

Identity work(s)

*Creating identity-driven employee behavior through effective
identity practices in organizations*

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Abstract

This research examines the adaption of a new organizational identity by employees. The business landscape is changing rapidly, which requires organizations to innovate in order to distinguish themselves from competitors. As a consequence, organizations need to change. Change implies that organizations should reflect on their identity and if needed, revise or change it. In doing so, organizations must undo their existing identity to make room for a new identity. The acceptance of a new identity by an organization can be seen as a process in itself, but it oftentimes co-exists with innovation efforts regarding strategy. In contrast to the existing assumptions, a new organizational identity is considered an innovation in this research. The overall purpose of this research is to examine the dynamics of acceptance of the innovation and thus the new organizational identity, from a process perspective. More specifically, it is investigated to what extent experienced characteristics of an innovation (i.e. relative advantage, complexity, compatibility, trialability, and observability) function as enablers or constrainers for adopting the new organizational identity and how this adoption results in identity-driven behavior of employees.

In this research, a bank located in the Netherlands was used as a case. This case was deemed suitable in the context of this research because the banking industry is currently in transition due to the increasing social- and political pressure to become more transparent and integer. This requires the bank to reflect and revise their organizational identity. During the research, in-depth data was retrieved by observations throughout the entire organization. In addition, individual narrative interviews, and focus-interviews were conducted with in total 16 respondents. These respondents represented different hierarchical and functional levels within the organization of the bank.

The findings indicate how employees experienced the mentioned five key characteristics of innovation. Based on the findings, a model is developed on the assumption that a new organizational identity is considered as an innovation. The model demonstrates that in addition to the five characteristics, there are four other aspects that are crucial for successfully adopting a new organizational identity. These so called prior conditions (i.e. previous practices, felt need, innovativeness, and norms of the social system), influence especially the following experienced characteristics of the innovation: relative advantage, complexity and compatibility. In turn, these characteristics of the innovation either constrain or enable the emergence of dynamics in work practices. When the characteristics of the innovation constrain dynamics in work practices, employees search for observable (observability) aspects of the innovation and form hypothesis about what the new organizational identity could be (trialability). When these characteristics of the innovation enable the dynamics in work practices, employees link observable aspects to the new identity (observability) and experiment with new work practices in order to translate the new organizational identity into their own work practices (trialability). The experienced trialability and observability then facilitate the emergence of identity-driven behavior into identity practices of employees. Combined, all the five characteristics of the innovation influence the decision to adopt the new organizational identity. As became clear in the findings, employees do not adopt the organizational identity as a whole at once, but rather fragmented in small parts. By every new event (intervention) during the process, employees 'discovered' a new aspect of the organizational identity. Therefore, it can be argued that adoption of an innovation in terms of a new organizational identity is a dynamic and cyclical process that requires concrete efforts of actors. These concrete efforts to adopt the new organizational identity are labeled as identity practices.

Introduction

In today's post-industrial economy, the service industry contributes to more than 70 percent of the gross domestic product (Grönroos, 2007). Nowadays, the primary focus lies no longer merely on producing and selling products, but also on delivering services of any kind. However, the business landscape is changing rapidly and the competition is fierce. As a consequence, organizations experience pressure to innovate in order to distinguish themselves from other organizations (Bouten & Morel, 2010; Moon, 2014). Organizations can distinguish themselves by providing service which results in customer value. To achieve this, a strong and solid organizational identity is essential (Bouten & Morel, 2010). However, this requires organizations to reflect on their existing identity and even completely revise it in order to establish a new organizational identity that ensures customer value.

Although many organizations succeed in creating an organizational image by using advertising and external communication, there is often a conflict between image and identity when employees interact with customers. This is due to the fact that image and identity are two different concepts (Gioia, Schultz & Corley, 2000) and it is deemed unclear how to align employee behavior with the organizational identity (Henkel, Tomczak & Wentzel, 2007). This is especially challenging in the service context of organizations where the employees are the ones who have to translate this organizational identity into their daily work practices (King & Grace, 2010).

Understanding is needed about how employees actually identify themselves with a new organizational identity and how they become 'one' with this identity (Ashforth, Harrison & Corley, 2008). In order to achieve this, certain interventions and interactions need to take place. In this research, these interventions and interactions are considered 'identity practices'. These identity practices facilitate the adoption and implementation of the organizational identity into the daily work practices of employees (Carlfjord, Lindberg, Bendtsen, Nilsen, & Andersson, 2010; Choo, 1998; Finkelstein & Penner, 2004; Rogers, 2003). From the moment employees adopt and implement the new organizational identity, they act accordingly and demonstrate behavior that is personally defined in this research as 'identity-driven behavior'. This identity-driven behavior indicates that the employees are 'one' with the organizational identity which allows them to create the desired customer value.

