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**Managing identity conflicts in  
organizations: a case study of one welfare  
non-profit**

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**Abstract**

How nonprofit organizations manage multiple and conflicting identities is not well understood. In a case study of a nonprofit welfare organization, we use Pratt and Foreman's (2000) framework of identity management responses to illuminate different ways that nonprofit organizations can seek to manage and potentially resolve identity conflicts. We focus on the actual practices nonprofit organizations use to manage multiple identities and, in particular, reveal the important role of organizational routines and artefacts in facilitating or constraining particular identity management responses.

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It is well recognized that nonprofit organizations can have multiple and conflicting identities (e.g., Glynn, 2000; Golden-Biddle & Rao, 1997; Kreutzer & Jager, 2011; Jager & Beyes, 2010; Nevile, 2009; Harris, 2011), particularly between non-managerial logics and more business-like practices from the for-profit world (Kreutzer & Jager, 2011), or tensions between social mission and economic rationales (Jager & Beyes, 2010). Although these studies improve understanding of how and why conflicts between identities in nonprofit organizations arise, little is understood about how nonprofits actually go about managing multiple, often conflicting, identities. In particular, Kreutzer and Jager (2011:656) ask: “how can...conflicting identity dimensions be reconciled for the good of the organization?” Understanding the management of identity conflicts is important as research shows that identity conflicts can hinder the effective management of nonprofit organizations (Young, 2001; Jager & Beyes, 2010; Kreutzer & Jager, 2011). As such, in this study we examine how nonprofits respond to identity threats and conflicts and the organizational routines and artefacts they use in this process.

Our study contributes to the literature by examining how nonprofits can manage identity threats and conflicts arising from multiple, potentially competing, identities. We use Pratt and Foreman (2000) to identify and distinguish between different approaches nonprofit organizations can take to manage multiple identities. This is important as nonprofits are increasingly being called upon to balance social missions with economic pressures (Kreutzer & Jager, 2011; Jager & Beyes, 2010; Harris, 2011). This was particularly evident in our case organization where the existing identity focused on social justice values was under threat from, and beginning to conflict with, a greater focus on cost consciousness and financial matters. We also elaborate on the actual practices that nonprofit organizations can use to manage

multiple identities (such as artefacts, budgets, informal meetings), which have been identified as an important area for research (Ravasi & Schultz, 2006; Pratt & Foreman, 2000). In particular, we focus on the key role of organizational routines (Feldman & Rafaeli, 2002), and material artefacts (Schultz & Hernes, 2013), in helping (or hindering) nonprofit organizations to manage emerging tensions and conflicts over organizational identity.

The paper is structured as follows: in the next section we review the literature on identity conflicts in nonprofit organizations and potential approaches to managing these conflicts. The second section outlines our method and describes the case context. The third section presents the results of our case study. The fourth section discusses the results and the final section provides conclusions.

## **Literature Review**

### *Traditional identities and being more 'business-like'*

Commitment to a core set of values is a defining characteristic of many nonprofits, particularly those involved in the delivery of complex human services (Nevile, 2009). Commitment to values can provide a basis for non-profits' competitive advantage (Frumkin & Andre-Clark, 2000). The founding of many nonprofits relates closely to the belief in, and promotion of, a common identity.

Certain changes in the nonprofit sector have placed pressure on identification with a single, common, identity. First, nonprofits now play a more central role in delivering social services as governments seek to contract out service delivery (Nevile, 2009). This has meant they have grown in size and are responsible for managing large government contracts, often requiring new management structures and systems. Second, to provide the benefits of scale and to leverage expertise,

nonprofits are being pressured to form alliances and use formal partnerships and consortia instead of ad-hoc and informal collaboration (Chenhall, Hall & Smith, 2010).

Such contextual changes can call into question the central and distinctive characteristics of nonprofit organizations that form the basis of their identity (c.f., Corley & Gioia, 2004), where members' perceptions of what the organization is, and what it stands for, can be threatened (Elsbach & Kramer, 1996; Ravasi & Schultz, 2006). These threats to identity can challenge collective self-perceptions and represent a symbolic and sensemaking dilemma for organizational members (Elsbach & Kramer, 1996; Ravasi & Schultz, 2006). Increased competition and limited resources can make it difficult for nonprofits to balance different pressures, such as equity, efficiency and quality, which can then increase tensions between organizational groups with different views (Brandsen, 2009). Tension and conflict are likely when, in response to environmental changes, one identity element is emphasized over another (Glynn, 2000).

