Abstract

Organizational Identity Construction as Control Mechanism

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This study examines how identities become constructed during strategy process. Planning and implementing strategy is a social process. It includes multiple social factors which have an influence on the strategy. The visions, notions, images, conceptions, assumptions and appreciations of members of an organization make the process dynamic and plastic. By participating to the strategy process the members both produce meanings to the process and receive meanings produced somewhere else which shape their conceptions about the organization and themselves. (Ahrens & Chapman 2007; Whittle & Mueller 2010; Vaara & Whittington 2012) Identity formation is also a social process which took place in organizations (Schultz et.al. 2012). Identity is construed in and around organization, in its’ social and cultural interaction.

We see identity in postmodern manner. It is a continuously changing project producing self-understanding (Edwards 2009; Hall, 1992; Sintonen 1999, 2008; Warnke 2007). Strategy implementation is a critical stage of change for an organization in which also identities should be retooled to meet the demands of the strategy. The differences, deviations and inconsistencies between identities before and after strategy process emphasize the project character of identity formation. We are focussing on how the control mechanisms built-in the organizational identity construction function in the strategy process.

Control is a central feature of any social process. Also strategy process contains many forms of social control, were they formal or informal, visible or non-visible, conscious or unconscious. We focus on how identity formation functions as a control mechanism during a strategy process. We assume that implementation of strategy shapes and also re-shape the manner how the members of an organization see themselves and thus control their self-understanding. Furthermore, we consider identity process as interplay between individual and collective levels. In the individual level changes in the socio-cultural can function as control mechanisms by setting certain limits to the construction of self-understanding. In the collective level identity is a source of shared conception and image of the character of the organization. This conception contains knowledge about different roles and positions of the members of the organisation. Thus, it defines and governs their agency, and in this sense function as a control mechanism. (Andersen 2004; Bryant, Darwin & Booth 2011; Mantere & Vaara 2008)

Case organisation and data

Our case organisation is a large financial institution located in Finland, Helsingin OP Bank Plc (HOP Bank). It is part of OP-Pohjola Group Central Cooperative (OP-Pohjola), which is among the largest financial groups in Finland employing some 12,000 (OP-Pohjola annual report 2013). HOP Bank is the single largest bank within OP-Pohjola, employing over 700 people. We have
ventured out to find out how the members at different levels of the organisation made sense of HOP Bank’s strategy, values, strategy communication and goals.

We have conducted altogether 30 informant interviews in several rounds between December 2012 and December 2014 covering all organizational levels: OP-Pohjola Group top management and OP Bank management team, middle management and the operative personnel. The interviews were audio recorded resulting in some 55 hours of interview speech and 700 pages of transcription text (single spaced). Besides interviews, we were provided the official strategy documents (altogether some 40 pages), and participant observation with tape recorded informal discussions in an annual strategy plan implementation meeting.

The themes in the semi-structured interviews related to the background of the interviewee, the description of organisational strategy (emphasising the interviewee’s subjective perspective), the meaning and role of numerical information in organisational strategy, the communication of strategy within the organisation and the forms of influence used by the management in making the strategy known within the organisation.

References