Although a lot of researchers wrote about organizational identity and what it should entail in an ideal situation (e.g. Albert & Whetten, 1985; Ashforth, Harrison & Corley, 2008), not much is known about the process an organization goes through in achieving or creating a strong organizational identity. In addition, new insights are needed in the field of adopting a new organizational identity and the way employees interact with customers (Bouten & Morel, 2010). Furthermore, a knowledge gap appears to exist resulting in questions as: what needs to be done by organizations in order for their employees to adopt a new organization identity and how do identity practices lead to identity-driven behavior over time, that is: translating an abstract idea of organizational identity into the daily work practices of employees? Due to the importance of adopting a new organizational identity and the lack of knowledge leading to these specific questions, this research focusses on answering the following central and underlying question: *'How does the adoption of the organizational identity of employees develop towards identity-driven employee behavior in the organization through identity practices?'*

To answer this question, a descriptive- and explanatory process study was conducted for which a specific case was used; a bank located in the Netherlands. The concerning bank experienced an increasing need to distinguish themselves from others by offering a strong customer value to ensure organizational viability. This perceived need can be explained by the fact that the entire banking industry was, and still is, in a transformation phase due to the increased social- and political pressure to become more transparent and integer. In order to meet this need and to be distinctive from competitors, a new organizational identity was developed. In contrast to known approaches (e.g. Rogers, 2003; Bhattacharjee, 1998; Zaltman, Duncan & Holbek, 1973), in this research the new organizational identity was considered an innovation and its adoption process was analyzed using several characteristics and prior conditions (Rogers, 2003). As described by Rogers (2003), there are five characteristics that influence the adoption of an innovation, namely: the relative advantage, compatibility, complexity, trialability and observability. In addition, there are four prior conditions that are of essential importance to understand why innovations either fails or succeeds, namely: previous practices, felt need, innovativeness, and the norms of the social system (Rogers, 2003). By perceiving a new organizational identity as the equivalent of an innovation, it is possible to assess how these characteristics and prior conditions either enable or constrain the adoption of a new organizational identity.

This research provides a new process theory on the adoption of a new organizational identity by employees. Therefore, the findings of this research provides new insights in how an organizational identity is translated into identity-driven behavior and, as a consequence, customer value can be offered. In addition, this research aims to contribute to the recent literature regarding this research field. Furthermore, this research offers a practical contribution by describing a set of interventions and interactions, the so called 'identity practices', to managers who are concerned with identity changes within organizations. With these identity practices, the organizational identity can successfully be translated into the daily work practices of employees.

Theoretical Framework

1. Adoption within an organizational context

Adoption refers to the decision of an individual or organization to make use of an innovation (Rogers, 2003). Two types of organizational adoption decisions can be identified, i.e. the decision made by an organization and the decision made by an individual within an organization. The innovation is central to adoption. Some authors in the innovation literature consider innovations to be a technology that is 'new to the state of the art', which in essence means having no known precedent (Abrahamson, 1996; Birkinshaw, Hamel & Mol, 2008; Mol & Birkinshaw, 2009; De Leede & Looise, 2005; Kimberly & Evanisko, 1981). Other authors consider innovation as 'new tot the organization' (McCabe, 2002; Van de Ven 1986; West & Anderson, 1996). In this research, organizational identity is considered an innovation which is perceived as an idea that is new to the stakeholders. It consists of a high degree of conceptual uncertainty or represents a scheme with challenges. As a result, the new organizational identity often challenges the existing order and requires an organization to change its operations significantly (Dearing, Meyer, & Kazmeirczak, 1994; Faber, 2002; Rogers, 2003). The adoption of an innovation requires adequate alignment to and consistency with the ideas, practices, behaviors, and structural aspects of an organizational system. Hereby, an innovation is a collective construct.

Whereas the initiation of an innovation may be inspired by one individual, it takes a group of people – an organizational community – to make meaning of the idea and transform it into practice that will be valued and sustained over the long term (Choo, 1998).

Organizational identity as an innovation

An innovation can be a product or a new idea. In this research, the organizational identity is described as the innovation. Although the definition of an organizational identity differs in literature, the definition of Albert and Whetten (1985) is used often. An organizational identity consists of the central, distinctive and enduring characteristics of the organization which are shared by the members of the organization (Albert & Whetten, 1985). It is about the way employees answer the question: ‘who are we as an organization?’ (Ashforth, Harrison & Corley, 2008). According to this definition, organizational identity is defined as: ‘who you are as an organization’ and not only what you ‘pretend’ or ‘want to be’ as an organization. As Bouten and Morel (2010, p.2) state, the organizational identity consists of several aspects: *“the ideology (what it believed in), vision (how it perceived the world), mission and brand promise (what significance it wanted to provide to its customers), unique strength (what is done best), core values (how it wanted to work), and ambitions (when it had redeemed its promise)”*. These aspects together are described in a so called ‘identity certificate’ (Bouten & Morel, 2010). This identity certificate contains the core elements of the new organizational identity.