Much pressure on nonprofit organizations relates to adopting more business-like management practices. For example, new public management (NPM) aims to move organizations towards a managerialist philosophy involving the use of more formal control, accounting and reporting techniques (Guthrie, Carlin & Yongvanich, 2004). Professionals and managers in nonprofits have been subjected to quantitative performance indicators (see for example, Chenhall, Hall & Smith, 2013) in place of more customary qualitative assessments. Nonprofit organizations have undergone a process of professionalization and bureaucratization, with the use of more paid staff, pay-for-performance plans, standardized work practices, and accountability mechanisms (see for example, Parsons & Broadbridge, 2004; Le Roux & Wright,

2010). More broadly, nonprofits are under pressure to be more managerialist, involving the take-up of business-like governance and performance management systems, and a strong focus on funders (Maier & Meyer, 2011).

Notwithstanding these pressures, there can be an ideological rejection of managerial values making it difficult for nonprofits to embrace business-like practices (Helmig et al., 2004). Cheney (1991) highlights how organizations claiming to have true doctrines, moral certainties, or absolute guarantees are bound to have difficulties in reconciling those views with countervailing pressures. Furthermore, public sector management practices focusing on measurable outcomes and short-term project funding can weaken the ability of nonprofit organizations to fulfill objectives derived from their underlying values (Nevile, 2009). As such, nonprofits must grapple with the tension between identities based on core values and increasing pressure to develop and maintain identities reflecting more business-like concerns.

### *Managing tensions between identities*

Pratt and Foreman (2000) distinguish four identity management responses: (1) compartmentalization, which involves preserving all current identities without seeking to attain any synergies amongst them; (2) deletion, which refers to removing the organization of one or more of its multiple identities; (3) integration, which involves fusing multiple identities into a distinct new whole; and (4) aggregation, which refers to attempts to retain all identities while forging links between them.

Simply deleting one or more identities is likely unrealistic for nonprofit organizations as they are usually unwilling to abandon values forming the basis of organizational identity, and, with changes in the sector, ignorance of financial and business-oriented pressures also seems unlikely. In contrast, compartmentalization

may be feasible, particularly where it involves the location of particular identities in separate functions of the organization (c.f., Golden-Biddle & Rao, 1997). For example, financial concerns may be the responsibility of specific staff, with other personnel free to concentrate on program work, thus providing a buffer between identities. As Pratt and Foreman (2000) note, integration is difficult as it involves creating a new and distinct identity from those currently existing. This might be a common approach where nonprofits merge or work in close partnership. Aggregation is likely to involve removing buffers between current identities, for example, financial issues becoming the responsibility of front-line staff. It can involve crafting a meta-identity of the “strategic organization” able to forge links between existing organizational identities (Harris, 2011), or using a budgeting process to create stronger links between existing organizational identities based on being volunteer-driven and a family of friends (Golden-Biddle & Rao, 1997).

Whilst these responses represent generalized approaches to managing tensions between identities, it is through specific organizational practices that identity threats and conflicts are managed. These practices play an important role in helping organizational members to make sense of what their organization is really about, particularly in times of significant changes where they can preserve a sense of distinctiveness and continuity as the organization faces identity conflicts (Ravasi & Schultz, 2006).

Organizational routines - the repetitive, recognizable patterns of interdependent actions involving multiple participants (Feldman, 2000; Feldman & Pentland, 2003; Pentland & Feldman, 2008) - can play a role in shaping organizational identity. By connecting organizational members through communication, organizational routines can facilitate the creation of shared

understandings about organizational identity (Feldman & Rafaeli, 2002). Tensions between staff needs and client needs can be managed by considering values explicitly during hiring routines, where only staff who are respectful of clients and put their needs first are hired, even if they lack experience (Nevile, 2009). Similarly, a new organizational routine of including social workers in making decisions about how to handle homeless persons helped to create a new organizational identity for a Port Authority (Feldman & Rafaeli, (2002). Accounting and planning routines can also be powerful in changing organizational identities (e.g., Dent, 1991; Ezzamel et al., 2008). For example, business planning and accounting practices shifted the identity of a museum from a cultural mission to greater identification with business concerns (Oakes et al., 1998).

