How Values-Driven Organizations Manage Critical Incidents: The Process Model of Organization Identity/Action Alignment

A dissertation submitted
by
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This dissertation has been accepted for the faculty of Benedictine University.

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Abstract

The purpose of this research study was to uncover the process by which values-driven organizations manage critical events that have the potential for significant economic impact. This inductive study included two for-profit organizations that self-identified as values-driven: one in the food service industry and another in the professional services industry. The research consisted of 37 incident accounts of eight critical incidents collected through multiple rounds of qualitative interviews, as well as review of relevant corporate documents, including client contracts, financial information, corporate policies, websites, and so on. The incidents were analyzed using the constant comparison method, which resulted in the development of a process model that illustrates how the organizations manage the critical incidents, as well as how that process serves to maintain or change organization identity.
Dedication

To my father, Harold C. Brown, who cultivated in me a passion and respect for knowledge, wisdom, and education that set me on this journey almost 30 years ago; to my mother, Freddie Ann Brown, who nudged me to pursue that passion at just the right moment; to my sister, Lorena Brown, who has been a tremendous source of support and encouragement in tangible and intangible ways throughout this experience and without whom I am certain I would not be typing this page; and to my “Triple Es”: Erica, Ethan, and Elizabeth, who have willingly sacrificed so much in the last three years. They have forgone time with me, “fended for themselves” for dinner, and spent countless evenings and weekends in each other’s company without their mom, all because they believed that my dream was important and that I had waited long enough to go chase it.
Acknowledgments

While the list of individuals who have supported me in this endeavor is a paper in and of itself, I wish to specifically acknowledge a few special individuals without whom it simply would not have come to pass.

In order of appearance…

- Ric Calabrese, Ph.D. of Dominican University, whose classroom I entered on a Saturday morning more than twenty years ago and instantly knew where I belonged. His style and discipline resonated, and today I share much of his wisdom with my own students. He offered me my first teaching position and has continued to support me ever since that first day.
- To Jim Ludema, Ph.D., for the vision of a program of knowledge and practice that focused on bringing together the positive aspects of both, and for the unwavering drive to make it a reality.
- To Marie DiVirgilio, Ph.D. and Deb Hellmuth for considering my application long after the due date and for countless answered questions.
- To Gus Gustafson, Ph.D., Amber Johnson, and Kevin Lynch, Ph.D. for their support of the cause, excellent classes and distinguished visiting scholars, and unwavering support of each one of us.
- To the members of Cohort 1, for the excellent conversation and years of laughter and encouragement.
• To Barbara Fahey and Lee Murphy, my “Ph.D. Accountability Group,” for providing support, encouragement, collaboration, friendship, intellectual conversation, and a swift kick in the fanny when needed.

• To the participants in the ROV study in general and my project in particular; it was an honor and a privilege to get to know them.

• To Mike Manning, Ph.D. for agreeing to be my chair and understanding my less-than-traditional writing process. He taught me to be a researcher and a scholar, all with a supportive and encouraging approach, and for that I will be eternally grateful.

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• To the entire staff at Einstein Bros. Bagels in downtown Naperville and my “coffee shop friends” who have been cheering for me since the day I started, allowing me to spend countless hours at my table in the back, reading and writing with my “bottomless” cup of coffee.
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Chapter 1: Introduction

It’s the action, not the fruit of the action, that’s important. You have to do the right thing. It may not be in your power, may not be in your time, that there will be any fruit. But that doesn’t mean you stop doing the right thing.

—Mohandas Ghandi

Conception of the Study

While working on the Return on Values (ROV) initiative with the Center for Values Driven Leadership at Benedictine University,¹ I became intrigued by situations in which businesses experienced critical organizational events and yet responded in ways quite different than what I might have expected as a student, teacher, and practitioner of business; and quite differently from my own personal experience in a similarly cultured organization. As I read the transcripts from qualitative interviews with cross sections of employees across several different organizations, I noticed that time and time again, these organizations managed these critical incidents differently than businesses I’ve experienced and quite contrary to traditional theory on management strategies for achieving the economic goal of organizations.

¹ The ROV is a three year, $1M research initiative between the Small Giants Community and the Center for Values Driven Leadership at Benedictine University in Lisle, IL. The project is funded by the members of the Small Giants Community, organizations that have intentionally chosen to be “great instead of big.” Through a longitudinal survey of 25,000 US companies and deep-dive case studies of 30 exemplar for-profit corporations, the study asks the question, “What is the relationship between culture and profit in small and mid-size businesses?” For more information, please see http://returnonvaluesproject.com/
This was particularly noteworthy given that the last three decades have shown a consistent transition of corporate strategy from emphasis on retained earnings and reinvestment in the company towards maximizing and distributing earnings to corporate shareholders (Lazonick & O’Sullivan, 2000), a strategy that was consistent with my own business experience. Early in my career, I was employed by such an organization—one with an award-winning culture. I was the thirty-fifth employee hired in a company that ultimately grew to be 153 employees before it was sold. This company provided a concierge to run errands for its employees. It provided breakfast and lunch each day, along with a kitchen fully stocked with drinks and snacks free of charge. It had on-site daycare and domestic partner insurance long before these were considered benefits, much less standard; and it gave out cash awards and toys for employee service “above and beyond” at its quarterly town hall meetings.

On the surface, this company appeared to be an employee’s dream, and in many ways, it was. Employees were highly engaged, working long hours for below-industry pay, yet happy to be allowed to work in jeans and flip-flops and drink martinis in the office on Martini Thursdays. Yet as events unfolded over the course of my tenure in that organization, the company made decisions that seemed in direct conflict with this employee-centered culture, and I remember at the time being frustrated and disappointed with the disconnect between that culture and the company’s decisions. When ultimately the owners sold that business without paying out the stock options to
which many employees believed they were entitled, my perception was confirmed.

Years later as I looked back and even conversed with the individuals who owned the business at the time, I realized that the culture was a very specific strategy to drive profit, and when incidents arose and the company had to choose between financial gain or employee and client well-being, the people consistently took the back seat to profit and, in fact, ultimately became a means to that end.

Yet, as I read the ROV transcripts, it was clear that the subject organizations consistently made decisions that prioritized people, and the long-term viability of the business over profit. These actions were in direct opposition to the prevailing business literature and theory on corporate strategy that suggested the primary purpose of business is to maximize shareholder value (Lazonick & O’Sullivan, 2000).

After reading about each company’s management of these challenges, I became interested in learning how and why these companies managed these events in this unconventional way, and chose to investigate this phenomenon for my dissertation. Topic in mind, I re-read each transcript in search of evidence of critical events, extracting the data related to those incidents for further analysis. Once I had each event isolated, I realized that for many of the events there was insufficient data, as this topic had not been the specific focus of the initial ROV interviews. As such, I decided to return to the field to specifically investigate how these self-identified
values-driven organizations manage critical organizational events that have dramatic
impact on company economic performance.

**Purpose of the Study**
There is a small but growing movement of for-profit businesses focused on being
“great” instead of “big” (Burlingham, 2006). These “small giants” call themselves
values-driven organizations, and they are working together to help one another
develop organizations with cultures of excellence, wherein the organizations focus on
high employee engagement and satisfaction, exceptional customer service, and a
commitment to make positive contributions to the communities in which they work,
all while earning a profit.

However, there is a dearth of research to support the claims of these organizations or
to provide insight and guidance as to how this business strategy can impact economic
performance. It is within this gap that the ROV project aims to contribute by
conducting rigorous, academic research that uncovers the connections between these
cultures of excellence and economic performance.

The purpose of this study was to further the ROV’s research agenda by attempting to
reveal a process by which these self-identified values-driven organizations managed
critical organizational incidents that had the potential for economic impact, with the
hope that these findings would help these small giants operationalize their approach
into strategies that could be shared with other organizations who wish to conduct business in this way.

**The Research Question**

As a result of this initial data from the ROV transcripts combined with my own conflicting experience in a similar culture, I returned to the field with the following research questions in mind:

- How do values-driven organizations manage critical organizational events that have potentially dramatic impact on a company’s economic performance?
- Why do values-driven organizations pursue a particular issue?

**Research Methodology**

Although a detailed discussion of the research methodology is covered in Chapter 3, it is important for the reader to understand the foundations of this study while working through the paper.

This study was inductive, employing a constructivist grounded theory approach (Charmaz, 2006), following the method set forth by Glaser and Strauss (1967) wherein the data was gathered, coded, analyzed, and then abstracted so that a theory emerged from the data itself, allowing me as the researcher to modify the research plan as was necessary to follow the data and emerging theory. For data collection, I employed Flanagan’s (1954) Critical Incident Technique (CIT) to isolate specific critical events in the organizations’ history through which the participants were asked to share stories of how the incidents were handled. While data was being gathered,
grounded theory’s constant comparison method was employed to understand patterns and ultimately uncover a theory from the data.

Because of the inductive nature of the research, there were no hypotheses that were tested and later confirmed or rejected. In addition, although a preliminary literature review was completed to ascertain if my question had already been answered, the bulk of the literature was reviewed during and after the study had concluded, in accordance with Charmaz’s (2006) guideline that “the literature review and theoretical frameworks are ideological sites in which [we] claim, locate, evaluate, and defend [our] position” (p. 163).

**Biases**

Because this study was inductive, it is necessary for me to disclose my biases as I entered the field, because whether consciously or not, these factors may have contributed to the manner in which I conceived the study, conducted the research, and reported on my findings (Suddaby, 2006). Once recognized, it was my objective to enter the field with as few pre-conceived notions as possible, and to specifically look for biases in my interpretation of the data throughout the coding, analysis and reporting process.

**Researcher biases**

**Educational experience**

I am the product of the Catholic educational system through my sophomore year of high school, after which I completed high school at a public institution to pursue a
sport. Those 10 years of Catholic education developed some values in alignment with the Catholic faith, and those values and that specific educational background may bias this research.

In addition, my entire post-secondary education has taken place in private, Catholic, liberal-arts institutions of higher education, each of which had a focus on values and the mission of educating the whole person in a well-rounded way, rather than emphasizing specialization in a specific discipline. Again, these institutions, my teachers, and the classes were infused with values, and those values and that “way of being” may have created the potential for researcher bias in this study.

Finally, my doctoral program itself is one that emphasizes the positive nature of organizations and, in fact, was intentionally created to help leaders learn to develop cultures of excellence, take care of the planet, and generate profit. As such, my academic coursework at the Center for Values Driven Leadership has taught me to approach research from an appreciative perspective, with a view to giving voice to the positive. While this tendency is supportive of my personal ideology and is the primary reason I chose this specific doctoral program, I recognize that this interpretive lens creates an opportunity for researcher bias.

Professional experience
As disclosed above, I have personal experience in an organization with a culture similar to that which was seen in the ROV participant companies; and this experience
contributed to the possibility of researcher bias. Because my experience in this culture was conflicted, it did cause me to approach these organizations with some skepticism, which I believe helped me dig deeply into the data rather than accepting the participants’ words on face value. However, it is possible that my own experience in an employee-centered culture colored my interpretation of the data and/or how it was reported.

In addition, I have experience in very large, publicly traded organizations wherein the cultures were specifically focused on profit-generation, that may have helped balance my earlier experience, on the one hand, or may have biased me towards the profit maximization strategy, on the other.

Finally, I also have experience as an instructor in privately held, non-profit higher education institutions. The culture of each of these organizations was mission driven, although that mission was deeply ingrained and pervasive in some and less visible in others. This experience may have biased me to value (or devalue) work in support of mission, thereby coloring my interpretation, analysis or reporting of the results in this study.

**Personal ideology**
In addition to the Catholic religious and educational upbringing described above, I have personal values of intellectual development, continuous learning, service, gratitude, and generosity, and these values color most aspects of my life, from the
way in which I engage with colleagues, employees, and clients to the activities in which I choose to spend my free time. Although today I would describe myself as more spiritual than religious, I choose to approach the world with a positive view, seeking to focus on and emphasize the positive rather than dwell on the negative in my day-to-day living. Finally, I have a strong belief in the connectedness between living beings, and I believe that the way in which we engage in the world returns to us, and I intentionally endeavor to engage in a way that I hope others will return to me. It is this value system that caused me to take interest in this specific research study initially; yet I share this propensity because I recognize that my personal emphasis on the positive creates the possibility of bias in my research approach, execution, and findings.

**Participant biases**

As stated at the outset, this study was conducted using participant organizations from the ROV project, and these participants self-identify as values-driven organizations, which assumes a view about themselves as operating from a place of the organizations’ own values. The nature of my choice to focus my research on this specific type of organization creates an opportunity for bias in my findings.

In addition, the Small Giants Community is a source of funding for the ROV project (but not this dissertation), yet the combination of the participant organizations’ membership in the Small Giants Community and that organization’s funding of the broader research project creates an opportunity for bias.
**Layout of the Dissertation**

This section concludes Chapter 1, the introduction to the topic and background explanation as to why this particular topic was chosen, how the study itself was conceived, and potential biases in the research process. Chapter 2 explores the related literature and the relevant theory in which I have located this study. Chapter 3 provides both the justification for my selection of a qualitative methodology and the use of CIT, as well as a transparent account of the process by which I collected, analyzed and reported on the data. Chapter 4 introduces the participant organizations and establishes each organization’s identity. This background was necessary to help the reader connect my emergent theory to the data gathered from the organizations. Chapter 5 provides the study’s actual findings, focusing on the process of how the organizations managed the critical incidents, which answers the original research question. Chapter 6 addresses the additional finding of why the organizations identified the issues as critical incidents in the first place. Finally, Chapter 7 provides a discussion of the findings in terms of what meaning I found in the study and implications for both practitioners and scholars. This section also includes the study’s limitations and suggestions for future research.
Chapter 2: Literature Review

The objective of the literature in grounded theory studies is in dispute. Some scholars side with the original conception that required the researcher to ignore his previous knowledge of the existing literature (Glaser & Strauss, 1967), and others believe that ignoring our previous knowledge is impossible since the researcher cannot help but bring his background and knowledge of the extant scholarship on the subject to the research endeavor (Strauss & Corbin, 1990). In either case, the researcher is instructed not to allow previous knowledge to overshadow the data and resulting emergent theory.

With this methodological framework in mind, I conducted an initial exploration of the relevant literature at the time that I developed my research question and proposal. As I analyzed the data, I referred to literature as appropriate to search for definitions and explanations of phenomenon I encountered and to continually try to locate my study in the appropriate literature, as is consistent with constructivist grounded theory studies (Bryant & Charmaz, 2007; Charmaz, 2009). Ultimately, the purpose of the literature review at the conclusion of a grounded theory study is to provide sufficient background to support the theory that will emerge in the chapters to come.
In addition to the review conducted here in Chapter 2, I address the methodological literature in Chapter 3, and I have interwoven relevant literature throughout Chapters 4 through 7 as I explain my findings and connect my concepts and analysis to the existing scholarship.

The following sections of this chapter cover the primary bodies of literature relevant to this study, including Positive Organizational Scholarship (POS), Values-Based Organizations, Organization Identity (OI) and Positive Organization Identity (POI), Organizational Culture (OC), Critical Incidents and Issues, and Organization Dissonance. My rationalization for including each area is described in Table 1.

### Table 1: Explanation of Literature Relevant to the Study

<table>
<thead>
<tr>
<th>Body of Literature</th>
<th>Relevance to Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive Organizational Scholarship (POS)</td>
<td>POS is relevant because the nature of the values-driven self-concept of my subject organizations situates this research in the POS discipline. These organizations choose to focus their attention on positive actions and outcomes, prioritizing these higher than pure financial objectives.</td>
</tr>
<tr>
<td>Values-Driven Organizations</td>
<td>The values-driven organization literature is relevant because this specific terminology is what these organizations use to describe themselves. As such, discussing the meaning of this terminology is important to understand the participants’ self-concept.</td>
</tr>
<tr>
<td>Organization Identity (OI)</td>
<td>OI emerged as a substantial factor in my final process model. Although this literature was not included in my preliminary review (pre-data collection), it was necessary for me to cover it after it emerged as a contributing element of my grounded theory.</td>
</tr>
<tr>
<td>Body of Literature</td>
<td>Relevance to Study</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Positive Organizational Identity (POI)</td>
<td>What the organizations see as values-driven meets the criteria for their self-concept to be termed POI. Because this identity was relevant to this study’s findings, I define and discuss it here.</td>
</tr>
<tr>
<td>Organizational Culture (OC)</td>
<td>I included a review of the OC literature in my preliminary proposal, as these organizations consider themselves to have values-based organizational cultures. As such, it was necessary to define culture for the reader. In addition, culture emerged as a factor in my final process model as well, so it was necessary to elaborate further about culture and its role in the study.</td>
</tr>
<tr>
<td>Critical Incidents and Issues</td>
<td>Since the focus of my research question was on specific critical incidents, I felt it important to discuss what makes a situation an incident. I could find no literature about incidents specifically; however, I have covered a small body of work that discussed issues, which is consistent with my interpretation of incidents for the purposes of this study.</td>
</tr>
<tr>
<td>Organization Dissonance</td>
<td>Although not included in my preliminary literature review, the concept of alignment also emerged as a significant factor in my emergent theory. Given that I could find minimal literature that specifically addresses the idea of alignment, consistency, or congruency within an organizational environment, I have included a brief discussion on the idea of dissonance, as an understanding of these concepts is necessary to understand my final emergent theory.</td>
</tr>
</tbody>
</table>

**Positive Organizational Scholarship**

In 2000, the American Psychologist journal devoted a full issue to the then-emerging topic of “positive psychology,” an idea that had been building quietly in small circles for two decades prior. The term “positive psychology” is considered an umbrella term for a wide variety of areas of inquiry, each of which intentionally seeks to understand
mental health and well-being, as opposed to mental disease and illness. Specifically, positive psychology seeks an understanding of “positive emotions, positive character traits and enabling institutions” (Seligman, Steen, Park, & Peterson, 2005, p. 410). From the positive psychology movement has emerged the Character Strengths and Virtues (CSV), a system that defines and organizes “strengths and virtues that enable human thriving” (Seligman et al., p. 411). This classification system seeks to provide an alternative way of viewing mental health other than that which is found in the Diagnostic and Statistical Manual of Mental Health Disorders, to identify the state and causes of mental health and well-being, as opposed to mental disorder and disease. This idea was a significant departure in the psychology field, and it arose as an intentional attempt to counter the unbalanced attention that had previously been given to the negative side of psychology—that related to disease, illness, and disorder.

POS, on the other hand, was introduced in 2003, just shortly after positive psychology found its way into the mainstream. However, it was not in response to a deluge of negative organizational focus or study. Instead, it arose primarily because early authors encountered phenomena in organizations that were unstudied and sought to create a discipline to investigate these phenomena (Cameron & Spreitzer, 2012).

POS is also an umbrella concept, but one that is used as a way to connect a variety of areas of inquiry that focus on that same concept of looking at the good, or positive,
but within the context of organizations. Specifically, POS focuses on “investigating positive processes and states that occur in association with organizational contexts. It examines positive phenomena within organizations and among organizations, as well as positive organizational contexts themselves.” (Cameron & Spreitzer, 2012, p. 2).

The domain of POS has experienced controversy and criticism largely due to a lack of agreement on the definition of the term “positive” (Fineman, 2006; George, 2004; and Ehrenreich, 2009). In response, Cameron and Spreitzer (2012) offer a review of the literature in POS and suggest the emergence of some common themes that occur in the following four approaches to positive organizational studies:

- “[A]dopting a unique lens or alternate perspective” (Cameron & Spreitzer, 2012, p. 2). This approach suggests that phenomena be evaluated in a different way. Some studies that have examined phenomena from this approach include Gittell, Cameron, Lim, and Rivas (2006); Lee, Caza, Edmondson, and Thomke (2003); and Sutcliffe and Vogus (2003). Another interpretation is that POS can give voice to issues or variables that were previously ignored or thought irrelevant, as seen in studies such as Baker, Cross, and Wooten (2003); Quinn (2002), and Wrezniewski (2003).

- Investigating outcomes that “dramatically exceed common or expected performance” (p. 2). This approach looks at performance outcomes that are not simply good, average, or normal, but are exceptionally positive; that is, success that is “extraordinarily positive or positively deviant” (Spreitzer & Sonenschein,
Examples of these types of investigations can be found in Cameron and Lavine (2006) and Baker and Gunderson (2005).

- Assuming “an affirmative bias, therefore prioritizing positive energy, positive climate, positive relationships, positive communication and positive meaning in organizations” (p. 3). This approach means that POS intentionally investigates phenomena from the perspective of positivity, with the intentional bias that something positive can be found in and learned from tragedy and adversity when those phenomena occur, and that there is much to be learned from the everyday positive experiences and interactions that occur within and between organizations.

- Examining “virtuousness or the best of the human condition” (p. 3). This approach means that there is value and support for the idea that humans desire to do and be good for its own sake as is argued by Aristotle and other philosophers.

It was the handling of the critical events in a manner that was consistent with these common themes (particularly the third and fourth bullets above) that caused me to become interested in the present study. This coupled with the participant organizations’ self-identification as values-driven organizations established POS as an important foundation for this project.

**Values-driven or Values-based Organizations**

Almost forty years ago, Rokeach introduced the idea of values into the business literature, suggesting that values are beliefs that contain cognitive, affective, and behavioral dimensions (Rokeach, 1973). While Rokeach’s work primarily focused on
the values of the individuals working within the organization, Frederick (1995) built upon Rokeach’s work and extended it into the organizational literature, suggesting, it just may be that the values within (as well as those outside) the organization are as important to successful management as skilled command of financial resources, marketing techniques, accounting controls and the rapidly advancing of computerization of business operations. (p. 5)

In 1993, Kouzes and Posner suggested that a leader’s articulation of organizational values creates an “internal compass” that allows employees to work independently and responsibly within those values. Gawthrop (1998) agreed, stating that values provide a framework and guidance that helps employees answer the question, “What should I do?” More recently, books about “values driven leadership” have become prolific in the popular press, including practice-based books by Malphurs (2004), Kraemer (2011), Gentile (2013), and Barrett (2011).

However, the concept of a “values-based” or “values-driven” organization is minimal in the academic literature (Buchko, 2007), and most of what exists has been added in the last ten years. Although a search of all available databases for the terms “values-driven” or “values-based” returned several hundred peer reviewed results, most were related to corporate social responsibility (Derwall, Koedijk, & Ter Horst, 2011; Vlachos, Theotokis, & Panagopolous, 2010; Walker, Heere, Parent, & Drane, 2010; Geue & Plewa, 2010; Hennigs, Wiedmann, Klarmann, & Behrens, 2013; Titov, Virovere, Meel, & Kuimet, 2013). Some were focused on a specific service industry,
such as healthcare (Berry & Beckham, 2014; Harburger, Stephan, & Kaye, 2013); or contained a case study about one specific company that identified as values-driven (McCowan, Bowen, Huselid, & Becker, 1999; DeCotiis, Sullivan, Hyatt, & Avery, 2004).

A few, however, proved relevant to organizations and primarily serve to provide support for previous definitions that the role of core values is to provide guidance to organizational members about how they should behave in a given situation (Getha-Taylor, 2009) and argue that most values-based organizations display a very specific and identifiable mission and identity that is not the maximization of shareholder value (Bruni & Smerilli, 2009). However, Bruni and Smerilli (2009) go on to say that primary examples of the values-based organizations include “non-profit organizations, charities, NGOs [Non-governmental Organizations], environmental, educational or cultural organizations” (p. 273); essentially not for-profit business entities.

One article specifically examined the relationship between an organization’s core values and the actual work of management with a specific objective of testing the leader’s role in employee engagement in values-based management behaviors (Buchko, 2007). This study developed an illustration of the relationship of the company’s core values and economic outcomes, as depicted in Figure 1.
Figure 1: The Relationship of Organization Values to Performance

Source: Adapted from Buchko, 2007, p. 38

Buchko explained this process from right to left, indicating that “performance” is the result that the organization must obtain to stay in business, and it does so through products and services. Those products and services are generated through a variety of specific processes and tasks that are completed by people who engage in behavior, make decisions, and come up with innovations. At the left lie the values, which are “what determine the behaviors and decisions of the organization” (Buchko, 2007, p. 39). Buchko asked the question, what effect do an organization’s leaders have on actual values-based behaviors? He then developed an instrument to assess the role of leadership on values-based management, finding that leadership does have an effect on these values-based behaviors in subordinates (Buchko, 2007, p. 46).
While Buchko’s study contributes to the understanding of values-based organizations, it does not speak to the specific question of how values driven organizations handle critical organizational events that have a potential economic impact, which was the subject of this study. However, this literature does contribute to how we understand the subject organizations’ self-concept of being “values-driven” or “values-based.”

**Organization Identity**

Albert and Whetten (1985) are credited with introducing the idea of identity into organization literature, and in that seminal publication they argue that organization identity (OI) is the members’ collective and shared meaning of who the organization is, or who they are as an organization. Corley, Harquail, Pratt, Glynn, Fiol, and Hatch (2006) explain OI as self-referential—specifically, the organization’s thoughts and beliefs about itself (as opposed to the view held by those external to the organization). In essence, Corley et al. (2006) suggest that OI is about the organization answering the question, “Who are we?”

According to Albert and Whetten (1985), OI is central, enduring, and distinctive—or that which is central, enduring and distinctive to the organization’s members becomes the organization’s identity.

- OI is *central*. To be central, it must be firmly embedded in the organization throughout its systems, beliefs, values, and norms that guide behavior. “Central” characteristics may be shared through mission statements and other processes and documents that assist organization members with sensemaking and help to guide
appropriate action (Ashforth & Mael, 1996). Corley et al. (2006) define centrality through *depth*, how thoroughly it permeates the organization and how necessary it is to the organization’s functioning; *shared*, meaning how well the identity permeates across organization members and how consistently those members are in their descriptions of the identity; and *structural*, meaning it is a foundation of the organization in general, and many other functions depend upon it. Perhaps it can be explained as a load-bearing wall in a home. It cannot be removed without putting something else in its place, and removing it changes the entire structure of the home at the foundational level.