A new organizational identity could be seen as a strategy or focus which needs to be implemented into the organization (Bouten & Morel, 2010). Considering this, the identity could be the link between the perceived corporate characteristics of the organization (e.g. values, goals, beliefs) and the perceived prototypical characteristics of the employees or ‘group members’ (Ashmore, Deaux & McLaughlin-Volpe, 2004; Postmes, Baray, Haslam, Morton, & Swaab, 2006). Therefore, in a service context, the employees need to implement this into their daily work activities and behavior. Employees have to ‘adopt’ this into their work activities, in order to create the so called ‘identity-driven behavior’. Hereby, employees are ‘living’ the organizational identity.

Prior conditions of adoption

The process of adopting an innovation is determined by the prior conditions of the adopters. These prior conditions are: the previous practices, the felt needs or problems, innovativeness, and norms of the social system (Rogers, 2003). These conditions influence, for example, the perceived characteristics of an innovation, which in turn, influences the adoption of the innovation.

The following definitions of the prior conditions will be used in this research (Rogers, 2003). The previous practices concern the practices that had taken place before the innovation and used at present. The felt needs/problems concern the experienced need for change or the experienced problems to which the innovation could be an answer. Innovativeness concerns the eagerness or willingness to change or to adopt an innovation, and finally the norms of the (social) system concerns the customary way of working and behaving in the work environment.

2. The adoption process

Research on innovation within organizations has focused predominantly on the adoption phase (Drury & Farhoomand, 1999), namely the decision by an organization to make use of an innovation (Rogers, 2003). However, the adoption decision is only the beginning of the ‘innovation adoption process’. This

process can only be considered successful when the innovation is accepted and implemented by organizational members, and when the organization perceives certain benefits or improvements as a result of accepting and implementing the innovation (Bhattacharjee, 1998).

Stages of the adoption process

The adoption process is a sequence of stages a potential adopter of an innovation passes through before accepting a new product, service or idea. According to Rogers (1995, p. 21) the adoption process can be defined as: *“the process through which an individual or other decision-making unit passes from first knowledge of an innovation, to forming an attitude toward the innovation, to a decision to adopt or reject, to implementation of the new idea, and to confirmation of this decision.”*

According to Poole and Van de Ven (1989) and Wolfe (1994) the earliest stages of innovation process are the most critical for the adoption of an innovation over the long term (e.g. awareness and knowledge, attitude formation, initiation). During these early stages of innovation, a structural and interpersonal foundation for sustained change is constructed (Poole & Van de Ven, 1989; Wolfe, 1994). After the decision to adopt the innovation, the implementation stage begins. With respect to the adoption process within organizations, the focus of this research will be on the initiation stage and the implementation stage (Zaltman, Duncan & Holbeck, 1973).

The initiation stage begins when an organization first gains awareness of an innovation. In this stage, the main question of the stakeholders is to which extent there is a match between the innovation and their perceived needs in order to evaluate their readiness to adopt it. In making these determinations, stakeholders weigh the possible risks, expenditures, and anticipated benefits of the innovation (Damanpour, 1991; Day, 1994; Zajac, Kraatz, & Bresser, 2000). A formal decision to adopt the innovation, with the goal of integrating it into organizational operations, is a fundamental milestone of success during the initiation stage (Wolfe, 1994).

The implementation stage is best characterized as a period of experimentation through which innovative ideas are incrementally translated into good practices. During this stage *“the innovation process amounts to social constructivism, in which the perceptions of the organization’s problems and the innovation come together, and each are modified”* (Rogers, 1995, p. 396). The process of adoption occurs thereby on an organizational level and on an individual level (Carlfjord, Lindberg, Bendtsen, Nilsen, & Andersson, 2010).

The adoption process can only be considered a success when the innovation is accepted and integrated into the organization and when the target adopters demonstrate commitment by continuing to use the innovation over a period of time (Bhattacharjee, 1998). In the case the organizational identity is considered the innovation. This means that employees are constantly demonstrating the organizational identity while doing their job in order to continuing the use of the innovation. Therefore, employees who adopted the organizational identity demonstrate a so called ‘identity-driven behavior’ during their job at the organization.