Material artefacts, such as physical spaces, emblems or corporate museums, can help to exemplify past practices and linkages to future projects (Schultz & Hernes, 2013). Organizations use a variety of objects, including uniforms, logos, stationery, building design, and products and services, to provide cues about organizational identity (Stigliani & Ravasi, 2007). Textual materials, such as mission statements, annual reports and accounts, statements of values, corporate communications, and strategic plans are also important in establishing and reinforcing a particular identity (Schultz & Hernes, 2013). These studies illustrate how a variety of material artefacts are important in promoting and reinforcing organizational identity. Importantly, however, the role of material artefacts in providing cues about organizational identity in situations where there are threats to and conflicts over identity is not as well understood (Ravasi & Schultz, 2006).

This discussion suggests that in dealing with conflicts over, and threats to, organizational identity, responses from nonprofits can take specific forms (Pratt &



Foreman, 2000) entailing the employment of a variety of practices, such as organizational routines and material artefacts. Next we examine how a nonprofit organization attempted to manage emerging conflicts over organizational identity.

### **Research Method and Context**

Given the lack of research on how nonprofit organizations can manage multiple, potentially conflicting identities, an inductive, qualitative research approach was used (c.f., Greenspan, 2014; Harris, 2014; Schiller & Almog-Bar, 2013; Mikkelsen, 2013; Kreutzer & Jager, 2010; Dart, 2004). The study was undertaken within Carewell, a nonprofit welfare organization operating in a major Australian city, from July 2007 to June 2008. The identities of individuals, and of the organization itself, have been disguised, by agreement with the organization. The main focus of our empirical analysis is the Tennant Centre, Carewell's largest division. We conducted 16 in-depth interviews with 12 key personnel spanning across all levels of the organization. We conducted most of our interviews within Tennant, but also conducted interviews with four key Carewell personnel, and the head of each of the other two divisions. This was necessary in order to gain a broad appreciation of the organizational context in which Tennant operated. These interviews helped us to build our understanding of this organizational context, and the artefacts and routines enacted by Carewell staff in interactions with Tennant. Details are provided in Table 1. Given the organization's relatively small size, this provided the opportunity to gain a broad cross-section of opinions, and for theoretical saturation to be reached (Glaser & Strauss, 1967).

[Insert Table 1 here]

An initial interview protocol was developed, which emphasized two main themes – (1) the use of artefacts and (2) the use of routines such as budgets and informal meetings, in managing operations. Although the interviews were focused on these issues, interviewees were free to explore issues they believed were important as interviews progressed. Where possible, interviews were digitally recorded and transcribed. Where this was not possible, we took detailed notes that we wrote up the same day. Each interview ran for approximately 75 minutes. At least two researchers were present at all interviews to enhance data reliability (Pettigrew, 1988).

We also examined e-mail correspondence, archival records (including internal documents covering budgets, performance measurement documents, reports related to program evaluations, program management systems, Carewell’s code of conduct, mission statements, publicity material, and government reporting requirements), and publicly available data including information from the organization’s website, promotional material, and newspaper articles. During our visits to the organization we were able to directly observe facilities, working conditions and, to a limited extent, the way in which interviewees worked. Due to the confidential nature of Tennant’s work with clients, our research was largely constrained to passive observation.

We employed Eisenhardt’s (1989) methods to analyze our data. This involved arranging data chronologically and identifying common themes, unique insights and areas of disagreement, focusing particularly on the use of artefacts and organizational routines in managing operations. We used archival records to refine our understanding of issues arising in interviews. Given the relatively small number of interviews, data were not formally coded using computer software. We conducted line-by-line readings of the interview transcripts, documents and archival records searching for as many

ideas for themes and patterns as possible (Mikkelsen, 2013). We then re-organized the original transcripts and other data around key events (such as changes to the nonprofit sector affecting Carewell/Tennant) and issues (such as the strong focus on social justice values and artefacts and routines to support these, and changes to organizational routines, like budgeting) that emerged. Following Eisenhardt (1989), this occurred in a two-step process, where a construct's definition was refined, and evidence built that measured the construct in each case. Eisenhardt (1989:541) notes that this is achieved "...through constant comparison between data and constructs so that accumulating evidence from diverse sources converges on a single, well-defined construct." The next step was to consider the interplay between these constructs (i.e., routines and artefacts) and other issues in our field setting (i.e., threats to and conflicts over organizational identity). This involved examining whether a theoretical relationship was confirmed, revised, disconfirmed, or discarded due to lack of evidence (Eisenhardt, 1989). Throughout the data analysis, we compared emerging findings with existing research, and findings that did not appear to fit existing research and/or emerging patterns were highlighted for further investigation, particularly in our follow-up interviews. In this way, the interview protocol used in the study was not developed with knowledge of Pratt and Foreman's (2000) framework, but rather the challenges of identity management and the approaches used to manage conflicting identities arose out of our data analysis. This reflects a "grounded theory" (Glaser & Strauss, 1967) approach to knowledge-building, where relevant literature and explanation is sought subsequent to data collection, rather than being used to develop initial hypotheses or as part of a deductive reasoning process (Harris, 2014; Morrison & Salipante, 2007). As such, once we had established that Pratt and Foreman's (2000) framework was appropriate for explaining our findings, we re-examined our data with specific reference to it (c.f.,