- **OI is distinctive.** Distinctive essentially means whether or not the characteristics are different from those of organizations that would be considered comparable. This idea means both identifying characteristics that the organization has, as well as understanding those that it does not have (and does not wish to have)— thereby distinguishing it from other similar organizations. In order for OI to be distinct, however, not every characteristic must be different from others, but instead there should be a set of characteristics that is different from comparable others (Albert & Whetten, 1985).

- **OI is enduring.** There is disagreement among academics as to whether or not OI is truly enduring and therefore unchanging, with some scholars feeling that “if it changes, it’s not identity” (Whetten & Mackey, 2002), and others feeling that it can and does change and evolve over time (Dutton & Dukerich, 1990; Gioia & Thomas, 1996; Gioia, Schultz, & Corley, 2000).
**OI as enduring versus dynamic**

The significant level of debate on this element of identity caused me to provide this more in-depth discussion on this specific pillar, as my findings support the argument that identity is changeable, both intentionally (Van de Ven & Poole, 1995) and unintentionally (Gioia, Patvardhan, Hamilton, & Corley, 2013).

Since Whetten and Mackey’s (2002) statement that “if it changes, it’s not identity,” there is now a significant body of scholarship that argues that not only can identity change, there are circumstances under which changing identity would be necessary or desirable (Gioia & Thomas, 1996; Gioia et al., 2000); and that it does evolve over time, whether intentional or not (Dutton & Dukerich, 1991).

Gioia et al. (2013) conducted a comprehensive review of identity change and identity formation, reviewing 51 academic articles related to identity change. Of those reviewed, the authors reported that 25 suggested that identity does change, and the authors put forth the “dynamic identity proposition” that suggests that since identity must be agreed upon and shared among the members, it must be flexible and capable of shifting. This suggestion is consistent with other publications on identity, as listed in Table 2.
Table 2: Summary of Dynamic Identity Proposition Literature

<table>
<thead>
<tr>
<th>Proposition</th>
<th>Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizations use changes in identity to shift strategy</td>
<td>Gioia and Thomas (1996)</td>
</tr>
<tr>
<td>In cases of acquisition or spinoff, an organization can go through a period of “ambiguity” before finding and accepting a new identity</td>
<td>Corley and Gioia (2004)</td>
</tr>
<tr>
<td>Identity is a social construction, and therefore must change</td>
<td>Corley et al. (2006)</td>
</tr>
<tr>
<td>External threats to the organization’s identity may drive it to change identity (or at least how the organization describes its identity)</td>
<td>Ravasi and Schultz (2006)</td>
</tr>
</tbody>
</table>

In summary, in order for an organization’s self-concept to be considered identity, it must meet the three pillars: it must be central, distinctive, and enduring, and meeting these three criteria is sufficient for the self-concept to be labeled identity. It is important to note, however, that recent studies disagree on the enduring pillar, with some saying that identity can and does change over time, and others feeling that it must remain consistent to be identity.

**Positive organization identity**
In accordance with the objectives of the field of positive organizational scholarship, several authors have specifically investigated organization identity from the perspective of positive identity, or specifically what behaviors and attitudes or characteristics might make an organization’s identity positive (Corley & Harrison, 2009; Pratt & Kraatz, 2009; Brickson & Lemmon, 2009; Hamilton & Gioia, 2009;
A summary of the findings for Positive Organization Identity (POI) is shown in Table 3.

<table>
<thead>
<tr>
<th>Identity Component</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resourcefulness</td>
<td>Emphasizes the generative nature of the identity—that it helps to increase the capabilities of the group and improve the whole</td>
</tr>
<tr>
<td>Relationship</td>
<td>Emphasizes the capability of the identity to build and strengthen connections among members, creating a strong social structure and supporting network</td>
</tr>
<tr>
<td>Meaning</td>
<td>Emphasizes the intentional creation of meaning and understanding how the organization derives meaning from the organization itself, and from the work in which it engages</td>
</tr>
<tr>
<td>Inspiring</td>
<td>Emphasizes the motivational aspects of the identity; organizational members and external stakeholders see positive identities as attractive and interesting</td>
</tr>
<tr>
<td>Generative</td>
<td>Emphasizes the ability of the group to improve and grow</td>
</tr>
<tr>
<td>Authentic</td>
<td>Emphasizes the consistent understanding and explanation of who the organization is, both internally and to external stakeholders</td>
</tr>
<tr>
<td>Adaptive</td>
<td>Emphasizes the organization’s ability to change as needed or desired without compromising the identity and associated values and beliefs</td>
</tr>
</tbody>
</table>

Having analyzed and coded the data to understand the organization’s identities, I have taken the position that the participant organizations have POIs (as defined and described above), and that these identities contribute to the process by which they manage the critical organizational events. A detailed discussion is found in Chapter 5.
Related organizational concepts
Although an in-depth discussion of each of these related concepts is beyond the scope of this dissertation and not the subject of the study itself, there is often confusion about ideas that are related to, but not the same as, OI. As such, a brief explanation of my interpretation of these concepts may help the reader understand how I identified OI in the data and how I conceptualized it as distinct from these other concepts.

Organization image
In the majority of the organization literature, image is construed as how the organization’s members believe outsiders see the organization (Dutton & Dukerich, 1991; Gioia et al., 2013; Hatch & Schultz, 2002).

Corporate branding
Corporate branding is generally construed as the way an organization projects itself to external stakeholders such as customers, shareholders, the media, and so on, and is generally considered to be related to the image the organization wants to project in order to sell its products and/or services (Hatch & Schultz, 2001).

Corporate reputation
A significant amount of research has been done surrounding reputation, and it is generally explained as external parties’ evaluation of an organization that develops over time and as a result of the stakeholder’s experience with the organization (Rindova & Fombrun, 1999; Dutton, Dukerich, & Harquail, 1994).
**Organization values**
Organizational values are sometimes considered synonymous with OI; however, Corley et al. (2006) take the position that values themselves do not amount to OI; instead, values may be embedded within the identity that the organization believes to be central, distinctive, and continuing. Sometimes they fall into the category of “underlying assumptions” as described by Schein (2010), where they are so deeply ingrained as to not be easily identified by the organizational members themselves. Other times values are identified through the “espoused beliefs” of an organization, those things upon which the members of an organization base their behavior (Schein, 2010; Buchko, 2007). This study adopts this position.

**Organizational Culture**
Although a concept related to OI, organizational culture (OC) was significant enough in the study to warrant its own discussion. Writings on the topic of “organizational culture” are prolific; a search of the Business Source Elite+Complete and Sage databases returned 17,360 hits on peer-reviewed journals with “organizational culture” or “corporate culture” in their subject terms. In addition, a myriad of disciplines and journals have written on the topic—everything from standard management to economics, strategy and marketing through leadership, human resources and the behavioral sciences. In addition, industry-specific literature is prolific about the role and issues with corporate cultures in a variety of industries including medical, social work, education, hospitality, and government.
With so much attention and research focused on OC, it would be reasonable to think there would be convergence around a definition and construct; however, that is not the case. Definitions of OC are prolific and include hundreds of dimensions and a multitude of ways to analyze, measure, and discuss the phenomenon. However, most definitions or models do have some shared characteristics, agreeing that it is socially constructed, is social in nature, and serves to hold the organization together and keep it functioning in a specific way (Cameron & Ettington, 1988; O’Reilly & Chatman, 1996; Schein, 2010). These authors suggest that culture consists of both conscious and unconscious behaviors, as well as “assumptions and artifacts” (Schein, 2010) that govern how individuals within an organization behave.

Figure 2 shows how these dimensions interact, as follows:

- Implicit assumptions are beliefs that are taken for granted within a given environment. They are often not even conscious unless somehow challenged.
- Upon those implicit assumptions, conscious contracts and norms are built. These are rules, procedures, policies, and so on.
- Artifacts are the physical symbols of those contracts and norms, such as the physical space of an organization, the mode of dress in a company, printed materials, titles, offices, graphics and logos, formal goals, mission and vision statements, rewards systems, and so on.
Explicit behaviors are the final layer, made up of what the members of the organization actually do, how they behave, such as leadership styles, hiring practices, granting of raises and promotions, and so on.

**Figure 2: Elements of Organizational Culture**

_Schein (2010) defined “organizational culture” as:_

A pattern of shared basic assumptions learned by a group as it solves its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. (p. 18)
This definition is consistent with Cameron and Quinn’s (2011) four elements, although Cameron and Quinn (2011) separate behavior, or action, into its own category and Schein (1984) includes behavior as part of the artifact category. See Figure 3.

![Figure 3: Schein's Three Levels of Culture](image)

*Source: Adapted from Schein (1984).*

Organizational Culture was relevant in this study as the “values-driven” nature of the organizations was observable through the culture. The study sought to understand
how these organizations handled critical events, and culture proved to be a component of that understanding.

**Organization Identity and Organizational Culture**

In terms of the relationship between OI and OC, Gioia et al. (2013) take the following position:

Identity constitutes the deepest level of Schein’s (1990, 1996) three cultural levels (the readily obvious “artifacts,” the next deeper level of “values,” and the **deepest level of “basic assumptions”**) [emphasis added]. In our view, this deepest level is actually better construed as the identity level. Is identity then a subset of culture or is identity the root of culture? Although it is possible to conceive of either as a derivative of the other, we prefer to view identity as the generative basis of culture, which is especially evident when one considers that identity formation likely precedes and provides a foundation for the formation of culture. (p. 176)

In other words, Gioia and his colleagues suggest that identity is a foundational component of culture, and culture is developed around that identity.

The interaction between OI and OC will be discussed further in Chapter 5.

**Critical Incidents and Issues**

Dutton and Dukerich (1991) defined issues as “events, developments and trends that an organization’s members collectively recognize as having some consequence to the organization” (p. 518). Hilgartner and Bosk (1988) suggest that how an organization defines an issue is a social construction. Other scholars suggest that these issue
definitions can shift over time and can create conflict when organization members do not agree upon the definition (Dutton, 1988; El Sawy & Pauchant, 1988).

Bachrach and Baratz (1972) suggest that it is important to pay attention to which issues gain the organization’s attention and how they are understood, as issues represent areas of emphasis that serve to focus the organization’s attention because of potential consequences of actions (or inaction). They continue on to suggest that sometimes these issues lead to decisions, but in other cases, the organization may choose to ignore the issue.

According to Dutton and Dukerich (1991):

A focus on issues as a starting point for interpretation and action in organizations charts a different course for seeing patterns of organizational action than a traditional decision-making view. Researchers who look at decisions as creators of patterns in organizational actions have used the end point of a process—a choice or an absence of choice—as the defining referent and described who and what were involved in producing a certain pattern of action. In contrast, a focus on issues begins with an issue or a collective construction that some datum, fact, or event is of concern for an organization, and then proceeds forward from this recognition point to find relevant actions and interpretations...An issue focus underlines the importance of attention allocation. (p. 518)

This clarification around issues as a starting point is important, as this was the approach taken in this study. One of the key components of the emergent theory relates to how and why a situation became an incident (or issue), so an understanding of issues and their relevance is important.
**Dissonance in Organizations**

The emergent theory states that, in my subject organizations, it was the disconnect between actions and identity that caused a situation to become a critical incident. As a result, I looked to the dissonance literature to locate a complementary theory or explanation.

In psychology, the theory of cognitive dissonance (Festinger, 1957) states that individuals encounter mental stress and discomfort when either they hold two contradictory beliefs, or they hold a belief but then engage in a contradictory action. Festinger asserts that individuals will seek to minimize or eliminate dissonance in one of three ways: either (a) changing the behavior, (b) justifying the behavior by changing the belief, or (c) justifying the behavior by adding in a new belief that makes the behavior acceptable.

The idea of cognitive dissonance appears minimally in the organization literature, and when it does, it generally relates specifically to how individuals within organizations experience and resolve dissonance within the workplace (Vroom & Deci, 1971; Koh & Boo, 2004), and quite often specifically relates to the educational sector (Mayer & Cody, 1968; Egner, 1967). In fact, there is a dearth of literature that discussed the ideas of dissonance, alignment, or congruence (two potentially related terms) within an organizational context, and specifically relates to the organization experiencing dissonance.
One related article defined “corporate dissonance” as “the difference between what the company says it is and what it does” (Bernstein, 2009, p. 609). Greyser (1999) calls the same phenomenon the “promise/performance gap.” Although the terminology is similar, these concepts both relate to how external stakeholders view the congruency between the company’s words and actions, which in organizational scholarship is more commonly defined as corporate reputation, and is not the same as organization identity.

The idea of dissonance, or a lack of congruence between the organization’s identity and its actions, is a key component of my theory and will be discussed further in Chapters 5 and 6.

**Summary**
The premises of Positive Organizational Scholarship (POS) serve as the foundation for this study given that the nature of the organizations were values-driven by their own admission and associated participation in the research project. What the organizations define as values-driven, I believe demonstrates that their organization identities are positive in nature, meeting the criteria for Positive Organization Identity (POI). In my study, POI interacted with the organization’s actions, or culture, to notice situations that caused dissonance, raise them as issues, or critical incidents, and then to manage them in a manner consistent with POI.
Chapter 3: Methodology

Purpose of the Study
The purpose of this study was to examine how values-based organizations managed critical organizational incidents that had a perceived dramatic impact on company economic performance. Identifying a process could provide a framework for understanding the interaction between the values-driven nature of the organizations and the actual management of the events, thereby suggesting a theory that explains the relationship between these two concepts. This study attempted to answer the following research questions:

Research Questions
• How do values-based organizations manage critical organizational events that have potential dramatic impact on a company’s economic performance?
• Why do they pursue a particular issue?

Method Selection
While quantitative studies measure and quantify previously identified variables, qualitative studies explore participants’ experiences and perceptions of experience, through probing, open-ended questions (Maxwell, 2005). Qualitative research is both an established method of uncovering meaning and explaining phenomenon, as well as an appropriate approach when a phenomenon is new and un- or under-explored. Qualitative research serves to uncover nuances, variables, and other elements that may be useful for quantitative comparisons down the road.
The field of Positive Organizational Scholarship (POS) and, more specifically, the process by which values-driven organizations handle critical events, fit this criteria because POS itself is a nascent field, and the particular process that was the subject of this study had not yet been examined. Creswell (2013) suggests that a qualitative approach is best in this case because:

- The primary research questions focused on the how of the process—an approach best supported by the qualitative domain.

- The relationship and connections between an organization’s self-concept as values-driven and its handling of the critical incidents was complex and difficult to measure, so the exploratory approach was best.

- Qualitative research focuses on the unique stories and narratives of specific organizational members, helping to surface nuances and rich detail.

**Method Explanation**

**Grounded theory**
Because I was interested in uncovering the process by which these values-based organizations managed critical incidents, I selected constructivist grounded theory (Charmaz, 2006) as my inductive methodology. Grounded theory is an appropriate methodology when no theory exists to explain the process in question, as it allows the researcher to focus on identifying a specific “process or action that has distinct steps or phases that occur over time,” which the researcher then attempts to explain through theory development (Creswell, 2013, p. 85).
The original conceptualization of grounded theory (Glaser & Strauss, 1967) called for the following elements:

- literature is reviewed after completion of the developed theory in order to find an appropriate location, as opposed to before the study begins;
- data collection and analysis happen simultaneously and require constant comparison with the specific purpose of uncovering a theory;
- coding and development of categories and central phenomenon are based in the data as uncovered;
- memo writing to explain and categorize emerging themes; and
- sampling is driven by the theory as it emerges.

Constructivist grounded theory (Charmaz, 2006, 2009) emerged in the last decade as a more flexible alternative to Glaser and Strauss’ original methods. This framework honors grounded theory’s original roots, “adopt[ing] the inductive, comparative, emergent and open ended approach of Glaser and Strauss’s classic version” (Charmaz, 2009, p. 137), while calling for greater flexibility in the approach that allows for the interactive nature of theory construction. This approach includes the following assumptions:

- Data are co-constructed during the research process.
- Data and its analysis are relative to the context in which they are uncovered and completed.
• The researcher should consider behavior in addition to the participant’s actual words when interpreting the data.

• The researcher’s understanding of reality influences the outcome of the grounded theory.

Charmaz asserts “grounded theory methods can complement other approaches to qualitative data analysis” (Charmaz, 2006, p. 9) and suggests that the researcher’s method of data gathering should match the specific question the researcher is trying to uncover. “It might mean framing certain questions to allow participants to make disclosures,” (Charmaz, 2006, p. 16). These guidelines encouraged me to carefully consider the questions I wanted to ask in order to frame them in such a way as to encourage disclosure about the critical incidents at hand. To ensure this focused data collection, I chose to supplement my grounded theory inquiry with the Critical Incident Technique (CIT) (Flanagan, 1954), sometimes called Critical Incident Interviews, or CIIT (Druskat & Wheeler, 2003) as a method of both gathering data as well as a mechanism for guiding theoretical sampling to narrow areas of inquiry to questions, and participants, that would most closely answer my research questions.

Given that one of the objectives of CIT is to develop a category framework, and grounded theory requires development of categories, the two methodologies worked well together to achieve the objective of this study.
**Critical Incident Technique**

The Critical Incident Technique (CIT) was originally developed as a set of procedures for collecting accounts of human behavior so as to “solve practical problems and develop broad psychological principles” (Flanagan, 1954, p. 327). CIT “inductively builds theory,” developing a “preliminary process model” for the research (Noordzij, Van Hooft, Van Mierlo, van Dam & Born, 2013). Given that the development of a process model was the specific objective of this study, I established CIT as an appropriate methodology.

Flanagan’s (1954) review revealed that CIT had been used in gathering factual data regarding specific actions involving decisions and choices. In addition, CIT has been widely used across a variety of research objectives and disciplines including understanding decisions and choices related to personality (Eilbert, 1953), motivation and leadership (Flanagan, 1954), work behaviors (Ronan & Latham, 1974), marketing (Bitner, Booms, & Tetreault, 1990), service industries (Gremler, 2004), travel and tourism (Maunier & Camelis, 2013), exploring management and psychology processes (Noordzij et al., 2013) and ethical decision making (Marsh, 2013), demonstrating its broad applicability and appropriateness for this study.

**Research Sample**

As discussed in Chapter 1, this study was conducted as part of the Center for Values Driven Leadership’s larger Return on Values (ROV) initiative, a research partnership
between Benedictine University, the University of Michigan, and the Small Giants Community.

The ROV companies were selected using several criteria including size, ownership structure, annual revenue, number of employees, and self-identification as a values-driven organization through membership in the Small Giants Community or referral from a member organization. The ROV study defined “small- to mid-sized” as achieving between $2.5 and $500 million in annual revenue and employing between 10 and 1,000 individuals.

The original ROV interviews were semi-structured, qualitative interviews with 10 to 12 individual employees representing a cross-section of roles across the organization, and in each case including all of the senior leadership team. These interviews were conducted over the course of two days of face-to-face interviews at the participants’ place of business, and each interview was videotaped, audiotaped, and transcribed. The preliminary list of questions was intentionally appreciative in nature (Cooperrider & Srivasta, 1987) and is listed in Table 4. Please note that because these were semi-structured interviews, the questions and responses often veered in a direction as deemed appropriate and relevant by the interviewer and/or the participant. As a result, these questions served only as a guideline.
<table>
<thead>
<tr>
<th>ROV Semi-Structured Interview Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please tell me your name, your position here at the firm, and how long you’ve been here.</td>
</tr>
<tr>
<td>What business is the firm in? What is the company’s value proposition? Can you please take a few minutes and tell me the history of the firm? What were the key events, key people, and experiences along the way?</td>
</tr>
<tr>
<td>(If the person is not the founder.) What attracted you to this company? Who was involved, what was it about the firm that caught your interest?</td>
</tr>
<tr>
<td>(If the person is not the founder.) Can you tell the story of how you became a member of the company—the hiring and onboarding process?</td>
</tr>
<tr>
<td>What do you love about working here?</td>
</tr>
<tr>
<td>This is obviously a successful company— to the extent that you feel comfortable, would you tell me about your growth and financial success over the last few years?</td>
</tr>
<tr>
<td>Your firm is known for its strong and positive culture. Would you tell the story of how the culture developed?</td>
</tr>
<tr>
<td>What’s the key to building and maintaining the strong and positive culture? Can you tell a story or think of some events that are examples?</td>
</tr>
<tr>
<td>Does the culture affect decision making? Hiring? Training? Can you tell some stories or give some examples?</td>
</tr>
<tr>
<td>(If the culture affects hiring, decisions) Can you describe how the cultural values affect hiring (or decisions, maybe there is a story or a particular person or event that comes to mind)?</td>
</tr>
<tr>
<td>(If the firm hires for “cultural fit.”) How and when during the hiring process do you decide if the person is a good cultural fit? What happens if the person is very skilled, but not a great fit with the culture?</td>
</tr>
<tr>
<td>Is the culture linked to your firm’s success? How? Stories and examples?</td>
</tr>
<tr>
<td>Does the culture provide you a competitive advantage or disadvantage? Why? Can you give an example?</td>
</tr>
<tr>
<td>What is the key element or characteristic of your company’s culture? If you had to boil it down to one word, what would it be?</td>
</tr>
<tr>
<td>Your company has the reputation of having a values-based culture, which invests in people. What would you say to convince other business leaders who say you’re wasting money with programs for employees, and so on? Instead, they say, you</td>
</tr>
<tr>
<td>ROV Semi-Structured Interview Questions</td>
</tr>
<tr>
<td>----------------------------------------</td>
</tr>
<tr>
<td>should be more efficient and plow those resources back into the bottom line. How</td>
</tr>
<tr>
<td>would you persuade them that your way is better?</td>
</tr>
<tr>
<td>Do you have outside capital? (If no— How would it be different if you had outside</td>
</tr>
<tr>
<td>capital?)</td>
</tr>
<tr>
<td>Where do you find your senior leadership? Do they come from inside the firm,</td>
</tr>
<tr>
<td>outside, or both? What are you looking for in senior leaders?</td>
</tr>
<tr>
<td>These values that you have: where do these values come from in your life?</td>
</tr>
</tbody>
</table>

Using the original ROV participant sample and resulting interviews, I reviewed the 55 completed transcripts for evidence of incidents that met the definition of *critical*. In his seminal work describing his technique, Flanagan (1954) clarifies, “To be critical, an incident must occur in a situation where the purpose or intent of the act seems fairly clear to the observer and where its consequences are sufficiently definite to leave little doubt concerning its effects” (p. 327).

With this definition in mind, I identified two organizations that referenced critical incidents, as defined, and I narrowed my focus to those two organizations. This preliminary list of critical incidents is shown in Table 5. Details about the specific companies, their background, and the incidents are found in Chapter 4.
Table 5: Preliminary List of Critical Incidents

<table>
<thead>
<tr>
<th>Blue Plate</th>
<th>Integrated Project Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring</td>
<td>Layoff</td>
</tr>
<tr>
<td>Layoff</td>
<td>Contract Violation</td>
</tr>
<tr>
<td></td>
<td>Refusing Client Business</td>
</tr>
</tbody>
</table>

I then analyzed the 22 transcripts from the original ROV interviews of the subject companies. That review revealed that there was insufficient data to answer the research question, since this specific area of inquiry had not been the primary focus of the ROV interviews. In pursuit of my question, I contacted both organizations to conduct deeper interviews on these incidents, and each organization agreed. During those planning conversations, I also learned of additional incidents for me to consider, leading to a total of eight critical incidents, as outlined in Table 6.

Table 6: Final List of Critical Incidents

<table>
<thead>
<tr>
<th>Blue Plate</th>
<th>Integrated Project Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring</td>
<td>Layoff</td>
</tr>
<tr>
<td>Layoff</td>
<td>Contract Violation</td>
</tr>
<tr>
<td>Wind Down</td>
<td>Refusing Client Business (No Client Expansion)</td>
</tr>
<tr>
<td></td>
<td>Firing Client</td>
</tr>
<tr>
<td></td>
<td>Firing Vice President</td>
</tr>
</tbody>
</table>

With the specific incidents in mind, I scheduled a second round of interviews with each organization.
Research Process

Data collection
I scheduled a second round of face-to-face interviews at each organization’s office, meeting with nine additional participants, eight of whom had been involved in the original interviews, and one who had not. Each interview lasted between 45 and 90 minutes, depending upon the participant’s knowledge of the critical incidents that were the subject of the interview. Each interview was audiotaped and professionally transcribed.

These interviews were different from the original ROV process in that I employed the CIT. When a researcher uses CIT, she must ask the participants to recall the specific incident and tell the story—not come up with the meaning, as Bitner et al. (1990) remind the researcher that she, not the participant, has the responsibility of conceptualization. In addition, when using CIT, it is important for the researcher to “remain as unobtrusive as possible in order to avoid leading interviewees” (Druskat & Wheeler, 2003, p. 440). With these guidelines in mind, I led the participants through my explanation and interview questions, both of which are disclosed in Table 7.

Table 7: Critical Incident Interview Questions

<table>
<thead>
<tr>
<th>Instructions and Questions from Critical Incident Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preamble</strong>: While I was reviewing the transcripts from your original ROV interviews, I became interested in these instances of “critical incidents” that occurred in the company, and I would like to understand more about how the organization responded to these types of incidents, particularly those in which the company believed there</td>
</tr>
</tbody>
</table>
**Instructions and Questions from Critical Incident Interviews**

was potential for a significant financial impact. With that background, I am going to ask a series of questions about each distinct event individually, one at a time, and ask you to answer each question with that event in mind.

Think about the ____________ event.

With that in mind, what did you feel was at stake at the time? Financially? Personally? Organizationally?

Tell the story. What happened leading up to it? Who else was involved in the decision? What was the process for reaching that decision?

How did you feel?

What did you ultimately decide?

Why did you choose that course of action?

What was the outcome? Financially? Personally? Organizationally? Any expected or unexpected outcomes?

What would you say was the single biggest factor that influenced the decision?

Who else should I talk to about this? Would someone else have a different story, or might someone else shed more understanding on what happened?

Are there any other incidents in the life of the company that I should consider?

Although I tried to stay close to the script so as to maintain focus on the critical incidents specifically, I did occasionally ask a follow-up or probing question, such as:

- Tell me more about that.
- I haven’t heard that before, can you explain?