Perceived characteristics of an innovation

Rogers (2003) described several characteristics of the perceived perceptions of the innovation, namely: the relative advantage, compatibility, complexity, observability, and trialability. These perceptions of the innovation affect the evaluation of and propensity of employees to adopt an innovation during the adoption process (Carlfjord, Lindberg, Bendtsen, Nilsen, & Andersson, 2010; Ostlund, 1974; Tornatzky & Klein, 1982; Rogers, 2003). Therefore, these five characteristics influence

the development of adoption of the organizational identity by its employees (Atkinson, 2007; Frambach & Schillewaert, 2002). The mentioned five characteristics will be described in more detail.

Relative advantage. The “*relative advantage is the degree to which an innovation is perceived as being better than the idea it supersedes*” (Rogers, 2003, p.229). The relative advantage explains that the innovation needs to provide an advantage which is better than what already exist.

Compatibility. The “*compatibility is the degree to which an innovation is perceived as consistent with the existing values, past experiences, and needs of potential adopters*” (Rogers, 2003, p. 240). Compatibility explains the fit between the adopter and the innovation or idea which contains three aspects, namely: the existing values and beliefs, the past experiences, and the needs of the potential adopters. The existing values and beliefs describe to what extent the innovation fits the values and beliefs of the adopter. The idea behind the compatibility of the innovation is that adoption will occur or accelerate when the innovation fits the already existing values and believes. The compatibility with the past experience or previously introduced ideas explains that an innovation will be interpreted according to existing ideas of individuals. These existing ideas give meaning to the innovation which is importance since: “*Individuals cannot deal with an innovation except on the basis of familiarity*” (Rogers, 2003, p.243). Otherwise, problems can arise if previous experiences do not fit the new expectations or experiences of the innovation. The compatibility with the needs of potential adopters refers to what extent the innovation is compatible with the needs a potential adopter experience. Potential adopters may not recognize that they have the need for an innovation until they become aware of the new idea and/or its consequences.

Complexity. The “*complexity is the degree to which an innovation is perceived as relatively difficult to understand and use*” (Atkinson, 2007, p. 613; Rogers, 2003). The complexity of an innovation can form a barrier for successful adoption. Potential adopters cannot understand how they can use the innovation. With the aspect of complexity, it is possible that the innovation will be adopted, but cannot be used in the proper way by the adopter. Innovations characterized with a low degree of complexity will be more likely to be adopted. Thus, a low degree of complexity has a positive influence on adoption.

Observability. The “*observability is the degree to which the results of an innovation are visible to others*” (Atkinson, 2007, p. 613). When an innovation is more visible to others, it can help them to adopt. This visibility can serve as a form of ‘proof’ or ‘evidence’ and can highlight an innovation’s relative advantage or reduce the innovation’s complexity.

Trialability. The “*trialability is the degree to which an innovation can be experimented with on a limited basis*” (Atkinson, 2007, p. 613). Trialability refers to the option to test the innovation without direct commitment. Testing the innovation without commitment can help potential adopter to give meaning to the innovation. It can also reduce uncertainty about the innovation.

The role of employees during the adoption process

Approaching the process of adopting an organizational identity as an innovation, implicates that the innovation, hence the identity, has to be adopted by the organization’s employees in order to be

successful. This suggests that all employees should allocate meaning to the organizational identity and should translate it into daily practice for the identity to be adopted in a sustainable and durable manner, within the organizational community (Choo, 1998).

In order to reach a stadium in which the organizational identity will be fully part of the organizational community, it takes another view on the role of employees who participate in the development of the innovation. They are seen as innovators. However, if they are the key players within the organization to 'spread the word', their role changes from innovator to change agent. They have to define and translate the new organizational identity to their own work practice, in order to be an example for the other employees (Rogers, 2003). They have to stimulate the innovation among other employees, with the goal that these employees also will adopt the new organizational identity. However, the certain employee had to be an early adopter themselves first. These employees need to have clear knowledge of the innovation, formed a positive attitude toward the innovation and made a formal decision to adopt the innovation in order to implement the new organizational identity and confirm its decision in work practices (Bhattacharjee, 1998; Drury & Farhoomand, 1999; Rogers, 2003). In this way, vagueness and possible problems concerning the adoption of the innovation by other employees will be prevented.

3. A process framework for the adoption of organizational identity

To gain insight in the process of adopting the organizational identity by employees and to develop a process theory, a hypothesized process framework is used (figure 1). During the process, the prior conditions and perceived characteristics of the new organizational identity as the innovation influence the adoption. Rather than perceptions, the focus lies on situated actors and how they experienced and respond to the characteristics of the new organizational identity in the light of the identity practices (events). Employees adopt the organizational identity which is described in the identity certificate, and is translated into their work practices through the identity practices during the adoption process. Therefore, it emphasizes the influence of both the prior conditions and the experienced characteristics of the innovation to the adoption of the organizational identity.