Greenspan, 2014; Harris, 2014). In following this approach, we did not enter the organization with any prior beliefs about the effect of efficiency and business concerns on social justice. Our approach was to let the people in the organization speak for themselves, because identify conflicts and threats are based on the perceptions of the organizational actors involved.

### *Organizational overview and context*

Carewell has approximately 120 staff located across three divisions (the Tennant Centre, Options, and Opportunities) working to promote the wellbeing of disadvantaged young people, families and communities. Carewell provides administrative services, strategic direction, and manages funding. Options provides support services to young people with mental health and drug-related issues. Opportunities runs a program for disadvantaged young people focused on skill development, education and employment. Tennant cares for disadvantaged people, many of whom have had dealings with the justice system.

While Carewell is the central agency for collecting funds, Tennant also actively attracts funding, and has responsibility for operational decisions. At the time of our fieldwork, Tennant employed 42 paid staff, comprising a manager, four administrative staff, five program coordinators, and 32 caseworkers. Document analysis and discussions with staff revealed that Tennant has its own system designed to plan and monitor client treatments, often based on professional issues concerning social work and psychology. Tennant also interacts with other welfare agencies and government departments that manage the welfare and justice sectors and provide funding.

Carewell and Tennant are heavily reliant on government funding, but this has not kept pace with the cost of service provision. In particular, Tennant and Carewell

are funded for service provision only as Government does not fund infrastructure costs, with donations and philanthropy covering funding shortfalls.

It is increasingly important for Tennant and Carewell to demonstrate sound financial performance to Government in order to ensure the continued funding and operation of programs, and to other nonprofits in order to make Tennant attractive as a potential alliance partner. However, staff noted tensions between the Government requiring sound financial performance before funding is provided, alliance partners looking for sound financial performance in partner selection, yet philanthropists typically avoid donating to organizations with solid financial performance. One Carewell employee described this trade-off as follows:

“It’s funny – most charities would like to report that they are poor...but the larger organizations like the government want you to have a solid financial [position]. If your financials are weak, they will not give you funding because they think you are not a viable organization.”

Similarly, a Tennant manager noted:

“If you get out there and say you have got lots of money, or that you are big, it’s very hard to fundraise from philanthropics.”

In addition, there is a perception that efforts by a nonprofit to focus on and divert resources toward initiatives to improve efficiency, would be seen by donors and other stakeholders as unacceptable. A Tennant manager remarked:

“It’s a hard balance to strike in this sector [between managing efficiency and effectiveness], because as soon as you start talking like that, people think that you are going down a path where [they would say] “well, it’s not a business, you are talking about people, about people’s lives.”

It appears Tennant is forced into seeking sub-optimal outcomes in terms of efficiency, in order to maintain the organization's identity as a credible provider of welfare services. This affects the development and use of performance measurement tools. There is a perception that even though more sophisticated tools could assist in managing efficiency and effectiveness, to use resources to develop such tools would be diverting resources from service delivery, potentially alienating staff, and donors. Perhaps more importantly, this would be perceived as a significant deviation from what the organization's identity is seen to represent.

## **Findings**

Our findings are structured around (1) the role of organizational routines in influencing identity, and (2) the use of material artefacts to promote a shared identity.

### *The role of organizational routines in influencing identity*

We first focus on how Tennant and Carewell paid significant attention to organizational routines that emphasized the organization's core social justice values, and then examine the use of routines (particularly budgeting) to manage conflicts emerging from a greater focus on cost consciousness and financial matters more generally.

Social justice values formed an important part of recruitment, socialization and training where much is made of aligning employee values with those of the organization. Part of the socialization process occurs at fortnightly senior management team meetings that commence with a period of reflection where values are stressed. Some indicated they found this confronting initially but accepted it as a

way of reinforcing core values to employees. One manager commented in relation to Carewell:

“In terms of being a values-driven organization, I’ve never encountered anything like this organization – [senior management] takes all that very seriously...Before each meeting there’s a reflection. That isn’t a prayer or anything, it’s just a reflection on what’s troubling you at the moment in terms of the broader society or what might you find inspiring, or a whole range of things. So, at first I found that very confronting and odd, but I’ve come to think that it’s one of the really powerful bonding strategies that’s utilized within the organization to ensure that it is a values-driven organization.”