In addition to the interview data, I requested extant texts for analysis as is acceptable in grounded theory methodology (Charmaz, 2006) and excerpts from these texts were included in my findings, where appropriate. A list of the types of documentation reviewed is listed in Table 8.
Table 8: Supplemental Documents Reviewed

<table>
<thead>
<tr>
<th>Participant Supplemental Data Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Information</strong></td>
</tr>
<tr>
<td>Philosophy, vision, mission, goals, values, culture</td>
</tr>
<tr>
<td>Awards and certifications</td>
</tr>
<tr>
<td>Applications for awards over the past five years</td>
</tr>
<tr>
<td>Marketing materials to include brochures, sales materials</td>
</tr>
<tr>
<td>Organizational chart</td>
</tr>
<tr>
<td>Definition of each level in organization</td>
</tr>
<tr>
<td>Customer/client satisfaction information</td>
</tr>
<tr>
<td>Vendor/supplier satisfaction information</td>
</tr>
<tr>
<td>Number of clients over the past five years. The number that were new and the number that were repeat business. Total projects that were new projects and projects that were added to existing work</td>
</tr>
<tr>
<td>Range of months of client engagement, by new and by ongoing</td>
</tr>
<tr>
<td>Length of time and number of engagements by type for past five years</td>
</tr>
<tr>
<td>Key Performance Indicators/Metrics used to measure performance and outcomes</td>
</tr>
<tr>
<td>Books or chapters published about organization</td>
</tr>
<tr>
<td>Company blogs</td>
</tr>
<tr>
<td>Community activities over the past five years with indicators of involvement (volunteer hours, donation, and so on)</td>
</tr>
<tr>
<td>Company themes for the past five years</td>
</tr>
<tr>
<td>Types of work performed</td>
</tr>
<tr>
<td><strong>Financial Information</strong></td>
</tr>
<tr>
<td>Financial Philosophy and Strategy</td>
</tr>
<tr>
<td>Financial Performance Reports for the last five years</td>
</tr>
<tr>
<td>Financial metrics that are used to measure performance</td>
</tr>
<tr>
<td>Financial goals</td>
</tr>
<tr>
<td>Cost of hiring and training new employees (recruitment, interviewing, orientation,</td>
</tr>
<tr>
<td>Participant Supplemental Data Collected</td>
</tr>
<tr>
<td>----------------------------------------</td>
</tr>
<tr>
<td>training)</td>
</tr>
<tr>
<td>Sample client contracts</td>
</tr>
<tr>
<td><strong>Human Resources Information</strong></td>
</tr>
<tr>
<td>Human resources philosophy and strategy</td>
</tr>
<tr>
<td>Compensation policies</td>
</tr>
<tr>
<td>Salary ranges and bonus or additional payout policies</td>
</tr>
<tr>
<td>Benefit structure</td>
</tr>
<tr>
<td>Hiring and recruitment philosophy, policies and processes, including layoff and termination policies</td>
</tr>
<tr>
<td>Hiring criteria</td>
</tr>
<tr>
<td>Performance evaluation process with criteria and metrics</td>
</tr>
<tr>
<td>Training and educational programs, structure and documents</td>
</tr>
<tr>
<td>Leadership development programs</td>
</tr>
<tr>
<td>Promotion policies and processes</td>
</tr>
<tr>
<td>Position descriptions</td>
</tr>
<tr>
<td>Employee satisfaction survey and results for the past three years</td>
</tr>
<tr>
<td>Attrition information to include length of employment information by level</td>
</tr>
<tr>
<td>Employee feedback processes (mentoring, meetings, and so on)</td>
</tr>
<tr>
<td>Employee materials (brochures, newsletters, hiring agreements, and so on)</td>
</tr>
<tr>
<td>Number of employees by gender, age, ethnicity, education</td>
</tr>
<tr>
<td>Number of employees by position description</td>
</tr>
<tr>
<td>Number of full time and part time employees</td>
</tr>
</tbody>
</table>

These interviews, combined with the data collected in the original ROV transcripts, resulted in eight total incidents and 37 incident accounts for analysis.
Data analysis

Coding

“Researchers, not participants, are obligated to be reflexive about what we bring to the scene, what we see, and how we see it” as we analyze the data (Charmaz, 2006, p. 15). Ever vigilant about the possibility of researcher bias, I employed a line-by-line and incident-by-incident coding process because “grounded theory method itself contains correctives that reduce the likelihood that researchers merely superimpose their preconceived notions on the data. Line-by-line provides an early corrective of this type” (Charmaz, 2006, p. 51).

I began the coding process in the order that the transcripts were received from the transcriptionist, which often allowed me several days’ time in between coding sessions to work with one transcript before moving on to the next incident account. I coded one incident account at a time, beginning with the first Blue Plate incident. This activity generated 204 initial codes and 35 memos. An example of an excerpt with initial codes is shown in Table 9.

Table 9: Illustration of Initial Codes, or First Order Concepts

<table>
<thead>
<tr>
<th>Codes</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Business is “doing a great job” (flourishing)</td>
<td>“This business was doing a great job. We were getting a lot of media attention which is always good for business assuming it’s positive media attention, and we were getting that program up and running, so we were seeing significant growth at the time. Well, at the same time it became evident</td>
</tr>
<tr>
<td>- “Seeing significant growth”</td>
<td></td>
</tr>
<tr>
<td>- “Became evident” (can no longer ignore), and at the</td>
<td></td>
</tr>
</tbody>
</table>
Reflects on issue, his feelings
to me that I saw some problems within the business, and they really had to do with what I considered a deterioration of core values. I did not like to see what we were doing, what was going on with the business and how people were conducting themselves from an ethical standpoint.”

<table>
<thead>
<tr>
<th>Codes</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>“same time” as the growth</td>
<td></td>
</tr>
<tr>
<td>- “Saw some problems” (aware)</td>
<td></td>
</tr>
<tr>
<td>- “Deterioration of core values” (describes/names)</td>
<td></td>
</tr>
<tr>
<td>- Reflects on issue, his feelings</td>
<td></td>
</tr>
</tbody>
</table>

Conscious of staying close to the data and interpreting its meaning accurately, I intentionally coded in vivo, whenever possible, or using short, descriptive phrases if in vivo codes were not practical. I chose in vivo codes because “they offer clues about the relative congruence between your interpretation of participants’ meanings and actions and their overt statements and actions” (Charmaz, 2006, p. 57).

While I waited for the next participant’s transcript, I began analyzing the initial list of codes for overlap and distinction, as well as highlighting codes that were most prevalent and those most relevant to my research question. I also returned to the original ROV transcript in search of data that referenced this same incident, given by the same participant, and I re-coded those transcripts where there was data that applied to the research question. In addition, I developed methodological memos to guide me in choosing additional questions to ask and participants to interview when gaps were identified.
Once I had completed the line-by-line coding process for all data from one incident account, I returned to conduct focused coding, applying initial codes to larger sections of data to begin the process of conceptualizing (Glaser, 1978). An example of the focused codes for the same excerpt analyzed in Table 9 above is shown in Table 10.

### Table 10: Illustration of Focused Codes, or Second Order Themes

<table>
<thead>
<tr>
<th>Codes</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Becoming aware</td>
<td>“This business was doing a great job. We were getting a lot of media attention which is always good for business assuming it’s positive media attention, and we were getting that program up and running, so we were seeing significant growth at the time. Well, at the same time it became evident to me that I saw some problems within the business, and they really had to do with what I considered a deterioration of core values. I did not like to see what we were doing, what was going on with the business and how people were conducting themselves from an ethical standpoint.”</td>
</tr>
<tr>
<td>- Can no longer ignore</td>
<td></td>
</tr>
<tr>
<td>- Identifying</td>
<td></td>
</tr>
<tr>
<td>- Reflecting</td>
<td></td>
</tr>
</tbody>
</table>

Once I had analyzed all data for one participant’s account of the first incident, I then sketched an initial diagram of the process of this particular incident account that served as my initial process model for comparison to future incidents and incident accounts.

When the next participant’s transcripts were returned, I coded another subject’s account of the same Blue Plate incident, which resulted in the addition of 38 new
codes and 15 additional memos, plus updates to several of the original memos. Again, I then returned to that participant’s original ROV transcripts in search of any additional data regarding the incident and coded and analyzed that data, comparing those codes to the original codes, data to data, data to codes, and the two incident accounts to each other. I also compared the new codes to the initial incident account to determine if any of the original account needed to be re-coded. I then updated the process diagram to reflect the modifications that emerged as a result of this new data. This process continued through each account of the first incident (both new transcripts as well as a review of the original transcripts), until all available data for the first Blue Plate incident had been coded, analyzed, and evaluated.

The purpose of both CIT and grounded theory research is to develop specific behaviors or requirements and classify them into major areas or categories. As such, my coding process revealed 11 themes, or categories, as shown in Table 11.

<table>
<thead>
<tr>
<th>Initial Second Order Themes (Coding Categories)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness</td>
</tr>
<tr>
<td>Reactions</td>
</tr>
<tr>
<td>Tipping Point</td>
</tr>
<tr>
<td>Identifying/Classifying</td>
</tr>
<tr>
<td>Reaction</td>
</tr>
<tr>
<td>Sharing</td>
</tr>
<tr>
<td>Options</td>
</tr>
</tbody>
</table>
Once the initial line-by-line coding was complete for the first incident, I moved on to incident-to-incident coding as recommended by Charmaz (2006), following the same process outlined above for Blue Plate’s second incident, coding one incident account, then the next, all the while comparing codes to codes, data to data, data to codes and ultimately incidents to incidents to develop the themes described in Table 11 above. The actual category, or theme, development is discussed in detail in Chapter 5. Once I had coded each incident account for all of the Blue Plate incidents, I updated the list of categories, or themes, having collapsed some and re-named others as additional data was analyzed and the categories were developed. The updated categories, or second-order themes, are shown in Table 12.

Table 12: Updated Second Order Themes (Coding Categories)

<table>
<thead>
<tr>
<th>Updated Second Order Themes (Coding Categories)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensemaking</td>
</tr>
<tr>
<td>Push to Action</td>
</tr>
<tr>
<td>Input</td>
</tr>
<tr>
<td>Developing Decision Criteria</td>
</tr>
<tr>
<td>Generating, Quantifying, &amp; Evaluating Options</td>
</tr>
<tr>
<td>Deciding, Reflecting, &amp; Preparing</td>
</tr>
</tbody>
</table>
I then sketched a process that represented Blue Plate’s management of critical incidents.

With this process diagram in mind, I began the process again, with the Integrated Project Management data, first conducting line-by-line coding of one account of the first incident and continuing on through each incident account of the first incident, and ultimately through all incident accounts of all incidents, comparing codes to codes, codes to data, data to data, and incident to incident.

While no new second-order themes emerged, the concept of “alignment,” initially uncovered in the Blue Plate data, became pervasive. As such, I returned to the data with this new code of alignment in mind and uncovered examples of it throughout the transcripts. Ultimately I decided that alignment had emerged as the aggregate dimensions, or third-order codes, that further explained the process, specifically, how the individual steps interact with one another. These dimensions are described in-depth in Chapter 5 and shown pictorially in Figures 5 and 6 in that same chapter.
Finally, this comprehensive analysis of all incident accounts for all incidents caused me to further refine the categories, or themes, into the final second order themes shown in Table 13.

**Table 13: Final Second Order Themes (Coding Categories)**

<table>
<thead>
<tr>
<th>Final Second Order Themes (Coding Categories)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trigger</td>
</tr>
<tr>
<td>Moved to Action</td>
</tr>
<tr>
<td>Data Collection</td>
</tr>
<tr>
<td>Developing Decision Criteria</td>
</tr>
<tr>
<td>Generating, Quantifying, and Evaluating Options</td>
</tr>
<tr>
<td>Determining, Reflecting, and Preparing</td>
</tr>
<tr>
<td>Executing</td>
</tr>
<tr>
<td>Managing Outcomes</td>
</tr>
<tr>
<td>Creating and Modifying Organizational Story</td>
</tr>
</tbody>
</table>

These second order themes and their abstracted aggregate dimensions (representing the process that answers the research question) are detailed in the results and discussion chapters where I’ve emphasized showing the data and telling the story (Pratt, 2009).

**Memos**

In addition to coding, grounded theory requires extensive memoing throughout the process to help develop the categories, or themes, and each theme’s dimensions. As such, I engaged in both theoretical memoing, where I documented my interpretations;
and methodological memoing, where I made note of additional questions I needed to ask when gaps were identified, additional people with whom I needed to speak, and reminders about cross checking specific data or codes, and so on.

An example of a theoretical memo resulting from same excerpt described above is shown in Table 14.

**Table 14: Example Memo**

<table>
<thead>
<tr>
<th>Blue Plate Theoretical Memo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incident #1: Restructuring</td>
</tr>
<tr>
<td>Deteriorating Core Values (or recognition of core value issue)</td>
</tr>
<tr>
<td>Blue Plate Catering</td>
</tr>
<tr>
<td>Theoretical Memo</td>
</tr>
</tbody>
</table>

At some point, even though business is doing great by “economic” standards (growth, media attention, new business, expansion, and so on), Jim becomes aware of problems and those problems get his focus. Why didn’t he overlook them? Why were they so important?

“[T]hey really had to do with what I considered a deterioration of core values. I did not like to see what we were doing, what was going on with the business and how people were conducting themselves from an ethical standpoint…” (Horan, p. 3, lines 18-21).

Need to pay close attention to how the incidents came into their awareness.

In conclusion, following the aforementioned methodology, the process by which values-based organizations manage critical organizational events emerged from the data, and these specific findings are the subject of Chapters 4 and 5 to follow.
A Note About Organization Identity

Although Organization Identity (OI) was not the focus of my research question, it emerged as a significant element of the final process model. As such, it became necessary for me to analyze and report on the organization identities of my subject companies. Fortunately, the original ROV interviews had asked questions related to OI, so I was able to return to the original transcripts and code specifically to uncover and report on each organization’s self-concept, or organization identity.

However, because the ROV interviews had not specifically asked the organizations a direct question about identity (although many of the questions served to elicit stories that demonstrated identity), I thought it best to check my understanding of each organization’s identity.

After I had completed my analysis and report of each organization’s identity, I engaged a student reader to check my findings. This student was also a member of the ROV research team and was familiar with the original ROV data for each of the subject organizations, having participated in the on-site interviews for both companies. I first asked her to answer the question, “Who is Blue Plate (IPM)?” and recorded her answers. I then checked her responses against my report and found them to be consistent. I then asked her to read my full report on the organizations’ identities to determine if I had missed, or misstated anything. She found my explanation to be consistent with her understanding of the subject organizations’ OI.
As an additional verification step, I conducted a final round of phone interviews with five members of each organization, specifically to ask the questions, “Who is Blue Plate/IPM?” (Identity) and “How does that show up day-to-day in your organization?” (Action). These interviews were brief, generally less than 15 minutes, and I audio recorded them and transcribed them personally. I then coded them against my original interpretation and found my analysis to be consistent with the organizations’ responses, although I did make some minor adjustments to ensure my language was consistent with the participants’ responses.

The specific findings and supporting data related to the organizations’ identity are the subject of Chapter 4.
Chapter 4: Participant Background and Identity

To investigate the question, “How do values-based organizations manage critical organizational events that have a potential impact on company economic performance, and why do they pursue a particular issue?” I began with an analysis of the original ROV transcripts for Blue Plate (BP), and Integrated Project Management, Inc. (IPM). These transcripts revealed several events that were considered significant in each organization’s history, and those events sparked my initial interest in examining how these organizations managed critical incidents. When I spoke with these organizations about my desire to conduct deeper interviews on these incidents, I learned of several additional incidents relevant to this study, leading to a total of 8 critical incidents and 37 incident accounts (accounts of each incident were collected from multiple people in each organization). From these incidents, a process by which the organizations handled these critical incidents emerged, and through those incidents, I gained an understanding of why the organizations pursued specific issues.

The incidents ranged in intensity, duration, impact, and financial risk. For example, the duration of one incident was approximately two weeks from start to finish; yet others spanned multiple years. One incident involved essentially no financial impact, while others involved millions of dollars.
The next section provides background on the companies studied and the incidents analyzed within each company.

**Blue Plate**

Blue Plate (BP) is located in downtown Chicago, IL. It is in the “food solution service” industry, specializing in catering, specifically catering for corporate functions and special event catering for many of Chicago’s premier venues such as the Field Museum and the Chicago Symphony Center. In addition to its catering business, BP also participates in the management of two premier Chicago restaurants and manages concessions for the Chicago Symphony Orchestra and Millennium Park.

BP was founded by Jim Horan as a small event business that he ran on the weekends after working his “regular” career as a social worker during the week. The company has been in business for thirty years, during which time it has shown consistent profitability growth, varying from 6% to 20% at the height of its financial performance. In 2012 BP recorded sales of approximately $40 million across all of its ventures. It employs approximately 600 people year round and swells to 1,500 during the busy seasons. BP has won many local and industry awards, including “Best & Brightest Places to Work,” “Best Caterer,” and “Best Supplier,” among others.

Early experiences entertaining large family groups on the weekends nurtured Jim’s love of food and entertaining, along with a strong work ethic and sense of teamwork and camaraderie that grew from the effort required to prepare for and serve those
large gatherings. He described it as “if you’re going to cook dinner for twenty, thirty, forty people, all hands were on deck, and I was one of the hands. Little did I know I was getting trained in hospitality.”

Horan chose to enter college and major in social work, driven by those early experiences helping and serving within his large family. He shared his recollection of planning get-togethers with his friends where he would organize the activity, the location, and the food all so that his friends could be together and be happy. Horan recalls, “It gave me a real kick to be able to do that for my friends and to see them go away happy and look forward to the next time.” Having taken a sabbatical from his full time social work position while he earned his master’s degree, he supported himself working in various restaurants and bars, eventually hitting upon the idea to help drive business to his friend’s tavern during slow times through hosting outings to area sporting events and attractions. At these events he frequently handled not only the coordination and logistics, but shopped, prepped, and cooked the food in his own backyard on his half-dozen Weber grills.

Well, within a year we were having outings for two hundred people, and I had the busses lined up and I had the grills going and I did all the food prep, I did all the food work, I bought all the tickets, I orchestrated the bus, I was managing the bar, so I was handling all these logistics. But again, it was to make people happy.

Even while working as a clinical social worker, he continued to work in promotions for his friend, and summers were often spent cooking and serving food to friends and
family. Finally, one summer he decided to work on the catering opportunity and see what he could make of it, fully expecting to return to his social work position in the fall. However, it was not to be. By the end of the summer the business had taken off, and he had started a catering company.

**Blue Plate incident summaries**

The incidents investigated at Blue Plate are summarized in Table 15.

**Table 15: Blue Plate Critical Incident Descriptions**

<table>
<thead>
<tr>
<th>Incident Number</th>
<th>Incident Description</th>
<th>Duration</th>
<th>Financial Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>BP1.</td>
<td><strong>The Restructuring</strong>: After Blue Plate was awarded the contract to build and manage a prominent new downtown restaurant; senior leadership felt it was important for Jim, as the chief executive officer (CEO) and other senior leaders to focus on getting the new restaurant off the ground. While the CEO focused his attention on the new restaurant business, the catering group emphasized taking the business to the next level through intentional growth. Financial success ensued, and within a few years, the catering operation was experiencing unprecedented growth, with profit margins consistently in the 20% range. On paper, the catering business had never been better. Yet employees began to be dissatisfied, and many left the company. Eventually, senior leaders began to feel a sense of unease on the catering side, and</td>
<td>Approximately 2 years from recognition of problem to the conclusion of the restructuring.</td>
<td>In one year, the company dropped from 20% to 9% profit margin, due in part to the shift in emphasis from profit to culture, and in part due to the economic downturn.</td>
</tr>
</tbody>
</table>
some began to see and hear reports of actions that were not in alignment with Blue Plate’s values.

Over time, Jim became aware of the issues and was faced with a very difficult decision. On one hand, the business had never been in a better financial position. On the other hand, the “cultural health” had never been worse.

Ultimately, Jim determined that the manner in which the catering business was achieving its significant financial performance was incompatible with the organization’s values, and he chose to restructure the business to bring in leadership who could help grow the business while maintaining the organization’s culture.

BP2. The Layoff: Because of a long-standing relationship with a client, BP agreed to open a restaurant in that client’s facility, forecasting additional catering revenues from the other merchants in this retail facility in addition to the restaurant revenue. After investing substantial dollars into improvements to make the space a functioning restaurant, the business environment within the retail facility changed dramatically, and neither catering or restaurant sales ever materialized.

Believing in the strength of the relationship with the client, BP leadership made repeated attempts to find ways to make the situation workable, but the client repeatedly replied that there was nothing
Eventually BP knew that the restaurant would have to shut its doors, and it would have to lay off the staff who worked there.

Instead of simply remaining silent on the issue through the last day of operations, the company chose to give early notice to the employees to allow them to find other employment, even though it could have meant loss of staff during the critical December holiday period. BP found positions for as many employees as possible, and paid severance to those whom it could not place. Some of those employees remain with the company today.

BP3. **The Wind Down:** A secondary incident resulting from the failure of the restaurant to thrive (as outlined in BP2) was the decision to close the restaurant. Although BP could have chosen to file for bankruptcy protection, it did not; instead choosing to close the restaurant’s doors, pay all suppliers, vendors, and contractors, leaving everyone whole.

That decision cost the company approximately $3 million in improvements already invested, none of which it was able to recoup.

**Integrated Project Management Company, Inc.**

Integrated Project Management, Inc. (IPM) is headquartered in Burr Ridge, IL, with offices in St. Louis, MO, San Francisco and Los Angeles CA, and Boston, MA. It is
in the professional project management consulting business, providing services across a wide variety of industries including life sciences, health care, consumer products and industrial products manufacturing.

C. Richard Panico founded IPM in 1988 after a fifteen-year career at Johnson & Johnson. During his lightning speed ascent at J&J, Rich watched many organizational projects fail and began to see a pattern that indicated a tremendous need for project leadership, specifically project leadership services focused on excellence in execution achieved through building relationships. He left J&J with the specific objective of building such a company upon the values of quality, trust, and integrity, and he set out to develop an approach and hire a staff that understood that leadership, and specifically, that the relationships between client and project manager was the key to successful projects. Rich shared how the idea for IPM began in the following story:

The plan for Integrated Project Management preceded it by several years. I had done an analysis of various industries and projects and why they succeeded and why they failed. What I learned was that most organizations, even those who tended to be at the top of their game, truly lack the ability to execute reliably, and so I took everything I had learned and put it together in this business model with the intention of creating an extraordinary culture—what we still refer to as a values-based culture, to be able to apply to the marketplace what I believed was going to be a growing need for competency in professional project management.

IPM and its leadership team have been the recipients of many awards and other recognition, including Rich’s 2011 induction into the University of Illinois at Chicago’s Entrepreneurship Hall of Fame, Jo Jackson’s 2012 receipt of CFO of the
Year Award, Best Small & Midsized Places to Work 2010-2013, and landing on Inc. Magazine’s Inc. 5,000 Fastest growing companies list for the past seven years running.

IPM currently has four offices across the U.S. and posted revenue of $22 million in 2012, generated by 100 employees serving 67 clients. These numbers represent a consistent 10–12% growth year over year since 2009 (some years reaching 25%), driven largely by a consistent increase in both new clients as well as repeat business. Also contributing to the growth is IPM’s excellent customer satisfaction ratings, boasting 99% satisfaction ratings in the “met or exceeds” categories, coupled with more than a 60% referral statistic and a 90% repeat customer rate. In addition, IPM’s voluntary attrition rate is considerably below the consulting industry average, an achievement that saves the company more than $25,000 for each employee retained.

Rich grew up in Chicago, raised by Italian immigrant parents who instilled in him the values of honesty, integrity, discipline and hard work. “The greatest influence in my life was my dad who passed away just four years ago. What I learned from him was very, very simple. Never compromise…Never compromise your honesty and integrity.” He shared that he chose to go into business because of a “very strong desire to positively influence outcomes. “I love situations where we can help others,” and he found that project management was an area where he could apply those values
of discipline, hard work, honesty, and integrity to help clients and employees reach positive outcomes.

IPM celebrated its 25th anniversary in September 2013 and continues to work towards both its “Vision 2020” goals as well as its long-term vision of seeing its 100th anniversary in 2088.

The incidents investigated at Integrated Project Management are summarized in Table 16.

Table 16: Integrated Project Management Critical Incident Descriptions

<table>
<thead>
<tr>
<th>Incident Number</th>
<th>Incident Description</th>
<th>Duration</th>
<th>Financial Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPM1.</td>
<td>The Layoff: Due to the company’s substantial success at significantly reducing the time it took a client to get a product to market, that client increased its demand for IPM consultants to help replicate the success in other areas of the business.</td>
<td>Approximately 8 months</td>
<td>$120,000 in severance packages</td>
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</table>

Recognizing the potential risk of having a substantial percentage of its workforce focused on one client, IPM attempted to mitigate the risk through detailed partnership agreements and contracts that provided work assurances, as well as appropriate lead time and compensation payouts should work drop below the agreed-upon thresholds.
Even with these safeguards in place, however, when the client company was acquired, the new management decided to go a different direction with the project work and no longer required IPM’s services. As such, even with the contract payouts and appropriate lead time, IPM found itself unable to reallocate the specific individuals who were currently working on the project, and unable to generate enough new business to provide them with new project work.

Although it first went through several stages of cost-cutting measures hoping to prevent a layoff, the company eventually reached the conclusion that a layoff was inevitable. This decision was particularly challenging for IPM because it was in direct conflict with its stated mission and beliefs: “[I]t is the Company’s intent to maximize job security.” Yet it realized that without a layoff, the long-term viability of the organization would be in jeopardy. When asked how he felt about it, Rich shared, “I saw it as a failure.”

