for innovation*. Working Paper: Harvard University.
- Sawhill, J. C.; Williamson, D. (2001) Mission impossible? Measuring success in nonprofit organizations. *Nonprofit Management and Leadership*, vol. 11, N° 3, pp. 371-386.
- Schinoff, B. S.; Rogers, K. M.; Corley, K. G. (2016) How do we communicate who we are? Examining how organizational identity is conveyed to members. In: Pratt, M. G.; Schultz, M.; Ashforth, B.; Ravasi, D. (Org.). *The Oxford handbook of organizational identity*. Oxford: Oxford University Press, pp. 219-238.
- Sillince, J. (2006) Resources and organizational identities: The role of rhetoric in the creation of competitive advantage. *Management Communication Quarterly*, vol. 20, N° 2, pp. 186-212.
- Sillince, J.; Simpson, B. (2010) The strategy and identity relationship: Towards a processual understanding. In: Baum, J. A. C.; and Lampel, J. (Org.). *Advances in Strategic Management*, vol. 27, pp. 111-43. Bingley: Emerald.
- Smith, W. K.; Besharov, M. L.; Wessels, A. K.; Chertok, M. (2012) A paradoxical leadership model for social entrepreneurs: Challenges, leadership skills, and pedagogical tools for managing social and commercial demands. *Academy of Management, Learning and Education*, vol. 11, N° 3, pp. 463-478.
- Sowa, J. E.; Selden, S. C.; Sandfort, J. R. (2004) No longer unmeasurable? A multidimensional integrated model of nonprofit organizational effectiveness. *Nonprofit and Voluntary Sector Quarterly*, vol. 33, N° 4, pp. 711-728.
- Stimpert, J. L.; Gustafson, L. T.; Sarason, Y. (1998) Organizational identity within the strategic management conversation. Contributions and assumptions. In: Whetten, D. A.; Godfrey, P. C. (Org.). *Identity in organizations: building theory through conversations*. London: Sage, p. 83-98.
- Tyler, T. R. (1999) Why people cooperate with organizations: An identity-based perspective. *Research in Organizational Behavior*, vol. 21, pp. 201-246.
- Voss, Z. G.; Cable, D. M.; Voss, G. B. (2006) Organizational identity and firm performance: What happens when leaders disagree about “who we are”? *Organization Science*, vol. 17, N° 6, pp. 741-755.
- Watson, T.J. (2008) Managing identity: identity work, personal predicaments and structural circumstances. *Organization*, vol. 15, N° 1, pp. 121-143.
- Weick, K. E. (1995) *Sensemaking in organizations*. London: Sage.
- Weick, K. E. (1979) *The social psychology of organizing*. New York: McGraw-Hill.
- Whetten, D. A.; Foreman, P.; Dyer, W. G. (2014) Organizational identity and family business. In: Melin, L.; Nordqvist, M.; Sharma, P. (Org.). *The Sage Handbook of Family Business*. London: Sage, pp. 480-497.
- Whetten, D. A.; Godfrey, P. C. (1998) *Identity in organizations: building theory through conversations*. London: Sage.
- Willems, J., Boenigk, S.; Jegers, M. (2014) Seven trade-offs in measuring non-profit performance and effectiveness. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, vol. 25, N° 6, pp. 1648-1670.
- Young, D. R. (2001) Organizational identity in non-profit organizations: Strategic and structural implications. *Nonprofit Management and Leadership*, vol. 12, N° 2, pp. 139-157.