In addition, Carewell holds monthly “values breakfasts” to which all staff are invited, to reflect on their values, and to discuss how their values influence their work. Organizational routines related to employee selection, periods of reflection and values breakfasts helped to promote a strong identity based on social justice and care for the individual. However, as noted above, this identity was under threat from environmental changes placing more emphasis on business-like concerns. A key response in seeking to manage these changes was to adapt existing budgeting practices to place more focus on cost consciousness. Historically, the prevailing view at Tennant was that budget information, such as budgeted versus actual performance reports, was the domain of the program manager, and financial information was not shared with other staff. This led to the situation where program coordinators had spending authority, but no responsibility for this spending, as they were not made aware of the effects of their spending on the organization’s financial performance. In addition to failing to build a level of cost-consciousness, this approach was recognized as disempowering to staff at lower levels, failing to provide them with information required to carry out their roles effectively, or to prepare staff for future

senior roles. Given a culture of internal promotion, staff have reached managerial roles without being exposed to core principles of financial management and have been said to find the concepts of budgets and financial statements bewildering. A senior Carewell manager stated:

“A number of our staff find that whole side of the business bewildering or they're not interested or they find it challenging and I think we could do better in resourcing and training the coordinators to have a better handle on it - the money - because I operate from the principle that if people know, they're more able to take charge.”

One Tennant employee made the following illustrative remark regarding historical practice at Tennant:

“People who are co-ordinators never see these financial statements...and yet they're the ones that authorise the spending, so how do they know how much they can authorise?”

However, a recent initiative within Tennant has been to adapt the budgeting routine to provide program coordinators with budget and actual financial data relevant to their program, in order to facilitate discussion, empower coordinators and help them to raise issues relevant to their work. One Tennant employee described these new budgeting arrangements as follows:

“I think it's about spending time with coordinators and showing them how interesting it is. Because I think it's in their mind that it all doesn't make sense and they don't have any control over it anyway, and “we have to spend what we have to spend, so I don't want to know about it”. I think it's interesting to them in how does it work, how much money do you have, showing the positive sides of it...making it relevant to them, and also giving them some control...And I think they would find that empowering...I think budgets tell a story and it's a really interesting story.”



Here the budget is being used to instill cost consciousness among program coordinators. A Tennant employee remarked:

“I think it’s good for people to take higher levels of responsibility. You’re paying them the money to be a middle manager - they need to middle manage. So if you don’t give them those things, you don’t give them financial details to look after, it means you don’t get people learning different things...I think it’s actually inefficient for the organization to not do it.”

However, there is a perception among some administrative staff members that some program coordinators do not regard accounting information as a high priority:

“Case managers and people who work here – the less they have to know about finance and anything administrative the better. And it’s quite hard to get them to fit into a system, and it’s not because they don’t want to necessarily. I think, you know, they are trying to keep people alive, but nevertheless if the organization is going to be sustainable, we need to change.”

There was a clear sense from some coordinators that accounting was a distraction from their core business. The preparation of performance information to satisfy Government requirements was recognized as being necessary to maintain funding. However, given that such information was not used internally, its relevance, beyond being a means of securing funding, was questioned. In addition, caseworkers and some coordinators saw reporting requirements as an impediment to spending time with clients.

However, despite these misgivings about accounting procedures, it seems clear that budgets forced coordinators to consider financial issues. Under the adapted budgeting routine it was not possible for coordinators to leave financial management to Tennant’s manager. Also, by involving more staff in discussions about financial

issues, it helped create an understanding that financial pressures would need to be incorporated within the existing focus on social justice concerns.

Along with formal routines like scheduled meetings and budgeting, informal routines played an important role in acting as a buffer against demands to be more business-like. In particular, informal meetings between program coordinators and caseworkers played a significant role at Tennant in sharing information to improve client treatment and related administrative processes. Occupational subcultures – strong, shared ideologies and forms of expression – develop around some occupations, typically those whose workers have work lifestyles different to the norm, who experience unusual emotional demands in their work, and who use colleagues as reference points in interpreting and understanding their work experiences (Frumkin & Andre-Clark, 2000). It is easy to imagine Tennant’s caseworkers and coordinators falling into this category. These informal meetings enabled the employees to reflect on client dealings and to interpret work experiences together, using each other as reference points. In this way, these meetings helped to connect employees in ways that furthered their focus on client welfare and social justice, and can be considered a practice helpful in alleviating tensions between conflicting identities.