As they proceeded with the layoff, they selected the individuals very strategically, and several of those let go ultimately were grateful for the opportunity to start in a different direction. Everyone who was let go was provided six weeks of severance pay, regardless of their tenure with the company, even though under the circumstances IPM had no obligation to do that. Given the company’s financial position at the time, it would have been better to conserve those financial resources. In addition, IPM was eventually able to rehire a few employees when business picked up again.
<table>
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<tr>
<th>Incident Number</th>
<th>Incident Description</th>
<th>Duration</th>
<th>Financial Value</th>
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<tr>
<td>IPM2.</td>
<td><strong>Refused Client Growth:</strong> After the layoff discussed in IPM1 above, the company took very deliberate steps to diversify its operations and adjust its policies to insure that it never again found itself in the position to have to conduct a layoff. One of the policies put in place prevented the company from having more than 25% of its human resources assigned to any one client at a time.</td>
<td>2 months</td>
<td>Hundreds of thousands of dollars in potential revenue</td>
</tr>
<tr>
<td></td>
<td>One particular client was thrilled with IPM’s services and began requesting additional resources. When IPM realized that it was approaching having 25% of its consultant resources placed with this one client, the company spoke with the client and informed them that they would not continue to provide additional consultants and that if the client would not adjust its project schedule to allow IPM to work the project within the company’s guidelines, it would have to withdraw.</td>
<td></td>
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<tr>
<td></td>
<td>Fortunately, the client was understanding and agreed to adjust the project schedule to allow IPM to continue its work without violating the policy that it had put in place to help ensure against another situation that may lead to a layoff.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IPM3.</td>
<td><strong>Contract Violation:</strong> IPM employees sign a non-compete agreement when they join IPM, ensuring that they will not leave IPM to go to work for one of its clients. In addition, IPM client contracts have a non-solicitation clause that prevents IPM clients from hiring IPM employees, and vice versa.</td>
<td>2 weeks</td>
<td>$100,000</td>
</tr>
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</table>
One client ignored this provision, however, and offered an IPM project management consultant a position, which she accepted. When IPM learned of it, the client CEO offered to pay a fee for the employee. However, IPM’s CEO refused to accept the money into the company because it had not been earned and was therefore considered to be “dirty money” and unethical in his mind. Instead, the company donated the money to various charities in the communities where its offices are located, and it severed its business relationship with the client.

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<th>Incident Number</th>
<th>Incident Description</th>
<th>Duration</th>
<th>Financial Value</th>
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<tbody>
<tr>
<td>IPM4. Firing Client:</td>
<td>After working with a client for several months, IPM learned that the client would be employing a new employee at the facility where IPM was working, and IPM would report to that new individual. IPM pushed back, suggesting that the new employee was not yet ready, and this concerned IPM that it would not be able to deliver on its commitments if the new individual stood in its way. IPM instead suggested that its employees mentor the client’s new employee but still be in charge of the facility. IPM was told by the client that they had a deal, and only later learned that the client had added back into the contract that IPM would, in fact, have to report to this new employee, even though they had not agreed to that in their contract discussions. IPM walked away from the client.</td>
<td>2 weeks</td>
<td>$2 million+ over the course of the next two years of the contract. Substantially more if the relationship had continued beyond that timeframe.</td>
</tr>
<tr>
<td>IPM5. Firing Vice President.</td>
<td>IPM brought in an external vice president, hoping to infuse the company with new ideas and a fresh perspective. The new vice president was extremely well liked and had a tremendously positive effect on the company in terms of</td>
<td>6 months</td>
<td>Zero ultimately; although the potential considered</td>
</tr>
<tr>
<td>Incident Number</td>
<td>Incident Description</td>
<td>Duration</td>
<td>Financial Value</td>
</tr>
<tr>
<td>-----------------</td>
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</tr>
<tr>
<td>Integrated Project Management Company, Inc.</td>
<td>building and growing his area of the organization.</td>
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Over time, however, the organization began to sense a growing chasm in the company, feeling there were factions within the company taking sides with individual leaders who had competing views on the organization’s strategy. This impact began to take its toll in leadership meetings as well, as the vice president vocally disagreed with the organization’s strategy during the meetings, and would then refuse to execute the agreed-upon strategy once he left the meetings, choosing instead to push his department in his own direction.

Organizational leadership tried to work with him, explaining how the “siloed” atmosphere was contrary to IPM’s values. They discussed how it was ultimately damaging the company and its work, in an effort to reach an agreement that would allow them to continue to work together, as the VP had developed a very loyal following, and the organization was concerned that if he left, many employees would follow.

However, ultimately the organization realized that they would not reach a meeting of the minds as to how the VP needed to engage within the organization, and they decided it was best to end the relationship by firing him.

at the time was approximately $250,000 in terms of the number of valued employees who the company was concerned might leave after the VP’s departure.


**Organization Identity**

Although a more comprehensive review of the Organization Identity (OI) literature is found in Chapter 2, it is necessary to establish the definition of OI here to help the reader understand how I identified OI in the data and how the data lead to the theory of how these organizations manage critical organizational events.

Albert and Whetten (1985) are credited with introducing the idea of identity into organization literature, and in that seminal publication they argue that organization identity is an organization’s members’ shared and collective meaning of who the organization is, or who they are as together, an organization. Corley, Harquail, Pratt, Glynn, Fiol, and Hatch (2006) explain OI as self-referential—specifically, the organization’s thoughts and beliefs about itself (as opposed to the view held by those external to the organization, which OI scholars conceptualize as “organizational image”). In essence, Corley et al. (2006) suggest that OI is about the organization answering the question, “Who are we?”

As discussed in Chapter 2, for an organization’s self-concept to be considered OI, it must meet the three identity pillars by being *central*, being *distinctive* and having *temporal continuity* (p. 265) (or that which is deemed central, continuous, and distinctive to the organization’s members becomes the organization’s identity), and the satisfaction of these three pillars is sufficient to conceptualize self-concept as organization identity (Albert & Whetten, 1985).
I discuss the pillars again here to refresh the reader and help ease the connection to my findings.

- **OI is central.** To be central, identity must be firmly embedded in the organization throughout its systems, beliefs, values, and norms that guide behavior. “Central” characteristics may be shared through mission statements and other processes and documents that assist organization members with sensemaking and help to guide appropriate action (Ashforth & Mael, 1989). Corley et al. (2006) define centrality through *depth*, meaning how thoroughly it permeates the organization and how necessary it is to the organization’s functioning; *shared*, meaning how well the identity permeates across organization members and how consistently those members are in their descriptions of the identity; and *structural*, meaning it is a foundation of the organization in general, and many other functions depend upon it. Perhaps it can be explained as a “load bearing wall” in a home. It cannot be removed without putting something else in its place, and removing it changes the entire structure of the home at the foundation level. Gioia et al. (2013) describe the centrality criterion as characteristics that manifest themselves as values, labels, products and services or specific organizational practices. Gioia et al. (2013) also suggest that history is important to the centrality criterion, as without history it cannot easily be determined if a specific belief is truly central.

- **OI is distinctive.** Distinctiveness defines identity as different from comparable organizations. This idea means both identifying characteristics that the organization has, as well as understanding those that it does not have (and does
not wish to have)—thereby distinguishing it from other similar organizations. In
order for OI to be distinct, however, not every characteristic must be different
from others, but instead there should be a set of characteristics that is different
from comparable others (Albert & Whetten, 1985). While Gioia et al. (2013)
agree that distinctiveness is an essential element to OI, they acknowledge that the
concept becomes more difficult to uncover as organizations frequently base their
own practices after other successful ones in their referent group, therefore leaving
little that is truly distinctive. As a result, they argue that this criterion is satisfied if
the organization believes that it has distinctive qualities or that its identity is
distinctive, whether or not one can actually confirm that assertion to be true.

• OI is enduring. There is disagreement among academics as to whether or not OI is
truly enduring and therefore unchanging, with some scholars feeling that “if it
changes, it’s not identity” (Whetten & Mackey, 2002), and others feeling that it
can and does change and evolve over time (Dutton & Dukerich, 1990; Gioia &
Thomas, 1996; Gioia et al., 2000). Gioia et al. (2013) suggest that there is
significant literature now (almost thirty years after Albert and Whetten’s seminal
writing) that suggests that OI does not necessarily have to be enduring and, in
fact, does often shift over time. Gioia et al. (2013) argue that the more important
question is, again, whether or not organizational members think their identity is
continuous. They suggest that organizational members use “the same labels to
describe their identity, even as the meanings of those labels change without
conscious awareness” (p. 126) so that identity appears to be stable even as it is
changing. As such, Gioia et al. (2013) suggest that instead of being labeled as “enduring” as was the case in the original Albert and Whetten (1985) definition, scholars instead think of it as “having continuity over time” (p. 126).

**Related organizational concepts**

Other related concepts are discussed in Chapter 2. Here I briefly refresh the reader on the concept of Organizational Culture (OC) because it was a significant factor in my findings.

**Organizational culture**

The related concept most relevant to the current study is OC. Unfortunately, definitions of OC are prolific and include hundreds of dimensions and a multitude of ways to analyze, measure, and discuss the phenomenon. However, most definitions or models do have some shared characteristics, agreeing that it is socially constructed, is social in nature, and serves to hold the organization together and keep it functioning in a specific way (Cameron & Ettington, 1988; O’Reilly & Chatman, 1996; Schein, 2010). These authors suggest that culture consists of both conscious and unconscious behaviors, as well as “assumptions and artifacts” (Schein, 2010) that govern how individuals within an organization behave.

In terms of the relationship between OI and OC, Gioia et al. (2013) take the following position:

Identity constitutes the deepest level of Schein’s (1990, 1996) three cultural levels (the readily obvious “artifacts,” the next deeper level of “values,” and the deepest level of “basic assumptions”). In our view,
this deepest level is actually better construed as the identity level. Is identity then a subset of culture or is identity the root of culture? Although it is possible to conceive of either as a derivative of the other, we prefer to view identity as the generative basis of culture, which is especially evident when one considers that identity formation likely precedes and provides a foundation for the formation of culture. (p. 176)

This study adopts the position of Schein and Gioia and his colleagues, essentially arguing that OI is the belief system (made up of values, assumptions, and so on) that drives OC, which is demonstrated through the actual actions engaged in by the organization and its members. To think of it another way, OI exposes an organization’s essence, it’s “raison d’etre,” and the values that support that essence and guide the manner in which the organization chooses to engage the world in pursuit of those objectives. OC, on the other hand, demonstrates the organization’s actual actions in pursuit of that essence, or “raison d’etre,” and in alignment with the supporting values. Perhaps an even simpler idea is that OI emerges through statements of being, such as “Who and What are we,” and OC emerges through statements of doing, but the manner in which the “doing” takes place is driven by identity. Essentially, OC operationalizes OI.

With this perspective, as I share the data and my findings, I will specifically highlight OI for each organization to help the reader develop a clear understanding of each organization’s identity.
Participant Organization Identities

Blue Plate
Blue Plate identifies itself as a “the best” “food service solution” provider; one that has devised innovative solutions to many of the food-related challenges it has experienced in service to its clients. Organization members express this idea of being a solution provider through stories of managing events of a tremendous magnitude and still managing to serve hot food hot and cold food cold, going above and beyond client expectations and contract requirements to provide solutions to problems that were outside of Blue Plate’s area of responsibility, and always wanting to give the client more than what they expected. It emerges as a state of being, in statements such as “We are” or “It is about” as shown in excerpts such as, “We like to call ourselves a food service solution company because we’ve been posed with [sic] many challenges over the years, and we’re pretty good at coming up with solutions;” and “It wasn’t about the food, it was about working with people. It was about solving problems. It was about making people happy, and it happened to be through food.”

One sales director shared a story of providing a solution to an issue that was not even related to Blue Plate’s services:

I had a client the other day call me, the event was at 6:00 that night. She was working with another vendor. I had nothing to do with it, but the other vendor could not get her a clear podium, so we called one of our preferred vendors and sure enough they were able to get it there within an hour.
The vice president of business development shared a similar story:

If they need information on transportation, which is something we don’t necessarily do, I’ll find them the information or I’ll find them the right person. I don’t just give them the website and say go here. I’ll say, Jay’s my friend and he does it and let me connect you with Jay. And Jay’s happy because I’ve given him business, and the client’s happy because they didn’t have to make a bunch of phone calls, so that’s the stuff I love to do.

The head chef talks of providing a solution as he shared the story of Blue Plate catering the Chicago Marathon:

We catered the Chicago Marathon, which is an enormous undertaking. I think we were close to 10,000 people in one single day for catering. So it’s nerve wracking having ten thousand people coming up and you had to be here at midnight because everything leaves at 3:00 in the morning, and they close the streets, so it’s grid lock in the city on marathon day. So it’s one of those days if you forget something you’re all done. You’re putting it on your back and you’re walking it down the street to get it to Grant Park on time.

Blue Plate also identifies as a happy place, and a company whose mission is to make others happy. In fact, its “tag” line is “happy people making people happy,” and this idea resonates through the participants’ stories. It emerges as a state of being, both internally (the employees themselves are happy and believe it’s their job contribute to one another’s happiness and wellbeing), and externally (these happy employees then go out and interact with clients, vendors, and partners, making them happy as well). The chief financial officer (CFO) shares his perspective on this part of their identity, “A term that is constantly used here is ‘happy people making people happy.’ We’re in
the business, usually our clients are celebrating something, so it’s wonderful to be a part of that.” A supervisor shared an excerpt that paints a picture of happy employees:

Blue Plate is a company that makes you want to come to work. I look forward to coming to work every day, and it could have been easy for me to say I can’t make it today or any day off. But I was looking forward to coming...I cannot think of any person that says I don’t want to come to work for Blue Plate...Blue Plate schedules people to work, they come to work every day. It’s hard—it’s probably hard for you to believe, but people come to work every day here. From the back of the house to the front of the house, they come to work every day. For me, I look forward to come to work every day.

Another way Blue Plate refers to itself is as a “well-oiled machine.” References to this idea emerge throughout the transcripts, and they use this terminology to describe how it is that they produce such excellent, high quality products and services. It emerges as a state of being that occurs regularly for them, particularly when the organization is working in unison toward a common goal, and everyone is contributing their unique role to the best of his or her ability. The vice president of sales describes it as, “It’s experience. It all comes together just based on experience and the longevity of the employees, knowing what standards are, and knowing what the expectations are. So I mean really, it’s a well-oiled machine.”

Another excerpt from the vice president of operations shows his experience of this “state of being” as the organization reflects on a successful event:

We just did 7,500 people today in 14 different locations at any given time, and we had very minimal if no problems...That to me is like whoa. We are an oiled machine. It’s just boom, boom, boom, boom.
What is interesting is everybody’s on and it’s just going and you’re just, you can’t believe it.

Additional excerpts supporting Blue Plate’s identity are shown in Table 17.

**Table 17: Excerpts Supporting Blue Plate's Organization Identity**

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<tr>
<th>Identity Component</th>
<th>Participant Quotes</th>
<th>Percentage of Transcripts</th>
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<tbody>
<tr>
<td>“The best food service solution provider”</td>
<td>“They were simply the best. The staff was the best, and everybody always said that. If they know you were coming from Blue Plate, they would listen.”</td>
<td>91%</td>
</tr>
<tr>
<td>“Happy people making people happy”</td>
<td>“Happy people making people happy. There’s much truth to that. Everybody is a representation of the organization that’s out there, and it’s important.”</td>
<td>91%</td>
</tr>
<tr>
<td>“A well-oiled machine”</td>
<td>“We’re all part of the same goal. I mean everyone. Everyone here is. The receptionist. The front door. That’s probably the hardest position I have to fill because she is the first taste that every customer gets either on the phone, at the front door, and it’s a tough job to fill. But every position matters.”</td>
<td>64%</td>
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“Everybody’s on board. Everyone’s just talking to everybody, calling them, boom, I’m here…I’m this, this looks good, okay great. So it’s just that. And again I think it’s about covering each other and communicating and saying we’re good here. We’re good here. And letting people do their jobs. Let them just do it. You’re given the instruction; you take them there and let them do it. It’s going. That to me is really exciting when you hear that. And then you see it and you’re just like—I can’t believe this.”
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<tr>
<th>Identity Component</th>
<th>Participant Quotes</th>
<th>Percentage of Transcripts</th>
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<tr>
<td></td>
<td>“I think from start to finish it’s just getting everybody involved and really making sure that everybody knows that their piece of the puzzle is just as important as everybody else’s. I mean all of it has to come together in order for us to be successful. We have to have—it has to be a well-oiled machine in order to be successful, and I think it’s instilling in everybody that their part of the puzzle is just as important as everybody else’s so a department doesn’t feel left out or anything like that. We have to all work together and rely on each other.”</td>
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One way that identity is manifested in organizations is in values that are deeply embedded (Gioia et al., 2013; Corley et al., 2006), particularly when the values are shared across the organization and central to its operation. Blue Plate articulates the following list of core values that it deems to be fundamental to its business. Each of these values will be developed further in its own section:

- Commitment
- Community
- Growth
- Innovation
- Long-term orientation
- Excellence
- Respect
Commitment
Commitment includes concepts others might describe as honesty, integrity, and/or transparency. Organization members explain this as an alignment between words and actions, essentially doing what they say they are going to do, regardless of the consequences to the company; being honest and straightforward in all communications, be it sales proposals, negotiations with vendors or partners, communications with employees, and so on. This value is illustrated in the following quote from the CEO:

How do we insure that we’re going to deliver on our promises? Commit. If we say we’re going to do something, we’re going to do it, even if we discover later on we see that it’s going to be to our detriment, we made a deal. So if we say we’re going to do something, we’re going to do it. And there have been instances where we get into situations like this isn’t the positive outcome for the company that we were hoping for. But our word is our bond, so we do what we say we’re going to do.

Another story demonstrates how honesty and integrity were integral in Blue Plate winning a substantial piece of business (in fact, this story is in reference to it being awarded the contract to build and manage the new downtown restaurant):

I wasn’t trying to pull the wool over somebody. I spoke honestly about what we would do—what I think we could do, and I think that was very compelling. I think people really trusted that…If you’re able to watch out for them as much as yourself in negotiations, I think that brings upon very healthy negotiations.

Community
Community includes a sense of responsibility to someone other than yourself (clients, other employees, vendors, the company, the community at large), as well as an overall sense of working together as a partner, with external stakeholders, or as a
team when focused internally. It also includes the view of the organization as a
“family” that supports one another both personally and professionally and where each
member represents the “Blue Plate Family” when leaving the organization’s walls.
Everyone is expected (and willing) to jump in and help out where needed, no one is
looked down on or spoken down to, and all doors are open and approachable with
views and suggestions and ideas welcome and encouraged. The director of special
projects provided an example of how Blue Plate defines its relationship with those
outside the organization:

When we engage in a project with another organization, we take on
those commitments as partners. We do not like to think of our
relationships with either our clients or our vendors as that. We like to
think of it as a partnership, and we have a lot of respect for the people
who help us to do our job, and we have a great respect for the people
who we serve, and it is always our goal to meet their mission and put
their needs first because that’s really what our job is to do.

The facilities and logistics manager, speaking about a Blue Plate employee, shared an
example of the value of community within the organization:

Some employee…he worked with us for a long time and I mean he
passed away, and the company supported the family. They covered all
the expenses. We went to the funeral. I mean they were there for us. I
mean most of the whole company was there. And I think that’s
something I appreciate from the company. It’s not only like they send
flowers—things like that. They are there. They was in the funeral.
They was I mean everywhere, they was in charge of everything like
the family was just like focused. And the company was there for the
family of the employee.
Growth
Growth refers to improvement in all its varieties, not only size or revenue. Blue Plate is very intentional about growth. It values individual personal growth and development through training and education and providing new career opportunities for individuals. It values corporate growth, but what it calls “healthy” growth or “deepening” growth, and it emphasizes internal growth above traditional financially oriented growth. The founder, Jim Horan, shares his perspective on growth:

I use the term deepening, and we all want to live life to the fullest. We want—all of us—we have our individual aspirations, but as a group there are internal and external issues. Oftentimes when people think about growth they think about external growth, and that’s an important part of it. But at the same time there’s other important organic potential for other businesses that we’re already doing internally. But more importantly is internal growth and looking at our different departments of the business. I keep on going back to HR because we want to have the best HR program in the country, and I really believe if we’re able to do that the residual benefit will be external growth because we’ll have happier people.

One of the captains provided an example of supporting individual employee growth:

They don’t want you to just always look for being a great staff; they want you to excel to be captains. They want you to excel to be great supervisors. They want you to know that the door is always open for you to excel in this company.

Innovation
Innovation emerged as creativity in everything from the food to venues to inventive ways of handling logistical issues. Innovation also assumes an inherent acceptance and encouragement of risk taking, knowing that individuals will be supported even if it doesn’t work out as hoped. It also includes a commitment to bringing in new
employees who have fresh ideas, yet whom share the core values of the organization, keeping the best of the “old and new.”

The vice president of operations shared his perspective on innovation:

So nothing’s impossible. I think we always are talking and having discussions about should we try this. And we’re always looking for new ideas about food. And then we have to figure out a way to serve it. And how do we create it on site? Having ice cream, it was almost unheard of maybe ten years ago on site. Now we do it. And how do you serve it where it’s still ice cream and not soup? How do you have a plate that’s hot? So you think of creative ways and unique ways and sometimes you’d be back in the kitchen going I can’t believe you’re wrapping plates in foil with sterno’s but they’re really hot when they’re being served up, so when it gets to the guest it’s still hot.

The director of special projects, who has been with Blue Plate for 22 years spoke about the blending of old and new, “we continually have that blend of old and new so that we’re maintaining our characteristics and our mission, but we’re also bringing people on that are compatible with that but also have this forward vision.”

Long-term orientation

Long-term orientation appears as a value throughout Blue Plate, from an intention to be in business for the long term, to employees who have been with the organization for more than 10 years, to an industry-low employee turnover rate, to a conservative financial position that invests in the business specifically so that it can flourish for the long term. The chief financial officer described this value:

The best companies have a long-term view. They never see an ending, and in order to achieve that long-term success you have to make those
investments in the foundational things—build infrastructure, make decisions that in the short term may not provide great short term financial success but you’re betting on the long term that those investments will pay off.

Another example of Blue Plate’s long-term orientation was seen in the company’s response to the economic downturn and Blue Plate’s associated drop in profitability:

Even when the company started to tank, one of the things which Jim did which attracted me to Blue Plate was he invested in his people. He was looking at restructuring some of the more senior positions in the company at a time when most owners would say I’m cutting as many costs as possible.

The following excerpt also shows focusing on the long-term as shared by the chief financial officer who spoke of hiring the right people even when there was no immediate position:

We’re always looking for talented sales people. Even if we don’t have an open spot available, a lot of times we’ll say let’s make that hire now because we have a person that’s available. Not wait three months or six months for when we may have planned to do it—who knows what will be available at that time. But I think again if you’re looking at your business every quarter, well maybe you hold off. But if you’re looking longer and longer term, it’s easier—actually it’s easier to make those decisions.

Excellence
Excellence is a value that emerged as a state of quality and is achieved through providing excellent service (both internally and externally), consistently exceeding expectations and delivering more than what was committed. It is also seen through comments about continuous improvement, a focus on using high quality products, improving service, and so on.
One of the captains described a conversation the teams had after a successful event that demonstrates the company’s focus on excellence and continuous improvement:

He says what can we do to make it even better than what we did today? To be able to say that he’s very concerned not only that we are meeting everything with a hundred and one percent, but what can we do to try to excel beyond that.

Respect
Respect emerged throughout the transcripts in both clear and subtle ways, and is often described as caring. Blue Plate individuals often refer to “doing the right thing” and making a specific decision because it was “the right thing to do,” which shows an inherent respect for others and evaluating how choices will impact them. The theme of respect and caring abounds in the Blue Plate transcripts. When asked about how he keeps the employees happy, the CEO responded, “Number one probably is just treating people right. Respecting people. The number one thing is everybody treating everybody else respectfully."

Additional examples of Blue Plate’s values are shown in Table 18.

**Table 18: Illustrative Examples of Values Related to Blue Plate Identity**

<table>
<thead>
<tr>
<th>Value</th>
<th>Text Examples</th>
<th>Number of Transcripts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment</td>
<td>“There’s no skeletons in the closet. We are what we say we are.”</td>
<td>82%</td>
</tr>
<tr>
<td>Value</td>
<td>Text Examples</td>
<td>Number of Transcripts</td>
</tr>
<tr>
<td>-----------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Community</td>
<td>“I really get out there and be part of it and listen to the employees and jump in and pitch in and do things that I might not necessarily do.”</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>“Based on their feedback is how we make our decisions…we let the employees make the choice because we want them to be happy and we want to be as transparent as possible, so we let them make the choice.”</td>
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<td></td>
<td>“We always want to show the value of the partnership and be proactive in maintaining our relationship with them.”</td>
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<tr>
<td></td>
<td>“I manage the way I always wanted to be managed, and I really see it as a partnership.”</td>
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<tr>
<td></td>
<td>“I realized that it’s more than just a company, it’s a family.”</td>
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</tr>
<tr>
<td></td>
<td>“If you work here, you work as a family.”</td>
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<tr>
<td></td>
<td>“One thing you learn here at Blue Plate, the idea that you’re more than just an employee, okay. And when you’re in the field you’re representing this company. You’re representing the family and the family values while you’re out there.”</td>
<td></td>
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<tr>
<td></td>
<td>“One of the most important values is teamwork…There’s no such thing as anyone fails at Blue Plate. If one person [fails], we all fail. So we try to make sure that as a team, we work with that person to insure that the whole team wins. The whole team</td>
<td></td>
</tr>
<tr>
<td>Value</td>
<td>Text Examples</td>
<td>Number of Transcripts</td>
</tr>
<tr>
<td>-----------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Growth</td>
<td>“Right now they gave me the opportunity to go back to school to try to improve my English so I can move to the next step. I mean, I don’t know what is going to be my next step, but I want to be ready.”</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>“I don’t feel ever that I can’t try something new or I can’t branch out and ask for something.”</td>
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<td></td>
<td>“We give people as much independence as they can handle. It’s great because I’ve always personally believed when I was working for somebody, I said I need a boss that won’t stand in my way to grow because I want to grow. And I believe everybody wants to grow, and so it’s our job not to get in people’s way. They need guidance. They need direction. They need support.”</td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td>“I’ve never been criticized for trying something new—be it successful or not so successful. At least we tried</td>
<td>91%</td>
</tr>
</tbody>
</table>
it and that’s what I try and instill in everyone that reports to me and I work with. We’ve got your back.”