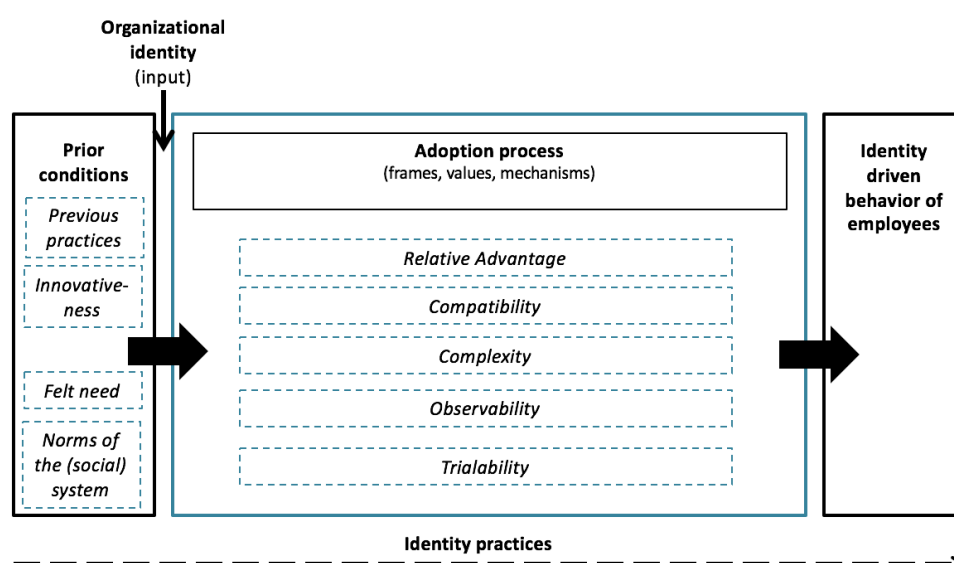


FIGURE 1. PROCESS FRAMEWORK OF THE ADOPTION PROCESS THROUGH IDENTITY PRACTICES.

Methods

1. Research design

Different approaches could be used to understand the adoption process of employees to identity-driven behavior. However, each approach provides a different understanding. In order to gain a rich understanding of the adoption process, a combination of approaches is desired. These approaches are not merely combined, but also complementary to one another (Van den Ven & Poole, 2005). Change – as a result of the adoption of the organizational identity by its employees – could be seen as 1) an observed difference over time in an organizational entity on selected dimensions, and 2) a narrative describing a sequence of events on how development and change unfold (Poole et al., 2000 in Van den Ven & Poole, 2005). In this research, both views were required to gain a full overview of the adoption process as a whole.

Process study

The aim of this research was to get insight in the process of adoption, which develops employees to behave according to the organizational identity (identity-driven behavior). To gain these insights, a process study was conducted. One of the main goals of this process study was to gain understanding in how the adoption of the organizational identity evolved over time and why they evolve in this way (Van de Ven & Huber, 1990 in Langley, 1999). In order to develop a 'process theory', understanding patterns in events is of the essence. These event patterns are about the sequence of phases which occur over time to produce a given result (Burgelman, 1983 in Langley, 1999; Rogers, 1995). In this case, the desired results of the process was the identity-driven behavior of employees, which evolves by different phases of adoption.

2. Data collection

Context

The case setting was a bank located in the Netherlands with 220 employees. There were local offices of this bank in the Netherlands with one head office in a large city. The bank will remain anonymous in this research for the sake of confidentiality.

Due to the crisis in the banking industry and additional, local circumstances that specifically affected this bank, members at this bank felt that their organizational identity was no longer appropriate. The employees of this bank increasingly faced the problem that customers perceived them merely as employees working for any 'regular' bank. As a consequence, the bank did not distinguish itself enough from the competition and its management was challenged to change this. One of the questions the management of this bank recently had asked themselves was how to create sustainable customer value which meets the customer needs, now and in the future? In addition, they also asked themselves the question: what is our (unique) organizational identity and to what extent does this identity enable/stimulate the creation of the desired customer value? In face of these questions, the management team hired a consultancy agency to give advice on their organizational identity. With respect to the organizational identity, an identity certificate was constructed in coproduction with the consultancy agency. The identity certificate pointed out what made this bank unique and which significant role this bank could fulfill in creating value for their customers and other local stakeholders. Based on this knowledge, the bank started implementing a new organizational

identity. To facilitate the implementation, project groups were established that began to reconsider how the new identity could affect the current working practices. The final goal of these groups was to bring the new organizational identity to life in the daily work practice of all the bank employees.