#### *Using artefacts to promote shared identity*

The dominance of material artefacts used at Tennant to reinforce shared beliefs and a common identity was a key finding. Tennant’s mission is:

To deliver quality programs in a manner that reflects the social justice principles of participation, equity, access and respect for individuals who seek the services of the Centre. [Tennant] and its staff are committed to the underlying value and dignity of every human life.

This mission, along with other strongly held beliefs, was displayed prominently in material artefacts such as a mission statement document, promotional leaflets distributed to clients, Government and other nonprofit partners, monthly newsletters, and on Carewell's website. In the monthly newsletters, the CEO would regularly express the significance of their social justice values in her introductory remarks, typically linking them to how the organization should respond to emerging events.

The organization is perhaps distinctive in having core values associated with a particular individual and their championing of quite specific social justice values. Material artefacts symbolize the importance of this individual, including statues, photographs and paintings of this person in the main offices and reproductions in promotional documents. Historically, there was considerable public recognition of this person's work, which led to Tennant's establishment by a like-minded individual with similar values. A prominent example is a large bronze statue of the patron positioned at the entrance to Tennant's main offices, whereby he extends his hand of welcome to those visiting the centre. The unveiling of the statue was a significant event and attended by prominent local Government members and supporters. Over time, the hand of the statue has become worn owing to the repeated handshakes from visitors. Personalizing artefacts in this way and linking them with the patron has done much to develop public recognition of the social values underlying Tennant's identity.

The organization focused considerable effort on developing and reinforcing its social justice identity using material artefacts. One possible reason for spending so much effort maintaining this identity relates to the changing nature of the sector, and the pressure to be efficient and to develop partnerships/alliances with other nonprofits with differing identities. Material artefacts have a role in communicating information regarding Tennant's identity to the network within which it operates. The

government in the Australian state in which Carewell operates has sought in recent years to promote efficiency by encouraging nonprofits to form alliances to run welfare programs. The issue of identity, and staff identification with Tennant, strongly affected the operation of inter-organizational alliances. A Tennant coordinator remarked:

“I’m very involved in one particular new partnership with some other partner agencies (other nonprofits) and it’s quite clear to me that we run the risk in partnership of losing what we stand for, and what we’ve always done. We find ourselves in partnership almost having to apologize for the things that we need to hang on to and the things that define us and give us our identity. And it’s a really difficult position to be in, because you feel like you’re not necessarily bettering the prospects of the partnership but you’re standing up for what you represent within it, so it’s a conflict.”

This illustrative comment suggests the use of material artefacts (along with routines) to promote and reinforce Tennant’s social justice identity may have adverse consequences in terms of inter-organizational alliances. There is such desire at Tennant’s operational level for Tennant’s social justice identity to be maintained, that the development of stronger relationships with external agencies is actively resisted. In practice, some alliances have operated in name only, while in other cases, Tennant have resisted alliances where they felt service models and values of the potential partners were inconsistent with theirs. A manager noted the tension between competing for funds and sharing information for the ‘greater good’ by referring to a situation where the organization was encouraged to share information relating to their business plan for a program for which funds were being sought with other nonprofits:

“I have to confess to great hesitancy on my part to be a part of that process because we are desperate for funding for [that program] and they were our competitors. But

that doesn't fit well with our philosophy, you know, that competitive approach, there's a tension because we're on about social justice, we're on about caring for those most in need, and if it isn't our agency that does it and it's another one that does, as long as those needs are being addressed that's what's important, so there's conflict, there's real conflict that comes about as a result of this project-based funding and this competitiveness over funding.”

The above quote is indicative of the lack of attention Carewell's divisional managers have given to the successful management of alliances. We believe Carewell's strong focus on reinforcing and maintaining a distinct, common identity may have contributed to this. The use of artefacts (and routines) designed to support a distinctive identity based on social justice and care for the individual does not seem geared towards maintaining this identity within an alliance.