“We have the old and the new, so that we have new people that are coming in and looking at things in a different way which makes us more efficient”

“All the odds were against us. We started construction without having any money in the bank. We didn’t have any investors for the project, so we signed on to something that was a multi-million dollar commitment without even having the money in the bank for the project.”

“My clients view me as trendy—a trend setter in the industry.”

<table>
<thead>
<tr>
<th>Value</th>
<th>Text Examples</th>
<th>Number of Transcripts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term Orientation</td>
<td>“I think that’s a long-term view on what you do with people even when economically it’s not the short term best decision.”</td>
<td>100%</td>
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<tr>
<td></td>
<td>“When you add up those dollars and cents, it’s a lot. That’s a big bucket to do those things and so it’s hard to justify if you don’t have that long-term view.”</td>
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<tr>
<td></td>
<td>“I think you have to have a fundamental faith that you’re in it for the long term, right? If you always think of it that way, those decisions become easy to make.”</td>
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<tr>
<td></td>
<td>“We don’t have a lot of turnover. They have people that they can talk to that they know they’re going to be able to talk to the next year.”</td>
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<tr>
<td></td>
<td>“Many of our sales people have been here for 5 or 10 years.”</td>
<td></td>
</tr>
<tr>
<td>Value</td>
<td>Text Examples</td>
<td>Number of Transcripts</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td><strong>Excellence</strong></td>
<td>“More than 80% of the people have been here for 5 years or more, so that tells me a lot about the company. People have a longevity of working with this particular company.”</td>
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<tr>
<td></td>
<td>“We want to be better tomorrow than we are today. We want to do a better job.”</td>
<td>82%</td>
</tr>
<tr>
<td></td>
<td>“We make everything from scratch, and we use good stuff.”</td>
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</tr>
<tr>
<td></td>
<td>“How can you be feeding people poor quality product?”</td>
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<td></td>
<td>“The artist who did that [the company’s logo] had to go through seven hundred fifty different renderings before we had something we liked.”</td>
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<tr>
<td></td>
<td>“We promise them [the clients] that we’re going to give them this, this, and this, and inevitably we give them a little more than we contract for.”</td>
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<tr>
<td><strong>Respect and Caring</strong></td>
<td>“Everyone’s treated the same—everyone’s treated with respect, and everyone’s given an opportunity to voice their opinion.”</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>“I think everyone is respected. Everyone is treated as a professional, and everyone’s given the opportunity to flourish.”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>“I think everyone is respected and expected to pull their weight and do their thing.”</td>
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<tr>
<td></td>
<td>“It’s about respecting each other as well as what you bring around to the table.”</td>
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If we agree with Gioia et al.’s (2013) suggestion that identity is in line with Schein’s (2010) “basic assumptions,” then centrality is also evident in how difficult it was, at times, for them to articulate extraordinary stories, because the behavior is so deeply engrained and standard, it is not viewed as extraordinary.

Yeah, it’s funny. I’m just trying to come up with that special story because there’s so many little stories because we just do things that way. That’s a tough question because there’s no – usually those special stories are extraordinary situations where it’s just…It’s just the way we live.

For an organization’s self-concept to be considered identity, it must be central, distinctive, and have continuity (Albert & Whetten, 1985). As such, Tables 17 and 18 provide statistics surrounding the number of transcripts, or participant accounts, wherein the specific identity concept appeared. This number is a simple calculation of the accounts that mentioned the concept divided by the total number of accounts collected for the organization. This demonstrates the depth of the concept as well as how shared its meaning was across organization members, thereby meeting the centrality pillar of OI.

Continuity of this self-concept is also well documented in the Blue Plate data. The business has been in existence for 30 years, meeting Gioia et al.’s suggestion that history is important (2013), and employees comment on how little the identity has changed in that time.

I don’t know if it’s the mission or our little tag line or what, but it’s happy people making people happy. That’s Jim’s mantra. I have been
a part of this company for 19 years, but before that I was a client and so I’ve seen the company when it was so small. In fact when I was a client I worked at DePaul University actually, and I was their director of special events, and Jim was cooking the food at the time, and the sales person was also doing twelve other things. But ironically I don’t feel like the company is that much different from when it was a million dollar company to whatever we are today. Fundamentally we still have that same—we have fun, we work hard, we treat our clients well, and even though Jim’s not cooking in the kitchen any more, he’s walking around—you always see him, and he really sets the tone for everyone else. But when I think about, so it’s probably been twenty-five years that I’ve been involved in one way or another. Fundamentally the company is the same, it’s just bigger. Bigger headaches. But the mission and I think the vibe or the feeling is the same.

I think the big thing is that just like the size and growth, and we still have the same basic tenants and mission that we had in 1980—whatever the year Jim started the company. I mean, it’s our thirtieth year and it’s amazing how many people have been involved through the twenty, thirty years that we’ve been in business and that we are the same company we were then.

Even the name “Blue Plate” demonstrates the company’s identity, going back thirty years to when it was first established. When asked about the origin of the name, Jim shared:

The name Blue Plate, I came up with the name because at the time—this was in the 80s—and if you recall the 80s we were coming out of a tough economic time, and a few things went into the name. One I’ve always liked the color blue, but two and more importantly the name Blue Plate I thought meant—conjured up with me—a lot of positive qualities, and qualities that I thought were important at that time. It meant quality, it meant value. And those were kind of the characteristics I wanted to be—I wanted to emote in people with our name. Everyone knew what the blue plate special was. It was food. Everybody knew that you were going to get good value. Everybody knew it was home cooked—good quality. Those were things I wanted to put into my new name.
Blue Plate’s 30-year history combined with its members’ beliefs that the identity has not changed over that time meet the requirements for the continuity pillar of OI.

The third pillar required to establish self-concept as identity is “distinctiveness.” This is shown through Blue Plate’s assertions that its “culture” is unique. What this paper considers to be organization identity and supporting values, the organization calls its culture (“organization identity” is more widely used in academic conversation, while “organizational culture” is more commonly used by organizations and practitioners).

Blue plate considers its identity (culture) to be unique and distinctive in the industry.

When I interview people I want to know about their family. I want to know about where they’re coming from. I want to know if they’re going to work with us because we do what we do, we are who we are. And so culture has always been very important. I can tell you all of the scripters that, in fact I only hesitate in sharing those because you’re hearing more and more with other companies aspiring to have these healthy cultures. Well, we’ve had that. We’ve always had that. We aren’t trying to sell people on our culture. We live our culture and people feel it, they sense it.

One of the ways an organization is distinctive is by a clear idea of what it’s not (in addition to what it is). BP believes that there are other referent companies treating culture differently, and they specifically do not consider themselves to be in that group:

So we can have a very complex discussion about culture, but I don’t think it’s really that complex. And I also don’t want to align myself with the other people that are really treating it as a fad. We live it.
In addition, BP’s identity as the “best” caterer in Chicago (and specifically not the biggest) is distinctive as well.

Although bigger is not always better, and I think we did make that mistake a couple of years ago—we were the biggest. That’s not always the best, so we don’t try to sell ourselves as the biggest caterer in Chicago. We just try to say that we’re the best and really care about the client.

This idea of being the “best” is also distinctive internally as BP prides itself on having the best benefits for their employees and the best culture for its employees, which makes people want to work for Blue Plate, as opposed to other places, making it distinctive.

When people come here and experience us, and they see the smiles on the faces and they get treated right, they’re going to want to work for us, and they’re going to come out of their experiences with us also being happy.

The distinctiveness of the culture is also apparent in relation to other members of the referent group, as employees talk about people they know who leave to work at other catering companies and then share how Blue Plate is different:

I have some ex-employees who move to another company, and when I talk to them they say they can see the difference…The hours, the people. Ex workers say we work more hours, maybe they pay a little bit more, but it’s not worth it if you don’t feel good to work.

In summary, Blue Plate’s organization identity is the best, well-oiled food service solution provider in the Chicagoland area that strives to create an environment that supports happy employees who create happy clients through values of commitment,
community, growth, innovation, long-term orientation, excellence, and respect. This identity emerged as central to the organization’s existence and embedded in its structure and processes. It is distinctive in that it sets them apart from other competitors, and it is continuing in that long-term organization members believe it has been consistent over time, and satisfying these three pillars is sufficient to label this self-concept as OI.

**Integrated Project Management Company, Inc. identity**

IPM identifies itself as an honest and ethical “premium service provider” that “transforms strategy into reality,” through project leadership; essentially “helping some of the largest, most complex companies really accomplish what they believe is most important in their organizations.” This emphasis on service is seen throughout the participants’ stories and emerges as statements of being. One senior leader explains it this way:

> I find meaning, and I believe a lot of my colleagues find meaning through helping others. We’re a service business, and in that word, service means we’re passionate about helping our clients succeed. We’re passionate about helping them solve problems and helping teams overcome their challenges. It’s through that act of service that you get that fulfillment. It’s figuring out ways of making others successful. In our case—the client successful. And only through that can we then be successful as an individual or company.

This idea of service also emerges in references to “servant leadership” and in the idea that the participants work in service to something bigger than themselves, whether that be the client’s success, IPM as a whole, or the broader community and world.
One employee describes it as, “There’s a caring for one another and being a part of something bigger than yourself.”

Perhaps the strongest element of IPM’s identity is honesty, integrity, and trust. While most often we think of honesty and integrity as values, in IPM’s case they are so deeply ingrained in the organization that they really think of these characteristics as who they are at their core, not simply how they engage in their work. Rich, the founder and CEO, described his view on the company’s integrity as follows:

Since I started the company, we have never, ever, ever veered from our mission and beliefs. There is not a single person on God’s good earth here that can say that this company has ever stepped even half a degree away from being honest and a company of the highest integrity. Not that we don’t make mistakes, but we’ve always stood behind those mistakes in whatever we had to do in order to satisfy our customers. We’ve never taken a dime that wasn’t ours. We’ve had clients that were absolutely astonished that we returned money on a not-to-exceed proposal because we were able to get the job done more efficiently than we had even estimated ourselves.

The CFO explains it this way:

We have two absolute elements. We have elements of success that we have identified what particular traits, qualities are successful at IPM, and there are only two that are absolute which means you have them or you are not here. And those are honestly and integrity. And we have lived that out…Nobody gets fired for making a mistake, but if you lie, you get fired.

The CFO shared her recollection on what happens when an employee makes his first mistake.
It’s so interesting when we hire somebody new and they make that first mistake, which we all do, right, and they’re like shaking in their boots because our standards are pretty high and we expect really good work, and then you mess up and have to come forth with that and then they see their supervisor says okay, okay, so what did you learn? How did it happen? Okay, done, move on. And that’s it. And you can almost see the weight lifted from their shoulders that they’re not going to be overly judged for an error. They’re not going to be cast aside because they’re human, and in fact honesty is so important to us and stepping up with errors when they do happen that if anything, it almost probably feels like it’s being rewarded rather than punished.

Another element of the company’s identity is that it “engages the hearts” of both employees and clients, seeking to build deep, meaningful relationships with each other. Many participants talked of feeling “loved” by the organization and loving the people with whom they work. The CEO describes it as “The uniqueness of our approach lies in our endeavor to engage individuals not only from an intellectual standpoint, but to engage their hearts.” This idea of knowing someone’s heart or seeing what’s in someone’s heart or connecting with someone’s heart permeates the transcripts. The CEO described it as “How many individuals in an organization could respond affirmatively to the question, do you absolutely know what’s in your leader’s heart?”

The CFO shared her experience through a story of returning from vacation:

After every vacation—that last day of vacation, I go to bed saying I get to go to work tomorrow, and I feel bad for people who don’t have that same perspective. It is truly remarkable to miss the people that you work with when you’re on vacation, and you want to get back to see them.
IPM also identifies itself as fiscally conservative, a position the company has chosen specifically and intentionally to support and insure some of its long-term goals. It maintains high cash reserves and chooses to not take on debt or to provide equity to third parties. The vice president of operations explained it this way:

"Rich had a vision of building a company that would outlast him, so in order to do that he wanted to make sure that he didn’t over leverage himself in the process. We want to make sure that we can take care of the people that we’ve brought on board, and we don’t want to be beholden to others in making the decisions that we feel are in the best interests of those people. And some of those decisions may be turning down business that isn’t aligned with our value system. We feel if we get more voices at the table from outside investors that are really viewing this as a financial investment, that the challenges will be tougher in the decision making process."

This component of IPM’s identity also emerges in their decision to only employ full-time consultants rather than hire temporary or contract workers during the busy times and then lay them off during the slow times. The controller explained that decision:

"We’ve chosen a little bit tougher business model in the service industry in that all of our people are full time employees. We don’t hire contractors. A lot of consulting firms and other service providers hire contractors to help with those peaks and valleys of workload, but we’ve decided that that wouldn’t be right for our culture, and we wouldn’t really be able to insure the quality of our work with people we haven’t invested in fully and they haven’t invested fully in us."

Finally, IPM identifies as both a “results focused” and a “means focused” organization, feeling strongly that both are equally important. The vice president of operations shared, “We often talk about not only being a results-focused organization, but a means focused organization and that it’s not just willing at all costs. It’s doing..."
the right thing the right way.” This idea of the company doing the right thing for the right reason also permeates the participants’ transcripts, as does the idea of providing value real value for clients and withdrawing from a project if real value cannot be established.

The CFO explained IPM’s feedback system as an effective way for ensuring alignment and specifically monitoring both “results” and “means”:

We spend an extraordinary amount of time on performance feedback… How do you get better if you don’t get honest feedback? How do I know for sure that you got my message? There’s no better way than to say, here is the rating. Here is the numerical rating for that particular performance event.

Additional examples of IPM’s OI are provided in Table 19.
Table 19: Excerpts Supporting IPM's Identity

<table>
<thead>
<tr>
<th>Identity Component</th>
<th>Participant Quotes</th>
<th>Percentage of Transcripts</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Honesty, integrity, trust”</td>
<td>“To have that kind of trust from your boss is really, really priceless, and that’s what I try to instill in all the folks that work for me.”</td>
<td>82%</td>
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<td></td>
<td>“I think it comes back to trust because if you believe that your supervisor has your best interest at heart, then you welcome his feedback.”</td>
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<td></td>
<td>“The exception to that is when they violate some of our value or character expectations. If they lie or again violate any of those other pure value based rules, we do and have terminated people immediately.”</td>
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<td></td>
<td>“The first two items in our performance appraisal process are absolute character elements, honesty and integrity. And if we can’t check those two boxes off, then someone’s career here would probably be quite short. They’re just non-negotiable.”</td>
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<tr>
<td>“Premium service provider”</td>
<td>“We consider ourselves the one percent.”</td>
<td>64%</td>
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<tr>
<td></td>
<td>“You gain more when you give.”</td>
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<td></td>
<td>“Our standards are so high that sometimes he feels like a range ball in a box of Titleists.”</td>
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<tr>
<td></td>
<td>“We view ourselves as a premium service provider that may cost a little bit more, but the quality of our people stands out head and shoulders above the alternatives.”</td>
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<tr>
<td>Identity Component</td>
<td>Participant Quotes</td>
<td>Percentage of Transcripts</td>
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<tr>
<td>“Engaging hearts,” “Love”</td>
<td>“They all have great hearts.”</td>
<td>64%</td>
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<td></td>
<td>“Our greatest differentiator in the way we conduct the business of project management is engaging people’s hearts—bringing our values—the values that we have here within our home—bringing those to a client site so that people truly know that we’re here to help.”</td>
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<td></td>
<td>“Personally I founded Project Mercy based on my…I just have a servant heart, and I think that why we’re here is to serve others. I was not afraid to suggest this because I knew that the people that I would ask for their approval have those hearts as well.”</td>
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<tr>
<td>“Fiscally Conservative”</td>
<td>When asked about the keys to its financial success, the vice president of operations said, “diversification and conservative financial management.”</td>
<td>27%</td>
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<td></td>
<td>“This company has zero debt. Our cash reserves are extraordinarily high. But it allows me and others to sleep really well because we can go for a long time and not have to think about laying people off.”</td>
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<tr>
<td>“Results Focused”</td>
<td>“Our supervisors spend eight to sixteen hours writing the annual performance review.”</td>
<td>91%</td>
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</tbody>
</table>

2 Although this component of identity only appeared in 27% of transcripts, I included it because it is such a strong component of the founder’s intentions, and it is the foundation upon which strategy is built and decisions are made. I believe it did not emerge in other transcripts because employees not regularly involved in the day-to-day accounting and finance operations and decisions of the company did simply not know the financial strategy.
One way that identity is manifested in organizations is in values that are deeply embedded (Gioia et al., 2013; Corley et al., 2006), particularly when the values are shared across the organization and central to its operation. IPM articulates the
following list of core values that it deems to be fundamental to its business. Each of these values will be developed further in its own section:

- Community
- Consistency
- Caring
- Long-term Orientation
- Growth
- Excellence

**Community**

Community emerges in references to the importance of relationships with other people, including clients, partners, employees and the communities in which IPM employees live and work. It arises in references to the “IPM family” and in the idea of collaboration and teamwork—in essence it emerges as a value that each individual has a vital role to play, yet no one individual has all the answers, so this value demonstrates sharing information, getting to know coworkers and clients as individuals, spending time on endeavors that support and encourage those values. The CEO demonstrated the value of teamwork through this candid conversation he had with a client:

This company [a client] is on its deathbed, and my first statement to them was that from this day forward, they no longer had to worry about competition, and they all looked at me like I had lost it. And I said the reason that I state this is because I’ve interviewed all of you. I’ve spent time speaking with you. Most of you don’t work together—you don’t work well together, you don’t like each other, you don’t
respect each other. I said so until we’re able to fix the relationships internally, you can forget about the competition because that’s the least of your worries.

Another strong example of the value of community is IPM’s quarterly meetings when the company flies everyone to its headquarters to participate with the specific objective of building relationships and camaraderie:

When we bring them together every quarter, we fly our people in from all four offices. We bring them together because it gives us an opportunity to be together as a family and to be able to share how we’ve performed; to be able to share our stories because we use those sessions also to have “up close and personals” where three or four people present stories about their lives and their families. Those are all investments in creating this great affinity and engaging people’s hearts.

The value of relationships arises during the hiring process, as the company specifically looks for candidates who recognize the importance of people and relationships:

We want people that the first thing that comes to mind when you start talking about problem resolution, they envision people. They don’t envision some mathematical problem…They are people who have learned through their experience that to truly be effective in solving problems, you need to develop very strong people skills and you need to understand how people work and how their minds work and how you engage those minds and hearts.

Even when firing someone who is not a good fit, IPM strives to maintain a positive relationship with that individual, “We certainly keep those relationships intact. You
never know when you’re going to cross paths with folks again, so we really do work hard to keep those relationships in tact even in situations where it didn’t work out.”

This value also emerges in examples of how IPM helps solve client problems, “And the resolution is really resolution that’s transacted through people.”

When asked about one of the most important features of IPM, an executive assistant described this value of community:

I would say community involvement, both within IPM’s community and outside of IPM’s community. Within IPM’s community we bring everybody to our office at the headquarters here four times a year for company-wide staff meetings…We also go outside the IPM community. We do a lot of volunteering.”

**Consistency**

Consistency emerges in references to providing a consistent, reliable service to one another and the clients, to how this consistency builds trust among employees and clients because each party knows the other will deliver on his promises. It emerges as an incredibly strong alignment in all aspects of the IPM organization and its processes, from hiring specifically for values fit, to a continuous feedback process that reinforces it, to promoting from within only those employees who behave in alignment with the identity, to an strategic planning process that loops back to verify the plan is in alignment with the mission and beliefs, to assessment strategies that poll employees to ensure they perceive alignment as well, and ultimately letting a client or
employee go if it is discovered that there is misalignment. The controller described it in this way:

> When you bring on someone who ends up not being a fit in that organization, regardless of their talent, if their values and behaviors don’t align with what has been established for our culture, we make a decision. I think any organization should make a decision, and let them go.

One senior leader provided an example of this continuous feedback process and how the company insures that its strategic plans are in alignment with the company’s mission and beliefs:

> Every year when we go through our business planning process, which we’ve continually refined, you can see the loop in there that looks for consistency and conformance with our mission and beliefs. So we’re forced even at that point to say okay, are all these initiatives—all these goals that we’ve established…is there any inconsistency with what we want this company to be; does anything we are doing or plan on doing in any way inhibit our ability to sustain long term? It may be a good short-term decision, but it might not be a good long-term decision.

Consistency emerges in hiring practices when the company looks to select the best candidate. The human resources manager shared, “I always tell new hires that culture is just as important as your ability to do the job. And we want to hire people that not only will contribute to the culture, but they’ll help to maintain and enhance it.” The controller described it this way, “The ideal candidate is someone who not only has the skills to do the job but has also got the values that fit within the IPM culture. I would say that the values are a more important piece than prior experience.”
Speaking about how consistency impacts the employees, the CFO relates it to building trust, “You only trust people because you see how they behave in situations time and time again, and you pick up on that consistency.”

The vice president of operations spoke about ensuring alignment during the strategic planning process:

So my three colleagues and I sit down on a regular basis and really identify where we’re going as a company, and we go back to some of our foundational documents like our Mission Statement and make sure we’re still aligned with it.

One employee spoke specifically about this alignment idea in the decision making process, “Some of those decisions may mean turning down business that isn’t aligned with our value system.” Another one shared a similar story of ending a relationship with a client:

It became very evident that there was a misalignment from the get go, a misalignment of expectations. They were expecting us to do things that we weren’t equipped to do, we couldn’t do for them, and really had to come to a head where we had to have a sit down and say this isn’t working out. It appears you’re looking for somebody to do x. We signed up to do y. We can do y really well, but we can’t do x. So if you want to do y, great. If you want to do x, we’re not your firm and we need to part ways, and that’s exactly what we did.

When asked how the company instills or demonstrates this consistently, one employee responded:

I think that we reinforce the values and culture of IPM by walking the walk. It’s one thing to talk about how great IPM is and what the culture is, but you have to live it and breathe it every day… So I think
it’s walking the walk, definitely. You can say all the nice things in the world about what your environment is like, but people will observe you and see if you’re also living and breathing it every day, and that’s the most important thing is that people can see it.

Caring
Caring as a value emerges as a fundamental concern for the well-being of one another, taking the extra time to check in on someone when they are sick, perhaps to offer help to someone when needed. It is a state of being in which the employees and clients feel nurtured and supported, even in the face of mistakes or even failure. It is supported by behaviors that allow employees to work reasonable hours (especially compared to competitors in the consulting industry), to the company’s commitment to bring all employees together four times a year to build relationships and camaraderie, to a project leadership model that puts priority on caring for the client even during difficult circumstances by being a “bastion of positive energy.” The following excerpt from the CEO demonstrates both the caring value as well as the element of consistency both internally and externally:

Our caring for people I think is what leads the way in our caring for clients. I don’t know how you could possibly provide the type of caring service for clients if you don’t have that at home…I believe strongly that what a company is doing externally in providing services is a reflection of what is happening back at home.

Long-term orientation
Long-term orientation emerges as a foundational value in the company beginning with the founder’s earliest intentions:}

One of the things that I did share that’s actually a goal within the mission is for this company to celebrate its hundredth anniversary. And I mean, I’m obsessed with that. But I believe that by putting the right foundation in place, this company can achieve that.
He went on to share the safeguards in place to ensure the long-term viability of the company itself.

If the Good Lord decides to take me, without a doubt this company would continue. We put in a succession plan in place many, many years ago. I want to say about nineteen years ago. I’m not talking about a piece of paper that says okay, this person moves, this other person—it certainly has that component of it. But I’m talking about a succession plan that’s backed financially with appropriate insurances and appropriate legal documents, and I did that specifically because I wanted to make sure that regardless of what happened to me, that the company would be able to go on.

This long-term orientation also emerges in examples of making choices that are sustainable for the business long term, as well as investing in the business and the employees. It is also reflected in the tenure of many of its employees. “Jo’s been here from the beginning.” “Mike McLeod has been here for the last 17 years.” Other employees have been there 19, 15, 14 years, and the average tenure for a project manager is 6 years, which is substantially longer than the industry average.

This long-term orientation also shows up in the way IPM interacts with its clients, intentionally offering support that ultimately creates the capacity for them to carry on when IPM is gone.

We’re not there to cut jobs, to cut expenses. When someone hears a consultant is coming in, the first thing they think of is how many jobs are they going to cut? And that’s an easy solution for showing cost savings; however, it doesn’t address what is going to allow that organization not only to improve, but sustain.
The CEO described it as, “In the simplest of terms, Integrated Project Management Company transforms strategy into reality, and we do that in such a way as to assure sustainability.”

This long-term orientation even emerges in the company’s hiring practices wherein they intentionally look to hire people for whom they see a long-term future with the company, as they have a policy of only promoting from within. The Human Resource Manager explained it as follows:

We want candidates to join IPM and stay for the long-term because they will be a big piece of maintaining our culture. They will grow within the organization, and they will be the torch, so to speak, keeping that culture alive.

Growth
Growth emerges as a value internally, looking at traditional business growth (although IPM’s ideal growth is different than many other corporations). It also emerges related to organization development in terms of improving leadership capacity, it emerges as individual employee development—giving employees stretch assignments, assigning work based on employee career goals, growth as part of a diversification strategy. In speaking of the company’s focus on “controlled growth,” or “right growth,” the vice president of operations shared one perspective:

Part of my job is really helping the company grow and sustain and strengthen as we move forward…the company has grown in sophistication, as we have been able to scale the practices and philosophies the company was started on. How can we take that from a group of 20 to 100 people and beyond without losing a lot of those
things that make the company so great to begin with? So being part of that leadership team, it’s really helping with the evolution and making sure that we evolve the right way.

The CEO described it this way:

We talk about growth goals around here by using the term controlled growth. We don’t want to grow at all costs. Our goal isn’t to double in size over night. Our goal is to find a growth path that can be sustainable.

The Controller described IPM’s perspective on growth as, “I would say one of the biggest challenges is really balancing the growth and the culture because culture is critically important, and if we had to choose one or the other, we would choose culture.”