At this point, the process study initiated. While looking at the efforts and responses of employees in light of the identity changes, processes as well as constraining and enabling conditions of identity change could be defined through, what is understood, 'identity practices'. After discussing the data collection and data analysis, these findings are reported and assessed.

Sources of data collection

Qualitative data is one of the most suitable methods to clarify the underlying mechanisms, feelings, and attitudes or perceptions (Babbie, 2007). In order to distinguish the needed information and insights to develop a process theory regarding the adoption of the organizational identity, observations and individual narrative interviews of the members of the organization were needed. The emic results of these methods form the so called 'first order data' (Visconti, 2010). Operational data is collected through the observations of several events during the research period and the different activities of the different work groups. Presentational data was collected through narrative individual interviews, in which the experienced values, beliefs, and sense making processes of the respondents were gathered to gain insight in the perspective of respondents regarding the new organization identity. These processes demonstrate how the respondents interpret information and how facts were personally experienced.

According to Visconti (2010), 'second order concepts' are the genuinely produced interpretations of the researcher on the basis of the first order data. In this case, these concepts were developed by combining the results of the narrative interviews and the field observations. To ensure that the etic interpretations and analysis clearly emerged from the narrative interviews, focus interviews were conducted. These focus interviews were conducted with the same respondents that also participated in the individual/narrative interviews. According to Bryman and Bell (2011), this procedure ensured the credibility of the findings (member check).

In this research, four data sources were used: documents, narrative individual interviews, focus interviews, and observations. These sources were used to assure a thorough understanding of the identity practices as part of the adoption process, the influence of the prior conditions as well as the experienced characteristics of the innovation. Table 1 summarizes the chronology of the research, the focus areas and used data sources.

TABLE 1. PHASES AND DATA COLLECTION TECHNIQUES.

Month	Research focus area	Primary data sources and amount
Dec 2014 – May 2015	<ul style="list-style-type: none"> Context and historical background 	Organizational documents
	<ul style="list-style-type: none"> Developed organizational identity Previous practices, norms of the (social) system (prior conditions) 	Strategy plan of the organization, historical background, agenda's and records of meetings, and organizational identity.
Dec 2014 – May 2015	<ul style="list-style-type: none"> Identity practices and events (process) 	Observations
	<ul style="list-style-type: none"> Perceived need, norms of the (social) system (prior conditions) Relative advantage, complexity, 	Identity practices (events) and 12 meetings with different work groups.

	compatibility (characteristics of the innovation)	(findings presented in table 3)
June 2015	<ul style="list-style-type: none"> • Identity practices and events (process) • Stories and underlying mechanisms (adoption process) • Previous practices, perceived need, innovativeness, norms of the (social) system (prior conditions) • Relative advantage, complexity, compatibility, observability and trialability (characteristics of the innovation) 	<p>Individual (narrative) in-depth interviews</p> <p>16 employees incl. management board, section leaders and operating employees.</p> <p>(findings presented in table 3)</p>
Sept 2015	Adoption process and its phases (member check), enablers and constrainers of adoption, identity-driven behavior.	<p>Focus interviews</p> <p>2 groups of 8 employees, same respondents as the individual interviews.</p>

Documents. A variety of documents were analyzed to gain insight into the context of the organization, the historical background, and the organizational identity. Furthermore, meeting agenda's and records were obtained to get insight in the organized identity practices and discussions. The variety of data provided insight in the strategy the bank used to implement the organizational identity and how change unfolded over time within the bank.

Observations. One of the goals of a process study is to gain understanding in how things evolve over time (Van de Ven & Huber, 1990). Insight in this process was gained by conducting several observations of meetings regarding the adoption of the organizational identity by its employees. Therefore, a completely unstructured method of observation was used, in which the natural setting forms the environment of the setting (Cooper & Schindler, 2014). As stated, the observations were conducted in an 'event sampling'-manner, because the observations were only conducted during events regarding the adoption process. In these cases, events were for instance the meetings of the formed project groups to implement the organizational identity.

Individual interviews. Van de Ven and Poole (2005) argue that, in order to move from surface observations to a process theory, the research need to be descriptive as well as explanatory. Therefore, explanation requires a 'story', and stories could be understood as process theories (Czarniawska, 1998; Pentland, 1999). The individual narratives of employees will give insight in why the adoption of the organizational identity evolves in this way (Van de Ven & Huber, 1990). In narrative theory construction, the story is an abstract conceptual model which identifies the underlying mechanisms in the organizational work-context (Van de Ven & Poole, 2005). These mechanisms influence the observed events in the organizational context, and show the particular circumstances or contingencies when these mechanisms operate (Tsoukas, 1989 in Van de Ven & Poole, 2005).