## **Discussion**

We focused on the organizational routines and material artefacts nonprofit organizations can use to manage threats to, and conflicts over, organizational identity. Organizational practices have been identified as playing an overlooked but central role in helping organizational members to reflect on, and make sense of, the distinctive characteristics of the organization (Ravasi & Schultz, 2006). In Tennant's case, we see that external pressures have placed more attention on the importance of cost efficiency, which some staff believe comes at the expense of social justice-related concerns. Tennant devoted a lot of attention to using artefacts and organizational routines to reinforce and maintain the organization's identity as relating to social justice and concern for the individual. While the use of such artefacts and routines in this way is not novel, what was surprising was the degree of

emphasis the organization placed on them. This is consistent with Gioia et al. (2000), who argue that the durability of organizational identity can be attributed to the stability of 'labels' used by organizational members to express who they are, or what they believe the organization to be. In the case of Tennant/Carewell, we see great emphasis on 'labels', in the form of statues, other symbols, and documents. The use of these material artefacts and textual materials highlights the importance of past practices and achievements in reinforcing organizational identity (Schultz & Hernes, 2013).

We also saw how organizational routines fostered connections among organizational members, facilitating and reinforcing a shared understanding of the organization's enduring attributes (Feldman & Rafaeli, 2002). Specifically, organizational routines such as 'values breakfasts' and reflections on values were used to help the organization reinforce its social justice identity at a time when the organization was under pressure to emphasize goals of efficiency and network-building. Given this pressure, Tennant was required to present an image of being cost-efficient and of managing network relations well, while preserving its identity related to social justice. This can be threatening to organizations like Tennant, given Sinha's (2013) argument that having a stable organizational identity can be an important constant in guiding decision-making.

#### *Approaches to managing identity threats and conflicts*

Using Pratt and Foreman's framework, we now analyze the role of organizational routines and material artefacts as part of the different approaches to managing identities threats and conflicts. As expected, there was no evidence of a

deletion approach being used in the nonprofit context, so we focus on the use of compartmentalization, aggregation and integration approaches.

### *Compartmentalization*

An approach based on compartmentalization appeared to work for a time at Tennant. Financial matters were left to the manager, freeing up caseworkers and coordinators to focus solely on client welfare and social justice issues. This approach enabled Tennant to be responsive to the needs of multiple stakeholders, including government and clients (Pratt & Foreman, 2000). However, as Pratt and Foreman (2000) note, compartmentalization does not facilitate an understanding among organizational members about how multiple identities can work together. We see this at Tennant in conflicts between Carewell and Tennant, with Carewell emphasizing financial management, while coordinators at Tennant were more focused on the social justice identity. This tension over which identity should be dominant led to difficulties in the organization's effort to act coherently (Pratt & Foreman, 2000). Arguably, the singular focus on social justice propagated by the 'labels' used by Tennant did little to reconcile identities. Similarly, the use of budgets had traditionally been viewed as focused too heavily on cost efficiency, and in this way, distracted from core activities, and did little to promote an identity based on social justice. As such, these dominant identities did not lend themselves to being integrated in a meaningful way.

Our findings suggest nonprofits might begin to manage emerging conflicts between different identities using a compartmentalization strategy and, for a time, this may be successful in providing an effective 'buffer' between identities. However, our study shows that where identity conflicts become more salient over time, such an

approach may be unsuccessful. The apparent challenge for nonprofits adopting a compartmentalization approach is to identify when such a strategy seems to no longer be viable, and how it might move to adopt another approach. Building on our findings, future research could examine how nonprofits can successfully identify the need to move from a compartmentalization approach towards other approaches to managing tensions over organizational identity.

### *Aggregation*

At Carewell there was a shift away from compartmentalization, due to the changed environment and increased financial pressure. Program coordinators were required to juggle responsibility for both client care and financial matters, through budgets. This practice aligned with an aggregation approach in trying to forge links between identities based on prudent financial management and social justice. The use of budgets seemed important in driving this shift away from compartmentalization, by making accounting issues more visible, and in so doing, requiring organizational members to make space for an organizational identity that included economic considerations.

For an aggregation approach to be successful, it is helpful for organizations to create a hierarchy by ordering the various organizational identities, so organizational members can see how identities relate to one another (Pratt & Foreman, 2000). We see little evidence in our case of any effort to develop such a hierarchy, as, except for changes to the budgeting routine, other routines (e.g., values breakfasts) and material artefacts (e.g., mission statement, newsletters) focused solely on reinforcing the social justice identity. As a result, there was confusion over the relation between the different identities among organizational members. Given the increasing focus on



nonprofits becoming more ‘business-like’, the use of a hierarchy may be particularly important as staff may feel that long-held and cherished identities are under threat. This was certainly true in Tennant’s case where the need to focus more on financial issues clashed with the organization’s existing dominant identity based on social justice.