Excellence
Excellence emerges as a state of being that is achieved through discipline and continuous improvement. It relates to all internal practices (from the company’s belief that it has the absolute best employees who meet the highest standards, the hiring process that finds them through performance evaluation and feedback through promotions), as well as externally through documentation produced for the client, expectations of the client’s performance and how IPM presents itself to the external world.

When asked how he reconciles such a disciplined environment with such a caring environment, the CEO responded:
Discipline affords you the opportunity to lead and apply caring to your leadership. What you asked implies that chaos somehow is a better environment for caring. Discipline, process, excellence…caring comes in various degrees too. You can do caring really well, all right, which is applying excellence to how you care. How deep is your caring? How broad is your caring? Those are dimensions that add precision to caring. And those dimensions are controlled through the discipline of our behavior.

It is perhaps best summarized by the following quote from the CFO referencing IPM’s Mission and Beliefs statement, “One of my favorite lines in our Mission and Beliefs statement is defy complacency. And that’s not even incompetency. That’s just complacency.”

One of the managers spoke of continuous improvement this way:

I think it really is all a matter of perspective, and in our line of work we’re continually critiquing our performance. How do we improve it? How do we take it to the next level? But I think it's the attitude that we apply in pursuing excellence. And while perfection is certainly fleeting, it certainly is a worthwhile endeavor, and I think it can be very, very engaging if we set the context for it.

Additional examples of text excerpts supporting IPM’s identity are listed in Table 20.

<table>
<thead>
<tr>
<th>Value</th>
<th>Participant Quotes</th>
<th>Percentage of Transcripts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td>“We talk about the IPM family.”</td>
<td>100%</td>
</tr>
<tr>
<td>Value</td>
<td>Participant Quotes</td>
<td>Percentage of Transcripts</td>
</tr>
<tr>
<td>--------</td>
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<tr>
<td>Value</td>
<td>“Relationships that they had built with the client were very strong, and those relationships in the end are what makes the difference, really making that bond with our client as well as each other, and making sure that the relationship and that drive to not let somebody down is what drives you to deliver the value that you’re looking to deliver.”</td>
<td>100%</td>
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<tr>
<td></td>
<td>“We will put someone’s personal needs ahead of the immediate business issue.”</td>
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<tr>
<td></td>
<td>“I’m here to make them successful.”</td>
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</tr>
<tr>
<td>Consistency</td>
<td>“It needs to continually be fed through our decisions, through our behaviors and through opportunities that come up that are great challenges where we are faced with a decision.”</td>
<td>100%</td>
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<tr>
<td></td>
<td>“You have to be consistent time after time after time after time.”</td>
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<td></td>
<td>“If you don’t promote what’s good and deal with what isn’t, who knows what will happen to your culture?”</td>
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<td></td>
<td>“Just do it through good work—good consistent quality work was invigorating, and it was great to have the whole team aligned to that mission as well.”</td>
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<td></td>
<td>“Their actions mirrored those conversations.”</td>
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<tr>
<td>Caring</td>
<td>“We’ve over and over again shown great caring for our people, and I believe that people want to reciprocate.”</td>
<td>91%</td>
</tr>
<tr>
<td>Value</td>
<td>Participant Quotes</td>
<td>Percentage of Transcripts</td>
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<td>---------------</td>
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<td></td>
<td>“It’s very much an environment where people truly care about one another and everyone is trying to accomplish the same goal, take care of our clients, do a good job for them, but also take care of each other.”</td>
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<tr>
<td></td>
<td>“As an overall environment you couldn’t have a more caring place.”</td>
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<td></td>
<td>“It certainly keeps me interested in learning and growing and doing what I can to help the company move forward.”</td>
<td>91%</td>
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<tr>
<td></td>
<td>“Being given more opportunities to grow is something that excites me and keeps me interested in what I’m doing.”</td>
<td></td>
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<td></td>
<td>“It’s about learning…continually expanding your potential as an individual.”</td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td>“I think we give people a lot of opportunities to grow.”</td>
<td>91%</td>
</tr>
<tr>
<td></td>
<td>“We really invest in them and we give them a lot of opportunities for training.”</td>
<td>82%</td>
</tr>
<tr>
<td>Long-term Orientation</td>
<td>“We’re definitely the type of organization that likes to invest in people.”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>“We set goals for ten years.”</td>
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<tr>
<td></td>
<td>“We also look at reasons why people might want to leave the organization, and we study those to insure that if there’s something we can learn from the process to prevent that from happening, we take...”</td>
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</table>
that into account and try to apply it so we can keep people here for a long time.”

“They stay at IPM for a long time.”

“I knew the company really invested in their people, and that excited me because I am definitely motivated by challenge and being given more opportunities to grow is something that excites me and keeps me interested in what I’m doing.”

“He had a vision of building a company that would outlast him.”

Excellence “The people that we hire are high performers.” 82%

“We never want to compromise our standards in recruiting and interviewing because we have a need to fill a project for a client.”

“You’re not going to be 100%, but you can strive to be 100%.”

Recalling Gioia et al.’s (2013) assertion that identity aligns with Schein’s (2010) premise of “basic assumptions,” then centrality appears in IPM members’ perspectives that this behavior is just a normal part of life at the company. One manager described it this way:

I think that’s just the normal, day-to-day routine. I think the day in and day out, the fact that when I see Rich Panico I give him a hug, and he gives me a hug, and it’s got to do with the relationship that we have fostered and that so many other folks across the company have
developed. And I think that in my mind, it’s a very personal illustration of the integrity and the values that reside within the organization, which really means it resides within the people of the organization.

The information technology director shared a similar sentiment, “I know there’s a lot of talk about how good the values are. It’s probably something I don’t even recognize. It’s just how people are.” The controller shared a similar perspective, “Our culture is who we are. That’s what Rich built the company on. That’s what we built the company on—values, ethics.”

The human resources manager also shared an experience hiring someone that she just knew was going to be a perfect fit for IPM, although she could not exactly explain why:

They’re just people you meet sometimes. As soon as you meet them you just know they’re an IPMer. I don’t know if I can really describe what it is about them that gives you that feeling… One person in particular I just knew that he had the personality and the values we were looking for. He just exuded it. And I don’t even know how he did it. It just poured out of him naturally…I still say this about him, that he wears IPM on his sleeve.

As Albert and Whetten (1985) said that for an organization’s self-concept to be considered identity, it must be central, distinctive, and have continuity. With this in mind, Tables 19 and 20 include statistics surrounding the number of transcripts, or participant accounts, wherein the specific identity concept appeared. This number is a simple calculation of the accounts that mentioned the concept divided by the total
number of accounts collected for the organization. This demonstrates the depth of the concept as well as how shared its meaning was across organization members, thereby meeting the *centrality* pillar.

Additional support for this pillar is seen in the following:

> Everyone’s responsible for our culture. It really started with Rich when he founded the company, but it’s everybody’s responsibility. Everybody embraces the philosophy; everybody embraces the morals, the values. We are reinforcing constantly. We reinforce them in our weekly one-on-ones. We reinforce them at our quarterly staff meetings and at our annual plan. Everyone’s a part of the culture and everyone supports it and promotes it.

Another pillar of identity is the idea of “continuity” of the self-concept, which is also well documented in the IPM data. The business has been in existence for 25 years, meeting Gioia et al.’s suggestion that history is important (2013), and the founder and long-time employees comment on the intentional creation of the company’s identity:

> Well, the reason I chose to start Integrated Project Management Company is that I really wanted to create an extraordinary culture. I had done an analysis of various industries and projects and why they succeeded, why they failed, and what I learned was that most organizations, even those who tended to be at the top of their game, truly lack the ability to execute reliably. And so I took everything I had learned and put it together in this business model with the intention of creating an extraordinary culture—what we still refer to as a values based culture, to be applied to the marketplace.

The founder continued on about how the company has changed very little in the past 25 years:
When I started the company the vision that I established is the same vision that’s in place today. I wanted to be recognized first nationally and then internationally as the absolute best at executing the most critical initiatives for the best companies in the world, and doing it in a way that never compromised our honesty and integrity. It’s that simple. A very simple statement, and we’ve been marching toward that for the last 25 years.

The vice president of operations echoes that belief:

In fact we’ve never substantially changed our Mission Statement in the past 25 years, so we feel we’re on a good path. We’ve clarified some elements of our vision through these discussions. Made some elements a little bit more tangible, and then every year revisited our strategies to make sure that we’re making the progress that we want to fulfill that vision in alignment with our Mission Statement.

IPM’s 25-year history combined with its members’ belief that the identity has not changed over that time meet the requirements for the continuity pillar of OI.

The third and final pillar required to demonstrate that an organization’s self-concept is OI is “distinctiveness.” Distinctiveness is demonstrated with the identity itself and separates the company from its competitors and referent others. Although the company refers to this as “culture,” (the term more commonly used by practitioners), this paper has identified it as identity. IPM considers its identity (culture) to be unique and distinctive in the industry, and it actually uses this distinctiveness as a competitive advantage.

The CEO explained it this way:
Our greatest differentiator in the way we conduct the business of project management is engaging people’s hearts—bringing our values—the values that we have here within our home—bringing those to a client’s site so that people truly know we’re there to help.

Another senior leader described it this way:

I’ve always believed that if you can earn someone’s trust and loyalty, that that’s the real power of leadership. It is a sustaining power that as an organization grows and is magnified through additional numbers is very, very difficult to compete with.

The following excerpt demonstrates IPM’s OI almost in its entirety, from the alignment, the sharing of one another’s hearts, consistency and alignment; however, it also demonstrates the CEO’s perspective on this identity (culture) as distinct:

I absolutely guarantee that in this organization if you asked a 107 people, excuse me, what is most in Rich’s heart, I think that you’re going to get a very, very consistent answer. And that doesn’t happen by just declaring it or putting it in a mission statement. It’s by behaving in accordance to those values on an ongoing basis. And I believe that to have a culture where people are truly engaged, where their hearts are engaged as much as their minds, that is the greatest competitive advantage that any company can have today.

Several additional quotes demonstrate IPM’s identity as distinctive, especially from some of the larger consulting organizations, “What differentiates us is our ability to help these organizations execute, and as I said in the beginning, to transform strategy into reality.”
Another excerpt demonstrates IPM’s focus on hiring only the best people (and having the processes in place to support and develop them) as distinctive, “We certainly believe our culture and people that we hire—the quality of our people as a service organization is our strategic competitive advantage.”

Another identity element that IPM believes to be distinct is actually something that it is not. IPM is proud of its sense of community and collaboration in an industry that is generally very competitive, often described as “cut-throat,” with each person out to reach personal achievements for personal gain. Instead, “IPM is not about politics, it’s not about people stepping over each other to get to the top, it’s the kind of environment where people help each other.” This is unique in the professional services industry.

When asked if the identity (culture) helps the company compete, the senior leader responsible for business development shared:

We certainly highlight it during our sales process. It’s very front and center in a lot of our marketing materials. We do talk about our values and the type of people that we hire, that they’re full time people. The fact that we do a lot of values based hiring of those people. Beyond that initial part of the sales process, we try to make it very evident in every transaction we have in the way we deal with them. We communicate with them during the sales process, the transparency in which we review our proposal and all the details within our proposals, really trying to make our actions speak louder than words.
In summary, Integrated Project Management’s organization identity is a fiscally conservative premium service provider built upon a foundation of honesty and integrity that is focused on transforming organizations to achieve superior results through engaging stakeholders’ hearts while and always doing the right thing. It supports this identity through the values of community, consistency, caring, growth, long-term orientation, and excellence. This identity emerged as central to the organization’s existence and is deeply embedded in its structure and processes and shared across organizational members. It is distinctive in that it sets IPM apart from other competitors and other referent companies, and it is continuing in that long-term organization members believe it has been consistent over time. The satisfaction of these three pillars is sufficient to classify this self-concept as OI.

One distinguishing characteristic of a grounded theory is its crisp, concise report that focuses on the emergent theory (Charmaz, 2006). Having established the background and organization identities for each of my subject organizations, the next chapter aims to present the emergent theory in this fashion.
Chapter 5: Findings

I began this research endeavor with a desire to uncover the process by which the subject organizations managed critical events, particularly those with the potential for significant financial impact. Through the analysis of the process, I also encountered the unexpected emergence of an explanation of why these critical incidents were incidents at all, and how the organizations’ identity and culture interacted to manage the critical incidents.

Although organization identity (OI) was not the original focus of my research, it emerged as a significant component of my findings. Therefore, it was necessary to establish OI for each of my subject organizations. As I lead you through the process and ultimately my emergent theory, I will draw your attention to the subject organizations’ identities that were discussed in Chapter 4.

How Do They Manage? The Process

Through the process of line-by-line and incident-by-incident coding and analysis as detailed in Chapter 3, the process by which organizations with positive organizational identities manage critical organizational events emerged. From the 204 initial codes, I narrowed down the focus to the codes that were most prominent, and those that most closely answered the research question.
The trimming of the initial codes resulted in 38 first order concepts that abstracted up to nine second order themes. This coding process is depicted in Figure 4, although the first order concepts listed are a representative sample of the full list and intentionally include in vivo codes as well as short descriptive phrases that best captured the concept. The third level, or aggregate dimensions, represent the explanation as to why the incidents were perceived as issues at all.
Figure 4: Data Structure Resulting from Coding Process
Each of the aggregate dimensions and second-order themes will be discussed in greater detail in the following sections, as these themes make up the process that answers the original research question.

The emergent process is illustrated in Figure 5. Although this process may appear as purely linear (and it will be described in a linear fashion), it is important to note that many elements overlapped, some elements were minimal in some incidents, and several elements, particularly data collection, were repeated throughout the process as the organizations strove to understand the situation initially and then continued to make sense of the incidents as they unfolded, were managed, and then were concluded.
Figure 5: Process Model of Organization Identity/Action Alignment

**Perceived Identity/Action Misalignment phase**

This phase explains how and why the organization recognized that something was wrong and how it worked to frame it for action. The data revealed that issues arose because of a perceived misalignment between the organization’s OI and its actions, and this alignment created Organization Identity Dissonance (OID).

For example, in the Blue Plate restructuring incident (BP1 from Chapter 4, Table 15), even in the face of unprecedented financial performance, the organization could feel that there was something wrong—the manner in which the organization was acting in
to achieve that performance was out of alignment with the organization’s identity, and that perceived misalignment lead to OID, the triggering event. Similarly, in Blue Plate’s wind down incident (BP3 from Chapter 4, Table 15), the recognition that the company would have to close created the perceived misalignment (OID), as the idea of having to lay off employees was out of alignment with the company’s identity.

At IPM, the layoff raised a similar concern as it caused the organization to have to choose between two central components of its identity—long-term viability and employee job security. The recognition that this event would take the organization out of alignment (OID) caused it to become a critical incident.

This phase of the process includes the Trigger, Moved to Action, and Data Collection steps that will be discussed individually in the following sections.

**Trigger**

In each of the critical incidents, there was a point in time at which the organization recognized that there was a situation that needed attention, and I called this seminal event the trigger, as it was a critical first-step in the incident management process. This idea of a trigger is consistent with the definition of issue discussed in Chapter 2, as “events, developments and trends that an organization’s members collectively recognize as having some consequence to the organization” (Dutton & Dukerich, 1991, p. 518). Bachrach and Baratz (1972) remind researchers to pay attention to which issues gain the organization’s attention and how they are understood. These
issues represent areas of focus for the organization’s attention because of potential consequences, and this suggestion is consistent with my findings. The OID caused the trigger, signaling the organization’s intention to evaluate the situation for action.

The dimensions of the trigger theme included conspicuousness, wherein the incidents were sometimes obvious and other times more subtle, requiring greater perception to notice the issue; immediacy, wherein the incidents developed over long periods of time or cropped up rather unexpectedly or simply in the routine, day-to-day running of the business; shared experience, wherein sometimes the incidents emerged as a result of various members discussing and making sense of a situation as a collective, and other times with a single person uncovering an incident alone. In all cases, incidents were noticed specifically because something was amiss in the organization, representing the perceived misalignment between OI and the company’s actions (OID), which supports the aggregate dimension of perceived identity/action misalignment.

The following excerpt from a Blue Plate incident (BP1 from Chapter 4, Table 15) highlights the dimensions of conspicuousness and immediacy, as well as the aggregate dimension of perceived identity/action misalignment, as this particular issue emerged subtly, over time, and emerged as the CEO realized that something was amiss in the company. In this particular excerpt, the trigger is not a shared experience but instead is experienced by the CEO alone.
You have a minor toothache, and you put some antiseptic on it, and it goes away. But at that point you realize, ‘I’ve got to get something done with my tooth.’ So I had a toothache prior to 2007, and I was just being very contemplative about it. At first I was like this isn’t really happening. But I knew I was going to have to deal with it…When there’s signs out there you say ‘wait, I just must have something caught in my tooth. It’s not really happening.

The CEO continued on with another example of him experiencing a trigger, this time showing the dimension of *shared experience* as he began to collect data from trusted advisors:

They were saying we want to talk to you, but we’re afraid to, and I went to people’s houses just to listen because they were reaching out to me, and they were saying, we’re loyal to you, but we can’t work here anymore. And I just had to say, I had to listen to them. It was hard for me to hear.

This excerpt also emphasizes the dimensions of *conspicuousness*, as at this point the issue moved into the open, and *perceived misalignment* as the CEO realized that he had to listen, yet he feared he would not like what he heard.

The Blue Plate director of special projects described her experience of the trigger in the same incident:

You hear more and you hear more and you’re putting it all in that place where you’re processing, but at the same time the company was doing really well. The profits were great. The sales were great. So you’re trying to balance out what’s true, where should you prioritize, you can’t always be the nice guy, so trying to balance all of those things.
In these excerpts, OID begins to emerge through the aggregate dimension of *perceived misalignment* as the organization struggles with the dilemma of the company’s financial performance in conflict with the information the leaders are hearing from employees about the manner in which the organization is behaving to achieve that performance. This excerpt also shows the dimension of *shared experience* as she realizes others were seeing the same behavior, and *immediacy* as it can no longer be ignored.

In IPM’s contract violation incident (IPM3 from Chapter 4, Table 16), the company became aware of the incident suddenly. The controller shared the story this way, “She told us she was leaving and going to work for the client, so we knew we needed to contact the employee and say you violated this agreement and then contact the company.” In this case, the trigger reveals the dimensions of *conspicuousness* in that the situation was obvious, *immediacy* in that the issue emerged abruptly and unexpectedly, *shared* in that many company members identified it as an issue; and *perceived misalignment* in that it was a clear violation of IPM’s OI, and therefore caused OID, specifically, its values of honesty, integrity, and ethical behavior. For another organization without an OI of honesty and integrity, this violation might have represented a business frustration, or it might even have been viewed favorably to have an “insider” within the client company working on IPM’s behalf.
In another incident (IPM1 from Chapter 4, Table 16), IPM’s CEO shared a story of the company realizing that they were going to have to lay people off as a result of the loss of their largest client.

All of a sudden our alliance agreement was at risk. However, that same agreement provided us the assurances of three or four months lead time before they could walk away from the contract. But even with that, there was insufficient amount of time to be able to kind of rev up our business development engine quickly enough. So we had to face a very difficult decision…..It came down to we’ve got to do something. If we put the company in danger, then everybody’s in danger.

This excerpt demonstrates the dimensions of *immediacy* and *conspicuousness*.

Additional examples of Triggers are detailed in Table 21.

### Table 21: Illustrations of Trigger Step in Perceived Identity/Action Misalignment Phase

<table>
<thead>
<tr>
<th>Participant Quotes from Critical Incident Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>(BP1) “Some things didn’t seem right when I investigated them.”</td>
</tr>
<tr>
<td>(BP1) “We were hearing things but we weren’t living it day to day.”</td>
</tr>
<tr>
<td>(BP1) “I could kind of see it for what it was and I wasn’t comfortable with it.”</td>
</tr>
</tbody>
</table>

These excerpts from Blue Plate’s restructuring event illustrate the dimensions of *alignment* between what they were being told versus what was really happening and *conspicuousness* as the situation begins to become clear.

| (IPM1) “The previous year we had weathered the storm. The resources were dwindling down within that client. We knew this was going to happen.” |
| (IPM1) “We saw it coming, but we couldn’t react fast enough.” |
Participant Quotes from Critical Incident Accounts

These two excerpts from IPM’s layoff event illustrate the dimensions of conspicuousness, shared experience, and immediacy. This was a situation that had been building for quite some time and did not take the company by surprise; however, what did take them by surprise was the amount of time it would take them to recover, which triggered the beginning of the incident management process.

These examples demonstrate a trigger wherein the individual sought to identify and name the issue. The use of vague words such as “it” and “some things” help support the notion that the individual noticed or experienced something, but was struggling to find the appropriate language to define it.

In summary, the Trigger step may be brief or protracted, subtle or obvious. It may come from an individual’s own observations or experiences, or may come from others sharing their perspectives and experiences. Experiencing the OID and then recognizing a situation as an issue prepares the organization for action. The next phase demonstrates how the Trigger ultimately yields to the realization that action must be taken.

Moved to Action
In many of the incidents and incident accounts, there were distinct moments in which the organization realized that it had to take action. In this phase, the organization had not yet reached a decision about exactly how it would proceed; but it accepted that it could no longer maintain the status quo. Often this occurred when the perceived
identity/action misalignment (OID) became intolerable. The dimensions of this theme include influencers of action, which I described as circumstances that arose that made it appropriate to take action; and urgency, wherein an issue became so severe that the company had no choice but to accept that action was necessary. Regardless of how it arose, in each case, at some point the trigger moved the organization to recognizing it would have to act.

In Blue Plate’s restructuring incident (BP1 from Chapter 4, Table 15), the director of special projects recalled it this way.

At some point there was a tipping point where I think it was Beth, another longstanding employee who was in the trenches living it day to day finally said to Jim ‘this is bad. I’ve been telling you it’s bad but it’s getting worse….’ And I think Jim finally got to the point where he had enough information….so he ultimately decided he needed to… save the company.

When asked exactly what it was that caused this circumstance to become the “tipping point,” the participant continued on, “he felt that there was going to be a mass exodus of employees because of their level of low morale and unhappiness. I think that was his tipping point.”

These excerpts highlight the influencer of action dimension when a respected and trusted advisor finally had the courage to speak up and tell the CEO how bad the situation really was, particularly related to the sharing of the threat of losing a number of valued employees. They also illustrate the dimension of urgency in the description
that there would be a “mass exodus” and he had to “save the company,” language that
demonstrates just how dire the situation had become. These threats were in direct
conflict with Blue Plate’s values of community and long-term orientation, causing OID.

In the incident where IPM chose to cease working with a client (IPM4 from Chapter
4, Table 16), after the triggering activity where the aggregate dimension of *perceived
identity/action alignment*, (the assigned individual “who we just did not trust” was out
of alignment with IPM’s identity), the dimension of *urgency*, as the contract was on
the table and ready to be signed, work was ready to begin, so action had to be taken
right at that moment.

Well the change they wanted to impose [in the contract] was the one
issue with the one individual who we just did not trust…So the COO
communicated this to me about how happy they were and that there
was an exception, and I said [COO], we don’t have a deal. He said,
What do you mean? I said, That’s not what we agreed to. It’s just not
what we agreed to. So his next statement was, so you would walk
away from that much money? I said, No. We already did.

Once again, with the company forced to either sign the contract, and be misaligned,
or walk away. The *perceived identity/action misalignment* (OID) was so great that the
compny chose to decline the work.
Additional examples of the Moved to Action step are illustrated in Table 22.

Table 22: Illustrations of Moved to Action Step in Perceived Identity/Action Misalignment Phase

<table>
<thead>
<tr>
<th>Participant Quotes from Critical Incident Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>(BP2) “As painful as it is, we just have to cut our losses.”</td>
</tr>
<tr>
<td>This text demonstrates how the trigger gave way to action as the organization accepts that it is not the outcome it wanted, but it must act.</td>
</tr>
<tr>
<td>(BP3) “So ultimately [he] went to the [client] and said, ‘I just can’t do it anymore, so I have to walk away’.”</td>
</tr>
<tr>
<td>This excerpt illustrates the acceptance that the attempts at resolution have failed, and the company must move on to action.</td>
</tr>
<tr>
<td>(IPM5) “So, we tried to come to a meeting of the minds of why this was being divisive and why we couldn’t have this and how can we move forward to put this behind us and erase it, and ultimately we just came to the conclusion that separating made the most sense.”</td>
</tr>
<tr>
<td>This excerpt shows the trigger and evaluating options phases as the organization tries to reach an agreement with the employee to correct the behavior and preserve the relationship. It also shows how the issue became an issue because of the perceived misalignment between identity and action, causing OID as the organization tried to explain how the actions (culture) violated the organization’s identity (value component of community), and therefore the actions (culture) needed to change to come back into alignment with OI.</td>
</tr>
</tbody>
</table>

In many incident accounts, once the organization reached the conclusion that action had to be taken, input was sought both from internal resources as well as external trusted advisors. Depending upon the nature of the incident, this process was short, with the next several phases happening almost simultaneously, or much longer, while the process of data collection, evaluating and quantifying options, determining
decision making criteria, and ultimately making a decision continued among and
between organizational members for a protracted length of time.

Data collection
In each of the critical incidents, data collection occurred in some way, often
throughout the process. The dimensions of data collection included intentionality,
where information was specifically sought from external advisors, internal
employees, and/or other supporting materials; compared to other times when
information was unsolicited and even uninvited; and causality where the input was
what caused the triggering event versus data that was learned throughout the incident
management process and was more supportive or reinforcing.

In IPM’s layoff incident, (IPM1 from Chapter 4, Table 16), during the time leading
up to that ultimate decision, the vice president of operations described a meeting
during which the senior leadership was discussing how to proceed, as follows:

Well, I remember in that whole series of discussions that preceded the
layoffs and focused on cost cutting, at one meeting we pulled out our
Mission and Beliefs Statement, and really just kind of all read through
it and said, ‘whatever we do moving forward, we need to be true to
this, and there’s going to be some tough decisions, but we need to be
true to our core values as a company and handle this situation in
alignment with them.’

The CFO described the same meeting as follows.

We sat in the conference room and everyone who had a manager or
higher title was involved. We pulled out the Mission and Beliefs. We
re-read it. We looked at kind of weighing that job security versus company longevity aspect.

