

The inductive qualitative approach was used in this study because the researchers...

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The article *Identity Ambiguity and Change in the Wake of a Corporate Spin-Off* by Kevin G. Corley and Dennis A. Gioia is dedicated to the case study of organizational identity change. Researchers investigated the transformation of organizational unit into an independent organization using the example of Fortune 100. The results of the research reveal previously unreported aspects of organizational change. Scientists state that the change is a challenge for a company because changes bring uncertainty and it, in turn, creates ambiguity. It is rather inconvenient and therefore it creates the context for its own resolution during the period of change. Some changes take a long time but some of them, like a spin-off of an organizational unit from its parent company, are sweeping and create a new understanding of the usual order. The identity change in such case should be quick. Identity ambiguity can be interpreted in different ways and the process of core features creation can be accompanied by tensions. Therefore, understanding of ambiguity is crucial to understanding the organizational change. The importance of these processes led to developing of different approaches to examining and classifying the organizational changes. However, to focus on dynamics of change a simplified approach is used. According to it, change involves either addition or subtraction from a parent organization. The aim of the current research is to provide the information on dynamics of organizational change.

Organizational identity is defined as collective understanding of who its members are as the organization. Researchers used previous studies by Hatch and Schultz, Albert and Whetten, Dutton and Dukerich as well as Reger and Gioia and Thomas to prove this statement and expand it for better

understanding of the concept. The findings proved that identity is fluid and adaptive to environmental changes. In their study published in 2000 Gioia, Schultz and Corley constructed a process model which reflects the adaptation between organizational identity and external image. The findings showed out that both alignments and discrepancies are possible during the evaluation of the results. The first one strengthens the corporate identity whereas the second one leads to changes. The insight into how the organizational change is done lies in its dual nature, which consists of both language and meaning. The current study is limited about relations between labels and meaning change expanding however to planned and unplanned identity change. The study deals with the concept of identity ambiguity, which defined as the state when the company members do not have clear vision of who they are or who they will be after the spin-off.

The organization chosen is Fortune 100 and its parent company which was called “ Bozco”. The spin-off company was titled “ Bozkinetic”. The reason for the spin-off was the rapid development of the industry and providing a chance for both parent and affiliate companies to compete effectively.

Bozkinetic has about 30, 000 employees led by seven top managers, five of which were ex-Bozco executives. The company was spread among different geographical locations from West to East Coast of the United States. The spin-off process took 18 months. To make the research the timeline was divided into three periods: pre-spin-off, spin-off and post-spin-off. Samples were taken according to Lincoln and Guba’s guidelines. Firstly, the most appropriate informants (top-managers) were used, and then a snowball technique was used. Besides, data were constantly compared. Data

collection envisaged the use of three different techniques: semistructured, one-on-one interviews, different types of documentation and non-participant observation. Interviews had priority status for the study. They were made during all the three phases of the research. Besides, different techniques were used to reduce bias. All in all, 38 informants from different hierarchical levels were interviewed. Documents analyzed in the study were as following: identity artifacts, image artifacts and contextual material on strategic, financial, operational and cultural aspects of the organization. In the course of observation organizational actions, routines and social interactions were examined.

The final model consists of three dimensions which modeled the organization identity change: triggers of identity ambiguity, the identity change context and leaders' responses to sensegiving imperative. The pre-spin-off identity of Bozkinetic reveals the feeling of difference from the parent company as well as the dependence from it. The identity was clear to almost all members of the company. The uncertainty comes when members of Bozkinetic understood the possible independence from Bozco. The dominant theme of the pre-spin-off period is growing identity ambiguity. However this ambiguity accompanies all the three phases observed in the study. The main theme of the first phase is triggers of identity ambiguity. Triggers of Identity Ambiguity include changes in social referents, temporal identity discrepancies and external image discrepancies. In this case social referent is Bozco, a company used as the comparison to define what the company is. The factor, which made the situation more complicated, is that Bozkinetic retained the parent's company name and brand to save costs. Members of Bozkinetic

experienced temporal identity discrepancies because of the difference between the current identity and future expectations. The construed external image discrepancies show the ambiguity expressed because members saw their organization in one way and perceive the view of outsiders as another point of view. Employees, for example, complained that the spin-off did not receive much attention.

The identity change context includes such factors as identity ambiguity and sensegiving imperative. Identity ambiguity first appeared in the latter days of the pre-spin-off period. It is a feeling of uncertainty of whom the members are accompanied with the necessity to find it out as soon as possible. It was evident in all kinds of observation (interviews, documentation and indirect observation). Two critical concepts illustrate the imperative: change overload and identity tensions. It was observed that apart from environmental changes employees of Bozkinetic experience also structural and cultural changes, which led to overload of information. Employees complained on being pulled in too many different directions. The tensions were resulted from the growing ambiguity of who the members of the company are and who they would be in the future. Three forms of the formal response to identity ambiguity were given by senior leaders and registered by the scientist: refinements of the desired future image, increase of branding efforts and modeling behaviors. To create a vision of the company being special and stable, top managers played the card of the world worsening economical situation and general instability. The increased brand presence was believed to reflect new positive image. Making clear decisions and acting in a way to create an identity is meant by the term “ modeling

behavior”.

Researchers concluded that during the first period Bozkinetic’s identity was described usually as in comparison to Bozco. The second period is defined by emerged ambiguity and the last period is characterized by active measures taken by managers in order to stabilize the organizational activity.

In the end, scientists describe further implications and possible use of this study as well as discuss terms used in it.

Reference list

Corley, K. G. and Gioia, D. A., 2004. Identity ambiguity and change in the wake of a corporate spin-off. *Administrative Science Quarterly*, 49, pp. 173-208.