Although not evident in the practices at Tennant, we suggest that one way to effectively incorporate new identities within organizations would be to introduce them as being important, but to rank them lower than existing identities. In this way, a nonprofit could potentially adopt new identities with less opportunity for them to be seen to threaten existing identities. However, a potential risk with such an approach is that unless new identities were made explicit, and reinforced, they could quickly disappear, or become subsumed by a dominant, existing, identity. For multiple differing identities to be meaningful to organizational members, the organization may need to ensure these identities are concurrently visible (c.f., Chenhall, Hall & Smith, 2013), i.e., that appropriate mechanisms are in place to reinforce all competing identities to organizational members. For example, in material artefacts, the hierarchy of identities could be made explicit in written documents, or in budgeting routines, for example, by including explicit reference to social justice values, not just financial concerns, through framing the budget as being about serving clients. As these are suggestions, future research is needed to consider the efficacy of these practices.

### *Integration*

Although multiple identities can be managed through the creation of new beliefs as part of an integration approach (Pratt & Foreman, 2000), there was limited evidence of this occurring at Tennant. While there is some suggestion that financial

issues were taken more seriously by some at Tennant, the existing focus on social justice issues and the preservation of those beliefs through the majority of the routines and material artefacts meant many organizational members remained narrowly focused on these issues. The use of informal case management meetings was a routine that enabled employees to find a source of mutual support as they sought to balance competing identities of social justice and being more business-like. The flexibility of these meetings seemed effective in helping staff to engage productively with both social justice and financial pressures. However, this proved problematic because the organizational routines and material artefacts emphasizing the social justice identity to the exclusion of others did not support the development of an integration approach.

## **Conclusion**

In this study, we examined how nonprofits can respond to potential identity threats and conflicts. We extend Pratt and Foreman's (2000) framework by focusing on the role of organizational practices (c.f., Ravasi & Schultz, 2006), particularly a variety of organizational routines (c.f. Feldman & Rafaeli, 2002) including values reflections, budgeting systems and informal meetings, and material artefacts, in helping organizational members to respond to, and cope with, identity conflicts. We also used the concept of identity hierarchies and concurrent visibility (c.f. Chenhall, Hall & Smith, 2013) to understand how nonprofits can adopt an aggregation approach to identity management by creating a hierarchy of identities keeping each of these different identities 'visible' through regular reinforcement.

This study is subject to some limitations. First, while we collected evidence from interviews, internal documents, and public material, we place greater emphasis

on interview data as for confidentiality reasons we were not able to directly reference most of the internal documents. Second, our study occurred over a 12-month period in which environmental pressures had a strong impact on the organization and individuals involved. It is possible the opinions of those individuals may change over time. Third, while we consider our findings are pertinent for other organizations facing identity threats and conflicts, our study took place in a single nonprofit welfare organization in Australia, so future research is needed to examine the applicability of these findings in different types of nonprofit organizations and in different country contexts.

Overall, our study improves understanding of how identity threats and conflicts in nonprofits can be managed, which is particularly important given the common need to manage both social and economic considerations (Young, 2001; Jager & Beyes, 2010; Kreutzer & Jager, 2011). The results may also be relevant more broadly to other organizations seeking to manage multiple, competing identities, particularly as organizations (both for-profit and non-profit) are increasingly operating in more pluralistic contexts characterized by multiple objectives (Denis et al., 2007). In our study we focused on the actual practices nonprofit organizations use to manage multiple identities and, in particular, revealed the important role of organizational routines and material artefacts in facilitating or constraining particular identity management responses. Future research could extend our analysis by examining a wider variety of organizational routines and artefacts and how they influence the management of identity threats and conflicts.

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Table 1

<b>Interview</b>		<b>Duration</b>
<b>Number</b>	<b>Role</b>	<b>(mins)</b>
1	Business Support Director - Carewell	60
2	Program Manager, Tennant	120
3	Acting Program Director - Carewell & Program Manager, Options	90
4	Program Manager - Opportunities	90
5	Administrator - Tennant	90
6	Program Manager – Tennant (2 <sup>nd</sup> interview)	120
7	Accountant - Carewell	60
8	Program Manager – Tennant (3 <sup>rd</sup> interview)	30
9	Co-ordinator/caseworker - Tennant	30
10	Business Support Director - Carewell	90
11	CEO - Carewell	90
12	Co-ordinator/caseworker – Tennant (2 <sup>nd</sup> interview)	75
13	Co-ordinator - Tennant	80
14	Co-ordinator - Tennant	60
15	Co-ordinator/caseworker - Tennant	60
16	Program Manager – Tennant (4 <sup>th</sup> )	75

interview)