The document that these excerpts reference, IPM’s Mission and Beliefs, specifically states, “It is the company’s intent to maximize job security and to involve all employees in achieving this goal. IPM’s future will be well defined and planned, and must consider long-term market viability…”

As such, these excerpts highlight a more complex misalignment with identity because two specific values or core components of the organization’s identity were in conflict, and the organization had to make a choice about which was going to take precedence. They also demonstrate the dimensions of intentionality and causality where the organization intentionally sought direction from this document, and the document was used as a supporting mechanism to assist in choosing a decision that was most closely aligned with the organization’s identity.

Discussing the same incident (IPM1), the CEO discussed how the organization ultimately made the decision as to which employees were laid off:

They [each manager] had to come forward with recommendations and rationale for their recommendations, and then ultimately they were reviewed with the directors and then finally with our VP of Operations, our controller, our Chief Financial Officer and myself.

These excerpts illustrate the dimension of data collection and how this phase was used throughout the critical incident management process.
Table 23 provides additional illustrations of the Data Collection step.

### Table 23: Illustrations of Data Collection Step
in Perceived Identity/Action Misalignment Phase

<table>
<thead>
<tr>
<th>Participant Quotes from Critical Incident Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>(BP1) “I’ve been very positively influenced by the people I work with, and I’ve been blessed with people that are very ethical and that have never let me get out of line.”</td>
</tr>
<tr>
<td>This text demonstrates how data was unsolicited, yet given by trusted advisors to Blue Plate’s CEO.</td>
</tr>
<tr>
<td>(BP1) “She is such a good person. I couldn’t be dishonest if my life depended upon it. She’s a moral compass, and I know it’s important to have people like that around.”</td>
</tr>
<tr>
<td>This excerpt illustrates the CEO’s recognition of the importance of data and an intentional solicitation of that data from trusted advisors.</td>
</tr>
<tr>
<td>(BP1) “I think you need to talk to some other people who are also longstanding employees because I think they’re ready to quit and before it goes that far, why don’t you hear them out. So the conversations were had, and I think Jim finally got to the point where he had enough information.”</td>
</tr>
<tr>
<td>This excerpt shows intentionality; in this case the CEO was not intentionally looking for the data until a trusted advisor suggested he do so. It also shows causality, as the information from the long-standing employees helped provide the impetus required to recognize the situation for what it was. This excerpt also demonstrates the misalignment of action (culture) and OI (components of community and happy people making people happy).</td>
</tr>
</tbody>
</table>

Data collection might have occurred to help make sense of the problem, or perhaps to even identify that there was a problem. Other times it fed into the next step in the process, Developing Decision Criteria.
**Identity/Action Realignment phase**
The Identity/Action Realignment Phase emerged as the organizations intentionally took action to remedy OID and return the organization to alignment. For example, in Blue Plate’s restructuring incident (BP1 from Chapter 4, Table 15), the organization took specific steps to alter the actions of the organization to realign, even knowing that doing so would result in a loss in financial performance. In fact, “saving the company” was specifically defined by intentionally sacrificing financial performance to focus on restoring OI.

Similarly, in IPM’s layoff incident (IPM1 from Chapter 4, Table 16), IPM intentionally paid severance to the laid-off employees, an action that moved the organization towards alignment, even though it was not required under the circumstances. These responses to the perceived misalignment (OID) provide evidence of the organizations deliberately choosing actions that return them to alignment with OI, eliminating OID.

The four steps in this process include *Developing Decision Criteria, Generating, Quantifying and Evaluating Options, Determining Reflecting and Preparing*, and *Executing*, each of which are discussed in detail in the following sections.

**Developing decision criteria**
Often after the trigger and during the interaction with others during the data collection phase, the organizations would discuss and agree upon the criteria that were most
important in influencing which choice to make, or perhaps what elements of the decision were most important, which then contributed to generating, quantifying and evaluating options that were within that criteria. Sometimes these two phases happened in the reverse order, where potential solutions were generated first, and then considered and discarded as they further developed the decision criteria. In each incident, however, decision criteria that were deemed to be out of alignment with the organization’s identity were dismissed, and the organizations intentionally sought ways to resolve the situation that would restore alignment.

The dimensions of this theme include human impact, as in each case the organizations developed criteria that served to minimize human suffering; and shared, as in most cases the organization members discussed and agreed upon the criteria, but in others the most senior leader determined this alone.

A senior leader at Blue Plate, discussing the decision to wind down the restaurant (BP3 from Chapter 4, Table 15), shared the company’s belief that bankruptcy was not an option in the decision-making process:

We just don’t want to go bankrupt. We don’t want to do it to our vendors. We don’t want to do it to our employees. We don’t want to be that company that says, well, it didn’t work out. Here are our papers. We’re filing.

The CEO explained it:
If I would have looked for the protection of bankruptcy, all the vendors would have been out of luck. They would have gotten pennies on the dollar, and I said no, we can’t do that. We’re going to have to pay off all our bills and just bite the bullet, but it’s the right thing to do.

These excerpts show the company developing decision criteria through options that would restore alignment with OI, as well as considering the human impact. In Blue Plate’s case, bankruptcy would have further violated OI, specifically the components of “commitment” that requires the organization to keep its word in all cases and “community” that requires the organization treat its vendors as partners, so that option was dismissed.

In another Blue Plate incident (BP1 from Chapter 4, Table 15), the CEO explained the decision to modify that business’ actions to be in alignment with OI, and eventually restructure that organization:

It was also the right thing to do, and I knew I couldn’t sacrifice cultural health for financial success…I should interject short term financial success…because I feel like short-term—it was the end justifying the means mentality, and long-term I knew it wasn’t the way to go.

This excerpt demonstrates the aggregate dimension of realignment as the CEO specifically considered criteria that remedy the OID and restore Blue Plate to alignment, and human impact as he weighs how the behavior is impacting most of the other people in the organization. In this case, the organization’s actions, although a driver of unprecedented financial success, were significantly misaligned with Blue
Plate’s OI, specifically the components of “happy people,” “commitment” (in that the company made promises it did not always keep), “respect” (in that the manner in which employees and clients were treated was disrespectful), “long-term orientation” (in that the organization’s focus on short-term success had taken precedence over the company’s overall value for behaving in a way that was sustainable for the long run).

Additional examples of the Developing Decision Criteria step are illustrated in Table 24.

Table 24: Illustrations of Developing Decision Criteria Step in Identity/Action Realignment Phase

<table>
<thead>
<tr>
<th>Participant Quotes from Critical Incident Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>(IPM1) “We always do put people first, so how do we determine which eleven people are going to be laid off in order to really save the organization?”</td>
</tr>
<tr>
<td>This excerpt demonstrates the shared, human impact, and alignment dimensions of developing decision criteria as IPM’s leadership weighs which component of their identity was the priority.</td>
</tr>
<tr>
<td>(IPM1) “We pulled out our Mission and Beliefs statement…..we need to be true to our core values as a company and handle this situation in alignment with them.”</td>
</tr>
<tr>
<td>This excerpt illustrates the Mission and Beliefs statement providing data into the developing decision criteria phase as well as the dimensions of shared as the company worked together, human impact since that is one of the core values of the company and alignment as IPM stated specifically its requirement to choose in accordance with the company’s OI.</td>
</tr>
</tbody>
</table>

Once the organizations determined the priority and decision criteria, the organizations generated, quantified and evaluated options, although sometimes this process was
intertwined with data collection and developing decision criteria as the organization
discussed the issues among leadership and external trusted advisors as they wrestled
with the issue.

Generating, quantifying, and evaluating options
Once the organization accepted that action must be taken and members had
determined the nature of the issue and the priority in making the decision, incident
accounts reflected a time during which they developed ideas, quantified them in a
variety of ways, and evaluated them based upon criteria that was relevant and
important to them. The dimensions of this category include *identity risk*, which
included concerns about risk to other elements of OI, such as other values or to
behaving in a way that took the organization further out of alignment; *impact*, as
again options were quantified not only in terms of financial impact, but human and
organizational impact as well; and *orientation*, as the options were evaluated in terms
of short-term and long-term implications.

When Blue Plate faced a layoff situation as they wound down the restaurant (BP2
from Chapter 4, Table 15), leadership discussed how to handle telling the employees
that the business was closing:

> We said if we tell them, they might quit. They might walk off the job. They might not help us perform all these services to the customers, and then we’re left in a really bad spot. But we said we have to take the risk.
This incident shows the aggregate dimension of realignment as the organization considers and then dismisses options that are high on human suffering and therefore out of alignment with OI, choosing instead to evaluate options that moved towards realignment and eliminating OID; and impact as leadership weighed financial, customer and employee impact. It also reflects identity risk as the company considered the risk to the business versus the employees and decided that the employees were more important, as withholding information from the employees, while better for Blue Plate financially, would have further violated Blue Plate’s OI, specifically the components of “commitment” that drives them to be honest and straightforward in all communications; “community” and its sense of family that drives the organization to put the employees well-being ahead of the financial impact; and “respect” that drives Blue Plate to “do the right thing.”

In this incident and this phase specifically, Blue Plate’s identity emerged as a guiding force in the choices the organization made when elements of identity were in direct conflict and the company was forced to prioritize one over another. In this case, the “long-term” viability of the business overrode Blue Plate’s value for “community.” Yet, the company’s actions in relationship to what options it considered and dismissed were directly impacted by OI as it drove the company back towards choices that were more in alignment with OI in an effort to minimize identity risk and eliminate OID by minimizing further misalignment with OI.
In IPM’s layoff incident (IPM1 from Chapter 4, Table 16), the organization shared its process of generating, quantifying, and evaluating options leading up to its decision about which specific employees to lay off:

We were not just looking at IPM the company. We were looking at IPM the family, and when tough times hit you want to minimize the impact as best you can to people that you really care about… So, personal impact to the employee was really important. It’s probably not a politically correct thing to do these days, but we looked at who are our families that have a single breadwinner versus would they have the ability to have insurance, to have other income from a spouse.

This excerpt demonstrates the dimensions of impact, identity risk, and the aggregate dimension of realignment, as the company intentionally evaluated options that would cause the least amount of human impact, specifically looking at employees who had expressed an interest in other career paths and who might welcome an opportunity to go in a different direction, and others for whom the impact would be less severe.

In other words, IPM’s deliberate decision to choose employees who would be harmed the least was the organization’s intentional choice to act in a way that was more in alignment with its identity, even in the face of engaging in behavior that was out of alignment (the layoff itself).

This excerpt and incident also demonstrate, as did BP2, the influence of OI in guiding the company to consider, prioritize, and select options that removed or minimized
OID and served to realign as best it could given that the very incidents themselves violated the company’s OI.

In another IPM incident (IPM3 from Chapter 4, Table 16), the CEO shared the process of generating, quantifying, and evaluating options with a former client after a contract had been breached:

I got involved ultimately with the CEO of the company after his attorney had spoken with our CFO who also heads HR. And he kept coming back to…well, consultants love this because then they can have someone on the inside and it means that someone is on the inside that favors giving business to them, and our response was…well, that’s not how we want our business. We want it just through our performance. Well ultimately he had asked me for my recommendation on what to do. And I said, well, you should rescind the offer, and he said I don’t know if I can do that. I need to seek legal advice, which he did, and he promised me he would get back to me the next day, which he did. And he said his legal counsel had advised him not to rescind the offer because they had already made a commitment and that our employee had accepted that offer, which was in violation as well, and he said and on top of that we spoke to your employee and she said you probably would take her back. And I said, well, that is absolutely correct. So he asked me again, what do you recommend. And I said, well, I had already given you my recommendation. What is yours? And, of course, I expected the answer to be what he stated, that is that he wanted to settle and come up with some financial damage if you will. And so we negotiated that and when we finally came to a number that I thought was appropriate,

This text illustrates the CEO’s process of generating and evaluating options with the violating client. Of particular note is the CEO’s only suggested option was for the violating client to rescind the offer, as that was the only scenario that would have been in alignment with the IPM’s foundational OI component of “honesty and
“integrity”—essentially, the client abiding by the agreement was the only aligned option. This excerpt also demonstrates the dimension of identity risk as the CEO continued to refuse options that would have taken the company further out of alignment, representing the push back towards the eliminating OID, supporting the aggregate dimension of realignment. What this excerpt does not show (but will be seen in the Creating and Modifying Organizational Story section) is how the company again modified its actions realign with its identity after ultimately being forced out of alignment by the client’s behavior, since the client refused to rescind the offer.

During the Blue Plate layoff incident (BP2 from Chapter 4, Table 15), one senior leader discussed the approach to handling the employees:

We didn’t think it was the right thing to do to the employees— to have them walk in and just be like, today’s your last day. You can pick up your check on Monday. We felt that it was more appropriate to give them notice, to give them the time to look for a new job, to figure out what they wanted to do. We actively tried to find employment for them.

This excerpt also demonstrates the company generating and evaluating options, considering identity risk and impact, and ultimately making choices that realigned the company’s actions and avoided further moves out of alignment.

Additional examples of the Generating, Quantifying, and Evaluating Options step are illustrated in Table 25.
Table 25: Illustrations of Generating, Quantifying, and Evaluating Options
Step in Identity/Action Realignment Phase

<table>
<thead>
<tr>
<th>Participant Quotes from Critical Incident Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>(IPM5) “So we tried to come to a meeting of the minds of why this was being divisive and why we couldn’t have this and how we can move forward to put this behind us and erase it.”</td>
</tr>
</tbody>
</table>

This excerpt shows the dimensions of *identity risk* and *impact* as the company hoped to reach a solution that would return alignment, mediate any future identity risk, but also minimize the human impact of this person and those who supported him.

| (IPM2) “We didn’t want to have any revenue greater than twenty five percent, so [client] at the time was growing leaps and bounds, and we had to measure the risk of upsetting our largest client by saying, ‘I’m sorry, we can’t give you any more resources’ so we had to measure that risk with the risk of putting too many eggs into one basket.” |

This excerpt demonstrates the dimensions of *identity risk* as the company realizes that the current situation is out of alignment, and to engage in any further behavior of that kind (so to select an option that continues to violate the controls put in place after the layoff) would cause greater *identity risk*. Instead, the company considered options that served to realign.

| (BP1) “This is wrong. I can’t live in this kind of environment. I’d rather go to work in a greasy spoon and flip burgers. I just didn’t feel right. I mean, I don’t want to have a business that runs like that.” |

This excerpt illustrates *identity risk* and *impact* as the CEO recognizes that he would rather do anything else than to continue down the current path.

Once the organization had engaged in the process of generating ideas, quantifying and evaluating its options, it moved to actually determining its course of action.

Making the decision then generally created opportunity for reflection and consideration of how the decision might impact the organization so it could prepare.
Determining, reflecting, and preparing
Once the data had been gathered and options had been evaluated and discussed, the organization made a decision. Dimensions of this theme include *conviction*, which referred to the degree of strength the company felt about the decisions. In some cases, the company felt very strongly about a particular course of action. In other cases, the company had to choose between two competing options, and the decision had a feel of “the lesser of two evils” rather than a strong conviction. Another dimension was *depth*, which referred to how extensive a decision was. In some cases, the decision was more of a surface-level or standard business decision so while it might have been hard, it was clear. In other cases, the decision had significant, deep implications for the company. The final dimension of this category is *duration*, where some decisions took a long time to make the decision and then to “reflect and prepare” before execution. In other cases, the decision happened very quickly with little thought for reflection and preparation (or those processes had been done simultaneously with previous steps).

When the CEO decided to restructure that business (BP1 from Chapter 4, Table 15), the CEO shared his process of reflection:

I was garnering the strength and making sure I was making the right decisions, because it’s not easy when you have a lot of people in mind when you’re making decisions about who’s working and not working… and like I said, business was flourishing financially.
This excerpt demonstrates the dimension of **conviction**, where the company recognized the gravity of the decision and wanted to be certain the decision was correct; **depth**, as he considered and reflected upon the impact to the company and the individual employees; and **duration** as he was “garnering the strength,” indicating it took him some time to be prepared for the next phase.

Next, he shared his reflection and preparing for the consequences:

> Like I said, the business was flourishing financially, and I knew I was going to have to deal with that, and I knew I was going to have to deal with some negativity about it. I had to take a step back to take a step forward.

This excerpt illustrates the idea of **depth** where Blue Plate wrestled with the widespread impact and how to best “deal with that,” and his process of reflecting and preparing for “dealing” with the outcome of this decision once he acted upon it.

Additional examples of this step are illustrated in Table 26.

### Table 26: Illustrations of Determine, Reflect, and Prepare Step in Identity/Action Realignment Phase

<table>
<thead>
<tr>
<th>Participant Quotes from Critical Incident Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>(BP1) “I knew it was the right thing, but I was still sad because I don’t—it didn’t have to be that way…but at the same time I was very confident about what needed to be done. In fact, there was a certain energizing factor to it.”</td>
</tr>
</tbody>
</table>
Participant Quotes from Critical Incident Accounts

This excerpt demonstrates conviction as the CEO accepts that it is the right thing to do, and it also demonstrates his reflection and continued sensemaking about how it did not have to be this way. It also gives a glimpse at the sense of relief felt as the OID was removed.

(BP2) “When we decided to do it [close the business and layoff the employees]…There’s nothing…I mean, initially you kind of feel, you feel like a failure. You feel like you weren’t successful.”

This excerpt shows the CEO reflecting on the decision.

(BP2) “There were a number of conversations with the [client] about how to walk away and what they would be comfortable and we would be comfortable with.”

This excerpt shows Blue Plate preparing for the outcome.

**Executing**

In this step, the organization put into action whatever decision was made in the prior phases. Because the actual “execution” step occurs in a moment, the only dimension of this category was impact, as the organizations tried to implement the decisions in a way that was consistent with OI, especially when the decisions themselves violated OI and caused significant OID.

In IPM’s layoff incident (IPM1 from Chapter 4, Table 16), once the company had decided who would be laid off, it also ultimately made a decision to pay severance to those employees, even though it was not required. The CEO shared, “They [employees who were laid off] were afforded financial compensation, and reasonable
financial compensation, when the alternative to do it would have been financially obvious for the company—would have had us be financially stronger.”

This excerpt demonstrates the *impact* dimension of the execution of the decision, as the company behaved in accordance with its value of “caring” to minimize the impact, even though it was not required under the circumstance. Again, OI influenced the company’s behavior towards *realignment*, particularly in this incident that was so grossly misaligned with OI.

After making the decision on IPM’s contract violation incident (IPM3 from Chapter 4, Table 16) and agreeing that the violating company would pay money (since the company would not rescind the offer), IPM’s CEO described the execution phase as follows:

And so we negotiated that and when we finally came to a number that I thought was appropriate, I told him that I didn’t want the money in the company. And there was just silence. Well, what do you mean? I said, well I don’t want the money in the company. It’s dirty money. That’s not how we ever planned on making money in our company. He said, well what am I supposed to do then? I said, well I have the answer for that. I said we already asked each of our offices to provide recommendations on charitable organizations. I want you to write five checks and draft a letter and I want to read the letter, write the checks to those named organizations and then we’ll send those out. That’s what he did.

Although there was little *human impact* in this decision since IPM had no employees or other stakeholders directly involved, it demonstrates IPM’s OI influencing its
behavior in that its fundamental identity components of “honesty and integrity” did not allow it to take unearned money into the company, as this would have caused additional identity risk and, perhaps, another OID incident. Instead, it mitigated this risk by creating positive human impact and donating the money to charitable organizations, supporting its OI component of “community.”

Blue Plate’s CEO shared how he ended a business relationship and closed down a company after making the decision to wind down instead of filing bankruptcy (BP3 from Chapter 4, Table 16), “I closed it and paid everyone off, and that hurt—both from a business standpoint as well as a personal standpoint, because it was millions of dollars.”

This excerpt also illustrates Blue Plate’s desire to minimize human impact as it executed on this decision as well as how OI influenced Blue Plate to act in a way that was consistent with its own identity. For Blue Plate to have handled it any other way (filing bankruptcy, not paying vendors, and so on) would have been out of alignment with its OI that requires it to keep its commitments, always “do the right thing,” and to treat its suppliers and vendors as partners and behave in a way that considers the vendors’ well-being, not only Blue Plate’s interests. This approach served to eliminate OID and return the company’s actions to alignment.
In the incident where one of IPM’s vice presidents was on a client site and the client wanted to make changes to the working arrangement (IPM4 from Chapter 4, Table 16), the VP was able to make the decision on the spot:

So the CEO says okay, well my nephew just graduated. He’s taking over the plant. You guys will report to him. So we said we have to respectfully disagree. It doesn’t make sense. We’ll still run as plant manager, but we’ll tutor your nephew and your nephew can report to us. He said absolutely not. We’re not doing that. And so at the time our VP of Operations was negotiating further work and said we’re in overseeing that project and we can’t do that. I mean, our reputation is at stake, and their CEO said well, I’m going to be paying you two to three million dollars over the next year to open up my other plants. I know you’re a small organization. This is critically important for you. You’re gonna do what I tell you to do. And our VP said, well, no, we’re not going to do that, but let me make a call back. So he called back to Rich and explained the situation. What I recommend is we walk away from the work. The CEO said thanks for calling. I totally agree with you. We told the CEO that we’re not doing it, and it’s not that important to us to jeopardize our reputation and jeopardize your success.

In this issue, the entire incident management process happened very quickly—almost simultaneously. This excerpt does illuminate the aggregate dimension of perceived misalignment, wherein IPM experienced OID, recognized its concerns with reporting to the CEO’s nephew, and it was not going to agree to engage in behavior that violated OI. As such, it executed in accordance with identity/action realignment on the spot. This excerpt is particularly interesting, as IPM was as concerned about not being able to do a good job for the client (not delivering upon the value of “excellence,” and therefore potentially negatively influencing the client’s success), as it was about its own reputation.
Once execution had concluded, the organizations needed to evaluate and respond to both positive and negative consequences.

**Sustaining Identity/Action Alignment**

Once the organizations had executed on the decisions, they engaged in actions that served to maintain the newly restored alignment. For example, not only did Blue Plate’s CEO choose to invest more time in the catering business, but it also sought to hire people who agreed with the company’s values and identity, specifically in order to ensure that identity would be stable and consistent going forward.

In another example, after IPM fired the vice president, it specifically changed its promotion practices to only promote from within—a deliberate move to insure that the individuals who moved into leadership positions were well grounded in the organization’s culture and identity and would carry it forward into their groups.

This aggregate dimension includes the steps of *Managing Outcomes* and *Creating & Modifying the Organizational Story*, which will be discussed in detail in the following sections.

**Managing outcomes**

Each decision’s action led to a series of consequences. The dimensions of this category include *expected*, as there were consequences that the company anticipated, as well as many unexpected outcomes; *influence* of the outcome that was either
positive or negative, and focus of the outcome as either internal or external, and sometimes both. Again, this phase often overlapped with earlier phases as the company began doing “damage control” before and during the execution phase.

In Blue Plate’s restructuring incident (BP1 from Chapter 4, Table 15), there were significant financial implications that had to be managed. The CEO shared that he knew he was going to have to deal with the financial ramifications as he made the decision, “the business was flourishing financially, and I knew I was going to have to deal with that. I had to take a step back to take a step forward.” One senior leader, when speaking about the same event, described it this way:

The dilemma was that we knew we would not come through this unscathed. We were not going to be able to really sustain what was there…at least initially, financially. So we knew that we were kind of saying goodbye a bit to at least the profitable side.

These excerpts show the dimensions of expected in that the company knew that financial performance was going to suffer as a result of the decision; influence as in this case that particular outcome was negative; and focus as this specific outcome was internal.

However, there were positive outcomes from the restructuring incident as well (BP1 from Chapter 4, Table 15). One unanticipated outcome was the people who ultimately wanted to work for the company specifically because of its decision to prioritize cultural health over financial performance. The CEO explained it this way, “People
saw what I was doing, they respected it, the company had a good reputation, and they wanted to come work here.”

The CFO, who joined the company as part of the restructuring incident, shared his reason for joining as follows:

One of the things Jim did which attracted me to Blue Plate was he invested in his people. He was looking at restructuring some of the more senior positions in the company at a time when most owners would say I’m cutting as many costs as possible.

These excerpts demonstrate the expected, influence, and focus dimensions of the managing outcomes phase as finding good, high quality people who wanted to work for the organization specifically because of the handling of this incident was an unanticipated outcome. These excerpts were positive in nature, and both focused on perception of the company from external sources. These outcomes also served to support the aggregate dimension of sustaining identity/action alignment, as hiring employees with consistent values served to keep OI and actions aligned into the future.

IPM’s layoff event (IPM1 from Chapter 4, Table 16) had outcomes that had to be managed as well. IPM chose to remain in contact with the employees who were let go to ensure that they were able to find other employment, and eventually to offer a few of the employees opportunities to return to IPM as business began to build again. The CEO explained it as follows:
Managing it in a way that was respectful, that preserved their dignity, I believe left those individuals with a very positive impression of the company. That’s been affirmed over time either through individuals who have come back or those who pursued other career paths who still end up being disciples of the company.

In sharing the story of how they refused to accept the payment for the contract violation and instead donated it to charity (IPM3 from Chapter 4, Table 16), the CEO said, “I can tell you that our people were thrilled. They applauded it because we put our money where our mouth was in that particular case.”

These excerpt illustrate the dimensions of expected, although in this case the CEO did not know exactly how the employees would react; influence that in both cases was very positive; and focus which in these outcomes was internal. IPM’s refusal to take unearned money into the company served to maintain alignment with OI, supporting the aggregate dimension of sustaining identity/action alignment.

Additional examples of the Managing Outcomes step are illustrated in Table 27.

**Table 27: Illustrations of Managing Outcomes Step in Sustaining Identity/Action Alignment Phase**

<table>
<thead>
<tr>
<th>Participant Quotes from Critical Incident Accounts</th>
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</thead>
<tbody>
<tr>
<td>(BP3) “So right away people were saying we trust you, you’re a reliable person, you’re a stand up guy. So it’s really paid dividends for us.”</td>
</tr>
<tr>
<td>(BP3) “Any time it comes to financing, it’s impactful. People will talk to us all the time. And I think that’s for a number of reasons, but I think one of the reasons is the</td>
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</tbody>
</table>
Participant Quotes from Critical Incident Accounts

Both of these excerpts relate to Blue Plate’s incident where the company chose to wind down the business, at a $3M loss, rather than file bankruptcy. After that decision, the company experienced an unexpected positive benefit from those outside the organization who viewed the organization favorably as a result of that decision.