Using this method of sense making, the different viewpoints of each member of the organization in the process were studied and presented (Langley, 1999). The variety and richness of the events which were described and the linkages between them, conveyed a high degree of

authenticity (Langley, 1999). Therefore, the method of narrative interviewing made it possible to get insight in the used frames, values, etc. of employees, which are ‘under the surface’ and influence the extend to behave identity-driven. In order to conduct a process study in a narrative fashion, the stories included the following aspects: the sequence in time, focal actor(s), identifiable narrative voice, an evaluative frame of reference, and other indicators of content or context (Van de Ven & Poole, 2005). Appendix A shows the corresponding narrative interview guideline.

Focus interviews. The focus interviews consisted of two parts. At first, the respondents were asked to reflect on the adoption process and therefore the prior conditions and experienced characteristics of the organizational identity. In order to make the process visible, a timeline was developed which showed the events of the adoption process as mentioned during the individual interviews. During the second part, the respondents were asked to describe how the desired identity-driven behavior of an employee looks like, and whether the employee thinks they have adopted the new organizational identity of the bank. Appendix B shows the guideline for the focus interviews.

Respondents

The interviews were conducted with 16 respondents from different levels in the bank (table 2). The 16 respondents were divided into two groups. The first group contained employees that were involved from the beginning of the identity development process and had an explicit role in embedding the new identity in the organization. The other group of employees did not have this explicit role and/or experience. The respondents were randomly selected, within each level in the organization. The group of employees with an explicit role was relatively small due to the fact that only a small number of employees were involved with the imbedding. The group of respondents that represented the higher management level(s) was relatively smaller than the group that represented the ‘operating level’. Overall, the respondents were chosen in such fashion that they formed a representation of the bank as a whole.

TABLE 2. RESPONDENTS OF THE RESEARCH.

<u>Level in the organization</u>	<u>Number of respondents</u>	
	<u>Employees with explicit role</u>	<u>Employees without explicit role</u>
Management board	2	-
Section manager	2	2
Operating employee	4	6

Since there were two types of respondents, the employees who were early involved in the identity development process and the employees who later involved, two groups were formed because the respondents in each group had different experiences and knowledge about the organizational identity during the adoption process.

3. Data analysis

The aim of the process theory was to show how the adoption of the organizational identity evolves over time (process). Also how the experienced characteristics of the innovation and the prior conditions are enabling or constraining the adoption of the organizational identity into work practices.

In order to analyze the obtained data from the individual narrative interviews, the interviews needed to be transcribed first. Subsequently, the data was analyzed by the coding strategy, which develops in sequential stages (Strauss & Corbin, 1998). In the first stage, *open coding* was used to select different categories of text that were, in turn, distinctively labelled. During this stage, the several chapters of the narratives of the respondents were identified. *Axial coding* was used to connect the different textual categories (chapters), which were the result of the first stage, to each other. In this way, the categories were classified and rephrased (Strauss & Corbin, 1998). During the last stage, new categories were formed during the process of *selective coding*, according to the experienced characteristics of the innovation. Hereby, the most important events from the narratives of the respondents were the categories, and the experienced characteristics of the innovation the codes. During the last stage, the results of the different individual interviews were compared to each other to identify the similarities and differences in their experiences, the phases of the adoption process, and the experienced characteristics of the innovation.

4. Evaluating the research design

Trustworthiness. The criteria trustworthiness is reached in this research by credibility, transferability, dependability, and conformability (Bryman & Bell, 2011). At first, credibility is reached through respondent validation; during the focus interviews the different respondents reflected to the results of the individual interviews, and confirmed the interpretations of the researcher (triangulation). Second, transferability was reached through a detailed description of the context, events and the (social) norms of the system. Because the described 'prior conditions' were an important part of the research, these aspects were described specifically in order to consequently interpret the underlying mechanisms and frames of the employees during the adoption process. Next to this, an analytical framework (appendix C) was used with extending information about what was understood by the different parts of the adoption process. Third, dependability was reached through the auditing approach; during the whole course of the research records were kept of interviews, notes and data analyze decisions. In addition, two different peers were involved to make sure that the mentioned procedures of the research method were followed properly and to decide which theoretical inferences could be justified. Fourth, confirmability was reached through justifying the interpretations and choices that were made during the research. A team of two auditors who participated through the whole research period also looked for objectivity of the researcher.

Authenticity. The criterion of authenticity was reached in this research by fairness and ontological authenticity (Bryman & Bell, 2011). At first, fairness was reached through the different respondents (16) who participated in the research, in order to reach a represented view of all the employees. The respondents varied in characteristics, like age, experience, function within the organization. Second, ontological authenticity was reached due to the fact that this research process itself helped respondents to get a better understanding of their organization. This was achieved through the focus interviews and the presentation of the research findings after completion.