(BP1) “I had to take it on the chin from a public relations standpoint, but it wasn’t that bad.”

This excerpt demonstrates where Blue Plate had some negative publicity and other external comments that might speak negatively about the organization and this particular decision, but Jim’s willingness to “take it on the chin” served to keep the organization in alignment.

Often as part of the managing outcomes step, the company reflected upon how the situation had occurred to begin with and then took steps to ensure it did not happen again, or in the case of positive incidents, discussed ways of implementing newly learned skills and practices into the business to promote opportunities for similar positive outcomes in the future.

Creating and modifying the organizational story
I termed this step creating and modifying the organizational story because often the incident served as a “wake up” call that the company had somehow drifted away from its OI, specifically in ways relating to behaving in alignment with its values and other actions that maintained alignment. When they experienced that wake up call, once the dust had settled they took deliberate steps to minimize the risk of OI “drift” in the future. Even in incidents where the outcome was viewed favorably, the companies
often still made modification to practices to make sure that the positive outcomes became part of standard procedures, supporting the final aggregate dimension of *sustaining identity/action alignment*.

The dimensions of this step include *type of change*, wherein the modifications either reinforced existing actions, processes or procedures, or they created new ones; and *focus*, which was either on internal or external changes.

Reflecting upon its layoff, (IPM1 from Chapter 4, Table 16) the CEO said, “Regardless of how great a client is, we’ll never put ourselves in a disproportionate volume situation again, and we have implemented it many times since.”

Discussing the same incident, the vice president of operations shared:

> It was a catalyzing event for the future…and how we went about growing. We kind of all vowed “never again,” and we really examined our business to figure out how we can better manage risk and what do we need to invest in to make sure we never find ourselves painted into a corner where that’s [a layoff] our only option.

Speaking about the same incident, the controller explained the changes as:

> From a personal standpoint, I think it just gave me an appreciation of how important people are and how from a business standpoint we needed to change. We needed to do something. We needed to diversify. So we had too many eggs in one client’s basket, and we said we will never have more than twenty five percent of our revenue in one client. So today we’re much larger, and I believe in 2013 our largest client will be about 13% of our revenue. So we learned diversification is critically important for the longevity of our business,
and so we diversified. We diversified by industry, by departments within clients, by region.

These excerpts show how the company changed very specific practices to insure continued alignment with OI as well as taking very intentional, specific steps to insure that it did not find itself in the same situation (out of alignment with OI) again. In this case, the focus was internal, as the organization decided upon internal changes.

The CEO spoke about the modifications he made during the restructuring and why he chose that course of action, “I needed to age the business. What I was really needing to do is bring on more mature leadership…They were people that I thought were ethically more compatible to where we wanted to go with the business.”

This excerpt illustrates the dimensions of type of change as a new modification, as the company put in new leadership, and internal as those changes were internal. It also shows BP’s intentional effort to put people in place to sustain the company’s alignment with OI as he looks specifically for people who were “ethically more compatible to where we wanted to go with the business.”

The director of special projects described it this way:

There was a shift away from that [our philosophy]. Even if the words might have been there, the actions were not there, so that would all be
a shift away. We did have to revisit it, readdress, get people back on board with what we wanted the culture to be.

Again, this excerpt illustrates the company’s intentional focus on addressing how the company found itself in that position to begin with and then took specific action to move back in the direction of OI and to insure that it didn’t find itself in that situation again. This case demonstrates the dimension of type of change in that it was reinforcing existing values (instead of creating a new process), as the values and culture already existed, but the company had to take specific steps to re-focus on it.

When speaking of steps taken after the firing of the vice president at IPM (IPM5), the CFO shared, “That’s one of the reasons why we only promote from within, regardless of what position someone had prior to joining this company.” The company saw how bringing in a senior leader from the outside, while good for revenue and generation of new ideas, was counterproductive to IPM’s OI because he ended up creating silos. As a result, the company specifically changed its promotion practices to focus on individuals who had been with the company long enough to really understand its identity and culture and then promote those individuals into leadership positions to help carry those critical elements forward into the organization. This excerpt and practice shows the dimensions of type of change and internal, as they changed an internal policy, as well as supporting the aggregate dimension of sustaining alignment to insure they behaved consistently.
The role of narratives in organizational life has gained increasing attention in recent years (Dailey & Browning, 2014), particularly in areas such as Organizational Culture (Martin, Feldman, Hatch, & Sitkin, 1983; Parada & Viladas, 2010) and identity (Brown, Humphreys, & Gurney 2005). These narratives serve to educate people about the culture and identity of the organization.

As the company recovered from the incidents (or at least found themselves on the other side), the organizations folded those events into their organizational stories and began to re-tell the stories as a way to inform help new stakeholders understand the norms and values at work in the companies, reinforcing desired behavior, and educating external stakeholders on “who we are.” These changes then modified the organization’s story to include the incident as a demonstration of the organization’s identity, supporting the final phase, or aggregate dimension, of sustaining organization/identity alignment.

While this practice was only identified explicitly in some incidents and some incident accounts, the fact that the organization members recalled the stories so similarly and so easily, even 5, 8, or 10 years later, indicates that they are stories that have been shared over and over again, which also supports the aggregate dimension of sustaining organization/identity alignment.
Blue Plate’s CEO, in discussing the winding down of the restaurant instead of filing bankruptcy, made specific reference to the sharing of the story, “If you look at the credit history of the company, there’s no bankruptcy on it. And yet you see that we closed the [business], so people want to know the story. So we’re always telling the story.”

This excerpt illustrates how Blue Plate has folded those incidents into its narrative and how it uses those stories to educate external stakeholders on Blue Plate’s OI.

IPM’s CFO also discussed using stories to educate new employees on the company’s values and culture,

> When we hire new people I get to participate in new hire orientation and that is the first time that a new hire hears the term tribal stories. Tribal stories are an important part of how we share our culture…That’s how they come to understand what makes us who we are, how we got here.

This except demonstrates the dimensions of focus as being internal and type of change as being reinforcing as the company uses the stories to educate new employees and reinforce the desired behavior.

An employee from that same company talks about how he was attracted to the company to apply for employment based upon the story of IPM’s handling of the
contract violation (IPM3), which he found on the company’s website as he was searching for employment:

Honestly, what attracted me to this particular culture and what attracted me to IPM was the value center. Going through a lot of the different material and going through all the different consulting firms that were out there, one thing that really stood out to me was a particular video in which our CEO, talks about value based leadership and one thing he talked about there was this particular story where he basically was applauded by the rest of the staff for deciding not to take a particular business opportunity because it didn’t coincide with the company’s values.

In addition, IPM’s Master Services Agreement has the following language as its second paragraph, immediately following the opening paragraph that lays out the date of the agreement, the name of the other party, and so on:

IPM agrees to execute this Agreement and conduct business with ethical behavior. Core values of integrity, honesty, respect, excellence, and continuous improvement will guide each decision and interaction. This Agreement is entered into with the expectation that any issues arising from it will be dealt with honestly and in fairness to both parties.

These excerpts illustrate the dimensions of focus as external and type of change as reinforcing, as they serve to show its identity to the world outside its walls. This excerpt also demonstrates how IPM’s OI was folded into its narrative and how the company uses its standard agreement to ensure that external stakeholders are aware of its OI and how that OI will influence its actions.
In addition to specific references to incorporating the events into stories, some of the references to the events themselves support the notion that these incidents are told over and over again. Statements such as “I refer to it as the ‘Dark Days’ of the business,” and “the event that you’re focused on, we call that The Restructuring,” suggest that the incidents themselves were significant enough to warrant naming, specifically so there would be a point of reference when talking about the events in the future. This also supports the aggregate dimension of sustaining identity/action alignment.

Additional examples of the Creating and Modifying Organizational Story step are illustrated in Table 28.

Table 28: Illustrations of Creating and Modifying Organizational Story Step in Sustaining Identity/Action Alignment Phase

<table>
<thead>
<tr>
<th>Participant Quotes from Critical Incident Accounts</th>
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<tbody>
<tr>
<td>(BP1) “You learn a lot of things, and it verifies a lot about who you are.”</td>
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<tr>
<td>(BP1) “We had to make changes. I had to retool the business, bring on strong people.”</td>
</tr>
<tr>
<td>(BP1) “We made a decision to plow—to forego some short-term gain for long-term gain because we want to be in business for a long time. And so we invest in our future. We invest in our employees. We invest in training. We invest in HR. We’re investing in marketing.”</td>
</tr>
</tbody>
</table>

Each of these excerpts show Blue Plate’s focus on making changes to realign with OI, the first one shows the company being reminded about “who it is,” the second talks specifically about the type of people who were needed, and the third talks
Participant Quotes from Critical Incident Accounts

about specifically a reminder to re-focus on the long-term (a key component of Blue Plate’s OI), and then investing in support of that commitment.

(IPM1) “We instilled a very strong resolve that while there are no guarantees in life, we’re not doing this again. We will sacrifice growth in an account to prevent any one account putting us in this position, so we established a new litmus test when we look at where our volume is spread…And we were tested in 2005, just when we were starting to come back pretty strong. [Client] became our largest client, and I started to have this uncomfortable déjà vu feeling that everybody I’m hiring is getting sent to [client], and that’s what happened with [old client], so we can’t do that. And we did. We did a time out with [client], and the account management team went up to them and said we can’t give you anyone else. It’s too risky for our business.”

This excerpt demonstrates exactly what IPM did to realign its practices with OI, and again how the company was tested and chose to behave to maintain alignment.

Summary

In summary, through the process of line-by-line, incident-by-incident coding and constantly comparing codes to codes, data to codes, and data to data, the process by which values-driven organizations manage critical organizational events emerged as follows, and as depicted in Figure 5 above.

The process phases, steps and dimensions are summarized in Table 29 for convenience.

<table>
<thead>
<tr>
<th>Aggregate Dimension (Phase)</th>
<th>Second Order Theme (Step)</th>
<th>Dimensions</th>
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These nine steps evolved over a three-phase process that began when the organizations perceived an issue to cause the organization’s actions to shift out of alignment with its identity, then moved to a phase wherein they took specific action to return to alignment, and then concluded with deliberate steps to sustain the restored alignment into the future.
As mentioned above, although this process was described in a linear fashion, as if each step is distinct, with one step starting and ending before the beginning of the next, that was not the case. The steps often overlapped, such as when an organization experienced a trigger, data collection, and decision criteria during one meeting. In addition, in some incidents, particularly those where the timeframe was lengthy, some steps repeated. Data collection often was repeated throughout the process as new information came to light, or as decision options were generated, analyzed and dismissed, or as the organizations managed the outcomes and worked to modify practices. However, each step was present in each incident to some extent.
Chapter 6: Why These Incidents?  
The Emergent Theory

During the course of my analysis, beginning with the very first incident account, I was struck by what, and why, the participant organizations noticed the things that they did, and then how they navigated through the remainder of the process of handling the events.

If we assume, for a moment, that “corporations should be run, first and foremost, in the interest of shareholders” (OECD, 1999) and that maximization of shareholder value is a primary principle of corporate governance (Lazonick & O’Sullivan, 2000), then there were situations that caused OID and the ensuing trigger step that many organizations would not have noticed—would not have thought that there was anything unusual occurring, and, therefore, would never have been issues.

For example, when faced with a situation as outlined in Blue Plate’s restructuring (BP1) wherein the company was experiencing unprecedented financial growth and performance, yet the impact of that growth was a perceived negative shift in organizational culture and employee satisfaction, many organizations would have considered that a worthwhile tradeoff and not viewed it as an issue. In fact, many organizations would have been happy to lose old employees who did not support the new direction and strategy for growth and would have simply responded with
intentional hiring of new employees who were unaware of the company’s prior culture, thereby allowing the organization’s culture and identity to shift without resistance.

Similarly, another professional services organization focused on maximizing shareholder value, when faced with a client contract violation, would likely not have viewed the violation itself as an issue that created OID. In fact, many companies that encounter that situation do not even raise it with the client for fear of losing the client’s business. If noticed, those same organizations might happily have accepted $100,000 in unearned income and been grateful to have a former employee on the inside to continue to send business their way. In either case I believe most companies would have continued to do business with the client rather than sever the relationship, as was IPM’s choice.

Similarly, if maximizing shareholder value was the objective, then most professional services companies would not notice a “dishonest” person to whom they must report, at least not to such an extent so as to forego millions of dollars in revenue over the next several years to avoid working with that individual.

Beyond what they noticed, these organizations also had different ways of approaching data collection—different than what other organizations might have used for data. These organizations used trusted advisors, specifically those who they recognized
kept them honest, as well as long-standing artifacts such as list of values, the Mission and Beliefs statements, and stories shared formally and informally to guide their decision making process. This data helped the organization perceive and understand the misalignment rather than looking at only the specific business issue.

The decision criteria and options that were generated and how they were evaluated were considerably different than what a traditional organization, one that is maximizing shareholder value would have used, weighting the organization’s values, mission, supporting materials and overall human factors higher than the financial goals of the organization, which often were not even considered in the evaluation. The manner in which the participant organizations actually executed on these decisions was curious as well, consistently attempting to minimize human suffering, often at the expense of the organization itself. Again, this approach illustrates deliberate steps to act in way that shifted the organization’s actions back towards OI alignment.

The way in which the entities managed outcomes, and the consistent commitment to modifying behavior I believe to be unique as well—focusing on altering actions to restore and sustain alignment with those values, again, often intentionally at the expense of maximizing shareholder value.
As I recognized the consistency in what I considered to be unique handling of these incidents, I began to form my emergent theory, which states that in my participant organizations, positive OI formed the basis for creating OID and perceiving the misalignment between identity and action that began the first phase of the process (trigger, moved to action and data collection). As the organizations moved towards action, positive OI influenced choices in a direction so as to eliminate OID and realign the organization’s OI and actions. In other words, when the perception phase uncovered behaviors that did not support OI, or when one element of OI had to be prioritized at the expense of another, then OID occurred, and OI exerted pressure on the company’s actions to shift behavior towards realignment, eliminating OID, and then the sustaining phase of the process began again.

This final emergent theory is shown graphically in Figure 6. This model was adapted from Gioia et al.’s (2000) “Process Model of Identity-Image Interdependence” (p. 69) and serves to explain how and why identity influences the process by which these organizations managed the critical incidents.
Figure 6: The Process Model of Organization Identity/Action Alignment
This figure demonstrates the process wherein the triggering event causes the organization to identify and classify the issue to understand “what’s going on.” If the organization determines that there is OID, or a perceived inconsistency, then it asks itself how it should respond. If it determines that a response is appropriate, then it asks whether or not it should change identity or action—essentially finding itself faced with three choices: (a) do nothing and live with the dissonance; (b) realign its actions to bring itself back into alignment with OI and remove the dissonance; or (c) change its identity so that the actions are no longer causing OID and the misalignment. This process and associated action is consistent with the psychological theory of cognitive dissonance that argues that individuals will seek to reduce dissonance by either changing their behavior or changing their beliefs (Festinger, 1957).

In my subject companies, each time the organization found itself faced with a triggering event that caused it OID, it acted in accordance with option (b) above, essentially choosing to change its behavior to return itself to alignment with OI and eliminate the OID.

**Conclusion**

Charmaz (2006), drawing on Glaser (1978, 1992) and Glaser & Strauss (1967), suggests that a completed grounded theory must meet the following criteria: provide a close fit to the data, be useful in practice, provide “conceptual density,” withstand the
test of time, be modifiable to react to different circumstances, and explain the phenomenon in question (p. 6).

It is my hope that this research fulfilled this objective by unearthing a well-developed process that explains how and why organizations with strong organizational identities identify and manage critical incidents. This model illuminates the influence that this strong Organization Identity (OI) has on action and the issues that arise when the organization perceives action that is out of alignment with OI. This research also introduces the concept of Organization Identity Dissonance (OID) to identify the phenomenon of this perceived misalignment that causes the organization to take action.

A discussion of the implications of the process model and the OID concept is the subject of Chapter 7.
Chapter 7: Discussion, Implications, and Reflection

As I prepared to share what I learned from this study and how I believe it contributes to the extant scholarship, I reflected upon my own early professional experience in the company with the award-winning culture, comparing that experience to my findings. In that reflection, I realized that my former company was consistent with my findings in that the organization’s actions were generally in alignment with OI, and when there was a perceived misalignment, the organization raised it as an issue and took specific steps to return to alignment. The difference between that experience and those of my subject organizations lies simply in the nature of the companies’ identities themselves, and perhaps my own lack of understanding of the *actual* identity as the employee, compared to my subject organizations where the organizations’ OI was deeply understood and consistent across all levels of employees.

In my former company, I mistook the employee-centered actions for an identity that was focused on employee well-being. What I see now, in retrospect, is that those employee-centered actions and benefits were specific actions taken in support of that organization’s OI, which revolved around profit maximization and shareholder value. Those employee benefits were intentional acts on the part of the corporation to attract high quality employees even without competitive compensation and benefit packages.
Those perks were deliberate mechanisms to motivate employees to work longer hours without additional pay by minimizing the amount of time employees had to spend outside of the office walls. Additionally, many of the benefits available were a result of the founders’ own needs—specifically for on-site child care and domestic partner benefits, and if not for that requirement, I imagine would not have been offered.

As I compare my process model to my recollections of that company, I believe that the Process Model of Organization Identity/Action Alignment is applicable to that organization, and quite possibly to any organization with a strong OI, one that meets Gioia et al.’s (2013) and Schein’s (2010) criteria of being part of the basic assumptions and underlying values, whether those values be for maximizing shareholder value, as in my former organization, “happy people making people happy,” as seen at Blue Plate, or “honesty and integrity in all things,” as seen at IPM.

With that perspective in mind, I offer these final thoughts about this study’s limitations, how it contributes to the literature, its implications for practitioners and suggestions for future research.

**Limitations**

Although I suggest that my model may be applicable to other, non-values-driven organizations, the fact that this study only included values-driven subjects is a limitation. In addition, the small sample size of only two organizations, eight incidents and 37 incident accounts is a limitation as well, and additional studies of
more values-driven companies as well as companies that identify with other core values would serve to extend my findings.

Finally, Flanagan (1954) and Barnes, Collier, Ponder, and Williams (2013) highlight the potential limitations with the CIT as a methodology, particularly cautioning that participants may have “selective recall” related to these dramatic or special events in addition to the problems inherent in asking individuals to recall events several months, or even years, after the incident occurred.

**Contribution to the Literature**

To close the loop with the literature reviewed in Chapter 2, the following sections offer a brief summary of how this study contributes to each of the relevant bodies of scholarship.

**Positive Organizational Scholarship**

I opened my literature review with a discussion of Positive Organizational Scholarship (POS), emphasizing two of the common themes in POS scholarship as detailed by Cameron and Spreitzer (2012):

- Assuming “an affirmative bias, therefore prioritizing positive energy, positive climate, positive relationships, positive communication and positive meaning in organizations” (p. 3). This approach means that POS intentionally investigates phenomena from the perspective of positivity, with the intentional bias that something positive can be found in, and learned from, tragedy and adversity when
those phenomena occur, and that there is much to be learned from the everyday positive experiences and interactions that occur within and between organizations.

- Examining “virtuousness or the best of the human condition” (p. 3), which means that there is value and support for the idea that humans desire to do and be good for its own sake as is argued by Aristotle and other philosophers.

This study specifically investigated positive outcomes of adversity, which is an intentional focus of POS. In addition, this study chose to look at organizations that perceived themselves to be values-driven and had intentionally created identities that supported employees and clients and prioritized them before profit, supporting the theme that examining this virtuous behavior is valuable for its own sake.

In addition, this study contributes to the POS literature in that, based on my knowledge, is the first study in POS that looks specifically at the process by which positive organizations manage critical incidents.

**Values-based or values-driven organizations**
The most relevant literature reviewed in this section of Chapter 2 related to a study contributed by Buchko (2007) that identified a link between values and the actual performance of an organization. This study contributes to this values-based literature by adding a specific process by which these values-driven organizations manage critical organizational incidents, which was one of the components of Buchko’s convenience.
Figure 7: This Study's Contribution to Buchko's Relationship Between Values and Performance


Specifically, this study supports the highlighted components of Buchko’s model, demonstrating a specific process by which those values (that I suggest are a component of identity), contribute to the “people” and “processes” sections of his flowchart. Specifically, Buchko’s model suggests that an organization’s values drive the organization members’ behavior, which guides the processes by which the business is run in producing its products and services, ultimately driving organizational performance. This study provides specific examples that support this process. For example, Blue Plate’s value of commitment led to the decision to not file bankruptcy and instead pay all vendors and absorb the loss. In the short run, this had a negative impact on Blue Plate’s performance; however, in the long run, Blue Plate
believes it has paid off in reputation, customer retention and new customer acquisition, increased financial opportunities with lending institutions, good will from vendors, and so on.

**Organization Identity**

A more significant contribution is to the OI literature by exposing a process by which OI influences organizations’ action, specifically guiding organizations through critical incidents. This finding supports Dutton & Dukerich’s (1991) assertion that “identity affects issue interpretation and actions” (p. 518) by suggesting that OID is a component of that interpretation that will affect action.

In addition, the study contributes to the “under-examined” pillars of centrality and distinctiveness in OI by providing evidence of organizations whose identities meet the criteria of those pillars (Gioia et al., 2013) and connects the existence of those pillars to the strength of the subject organizations’ OI.

Although not the specific topic of the study, it may also contribute to the discussion of both identity formation and identity change (Gioia et al., 2013) by identifying a process that helps to maintain and strengthen identity through action. Although this research specifically uncovered a mechanism for strengthening and maintaining identity, one could propose that because of an understanding of the process by which identity is maintained and strengthened, an organization might change its identity by acting in opposition to this process to effect the change. In other words, perhaps a
mechanism for changing identity is through this process of identifying issues and working through developing decision criteria and options, yet intentionally not selecting the option that will bring the organization’s back into alignment with identity, and instead to continue to act in a way counter to identity. I propose that if an organization engages in this manner, OID will require the organization’s identity to ultimately shift in that direction to eliminate the dissonance, as depicted in Figure 5.

**Relationship between organization identity and organizational culture**
Another contribution is in the support of Gioia et al.’s (2013) assertion that OI is a foundational component of OC, with identity being formed first, and the culture building up around, and in support of, the established identity (Gioia et al., 2013). This perspective supports Schein’s (2010) explanation that culture is seen through the organization’s behaviors, or actions, which was consistent with my study.

**Critical incidents and issues**
This study establishes support for the use of the CIT in organization studies as well as supporting prior research that asserted that studying a phenomenon from the start of the incident, or the “issue,” (rather than only from the decision, which is the more common approach) leads to an understanding of how and why the organizations identify something as an issue as an important area of research (Dutton & Dukerich, 1991; Bachrach & Baratz, 1972). It also provides a process model by which organizations manage critical incidents, which contributes to our understanding of critical incidents as an element of organizational life.
Organization Identity Dissonance
Another contribution is in the development of a concept for Organization Identity Dissonance (OID) which, to my knowledge, has not been used before in the organizational literature. This study’s findings were consistent with individual cognitive dissonance theory that suggests that when faced with dissonance, individuals either figure out a way to live with it (for some length of time), change their behavior, or change their beliefs. This approach is consistent with the Process Model of Aligned Organization Identity/Action (Figure 6 above) that showed that when the organizations experienced dissonance, they were faced with the same three choices. Although my subject organizations consistently chose to change behavior to realign with OI, there were other options that they might have chosen.

Implications for Practitioners
One of my original objectives of this study was to contribute to the Return on Values (ROV) project through a practical tool or guideline or understanding that might help companies who desire to be “Small Giants.” I hope that this process model will help leaders in organizations understand how their organization’s identity influences actions, recognize OID when they experience it, and understand how the organization’s actions reflect actual identity (as opposed to espoused identity).

I believe this process model also gives voice to an inherent, “underlying assumption” found in these values-driven organizations that they do consistently behave in a way that is in alignment with their identity. I know that they believe that to be true, and I
hope that this process model provides them with a tangible demonstration of that alignment and consistency that they can include in their organizational stories.

**Implications for Future Research**

I have woven some of my thoughts on opportunities for future research into previous subsections of this chapter, but I will list them here for convenience.

- First, I believe that an extension of this study in (a) additional values-driven organizations; or (b) through additional critical incidents and incident accounts; (c) in organizations whose identities are something other than values driven; and/or (d) in organizations where action specifically does not appear to match identity (as in the case of my previous employer) would serve to strengthen the research and increase its generalizability to a broader audience.

- Second, as I conducted my study, I was intrigued by the circumstances that led up to the incident or created the environment for the issue or incident to emerge. I believe a study of those antecedents of the issue might prove interesting and valuable to organization study, perhaps helping organizations to recognize the potential for OID and act upon it preemptively.

- Third, I believe that this study sets the groundwork that might make it possible to analyze some of the under-studied elements of OI, particularly the centrality and distinctiveness phase. One mechanism might be a quantitative study in my subject organizations that specifically inquires about the various elements of OI to determine how deep it runs in the organization, or to ask specific questions about
the elements deemed to be distinctive to see if other organization members define them as such as well.

- Finally, because of the consistency of these organizations’ identities and the existence of many of the original founding members, I believe these subjects offer possibilities of specific study of identity formation, an area deemed under studied in the literature (Gioia et al., 2013).

**Final Concluding Thoughts**

I set out to develop an understanding of how self-identified values-driven organizations manage critical organizational events that have a potential impact on economic performance, and why they choose to pursue the issues they pursue. Through the process of line-by-line and incident-by-incident coding, the Process of Organization Identity/Action Alignment emerged, offering one perspective on the way in which Organization Identity influences action.

It is my hope that this finding contributes to organizational scholarship through a deeper understanding of the role of identity in organizational life in an effort to support organizational practitioners who desire to intentionally create identities that will serve to achieve their corporate objectives.
References


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