Findings

Before the timeline of the adoption process with all the events is given, the prior conditions are identified first. As will be clear later on in the described timeline of events, the prior conditions – previous practices, norms of the (social) system, experienced need, and innovativeness – are influencing factors throughout the whole adoption process. The prior conditions describe the broad context of the organization which gives input for the way employees experience the characteristics of the innovation during the adoption process.

1. Prior conditions of the adoption process

Previous practices

The previous practices were based on how the banking sector operated in the last 10-15 years. Over the years the role of a bank changed due to changes in society (e.g. customer value changed, ICT developments, substitutes of banks, knowledge and expertise of the bank). The crises and the scandals in the banking sector also changed the way of working. Internal processes became more important and gained more attention. To anticipate on the crisis and the different scandals, the rules and regulations were tightened and stricter than before. In addition, the bank was required to be more transparent than in the past.

Norms of social system

The focus on internal processes made the system of the bank stronger, but also more work intensive. Furthermore, the way of standardizing to reduce workload, gaining control, and using a system which treats all customers more equally are part of the norms of the (social) system of the organization. Creating a system that reduces risks and standardizes the way of working could benefit the customer in many ways, but this internal focus of the organizational is not the same as creating customer value.

Experienced need

The way the 'outside world' thinks about banking in general became more negative over the last years. This negative way of thinking also affected this particular bank in terms of representing their value for customer. So the question arose: what can we do to make customers realize and experience what we, the bank, can mean and do for them? The bank performs well at the moment, but wanted to continually improve and articulate this to customers. Another question that arose was: which customer value can we, as a bank, give to our customers, now and in the future. Furthermore, the management of the bank also wondered if customer value was the same as customer satisfaction. These questions demonstrated the experienced need of employees for a new organizational identity which states why, what and how you will create customer value now and in the future. Although this need was present, it was not experienced by all the members of the organization.

Innovativeness

The innovativeness of the organization could be divided into two aspects. The first aspect is the way the bank is innovative in how they develop products and the way they are innovating in their system. The second aspect concerns how innovative they due to changes in their own system. Identity changes typically fall into this second category because they concern changes of the social system of an organization. The participated employees describe that the bank is quite innovative in their

products, but is less innovative when it concerns the system. As an employee stated in typical Dutch: *“Schoenmaker, blijf bij uw leest.”* (Respondent H). This statement is a familiar Dutch saying which means that one must do what one does best and is accustomed to do. To elaborate, this respondent said: *‘We are doing the best in banking, but guiding organizational identity practices is what the consultancy company does best.’* (Respondent H), or *“We are good in what we do, but this identity process is something else.”* (Respondent C).

2. The relationship between events and the experienced characteristics

During the adoption process, several *events* had a relation with the characteristics of the innovation as described by Rogers (2003) and the way they were experienced by the employees. Both are shown in table 3, and a visual timeline of the process of events is shown in appendix D. The findings are presented as second order data, supplemented with first order data.

TABLE 3. THE RELATIONSHIP BETWEEN EVENTS AND EXPERIENCED CHARACTERISTICS OF ADOPTION DURING THE ADOPTION PROCESS.

Events	Experienced characteristics of adoption
<p>Starting point (November, 2014)</p> <p>The development process of the organizational identity was based on the question found in the ‘culture program’ and asked by the managing board: ‘how to measure customer value?’ In collaboration with a consultancy agency it was found important to have a clear value proposition in order to measure customer value. This value proposition had to be developed as part of the new organizational identity.</p>	<p><i>“The bank is performing well on many aspects. But how can you create a superior customer value as a bank? You can measure a Net-Promoter-Score, but this merely indicates how good the bank is doing compared to others and the downside is that this only can be measured at the end. And then what? We were looking for more. We invited several parties and one of them put us on the track of the ‘why’ and where you stand for as a bank. And: what are your drivers? Which customer promise do you want to make?”</i> (Respondent A).</p> <p><i>“If you want to determine customer value, then you will represent your value as a company to a customer. So what is our customer value? If you want to do something, you have to know what you are now. So what is your identity? There are several measurement systems for financial stability, and productivity. But the term customer value, how do you measure that? If a customer says the bank is doing great, I give you an 8, or what a crappy bank because they could not get the fund. This both says nothing about the bank itself.”</i> (Respondent E).</p> <p><i>“We have tried to give an answer on the question what we stand for as a bank, but that is quite a challenge...”</i> (Respondent H). These quotes demonstrate the experienced need for a new organizational identity.</p>
<p>Two-day training (December, 2014)</p> <p>After starting questioning the value proposition of the bank, a two-day training was organized for a select group of employees (so-called ‘front runners’) that formed a representation of every department within the bank. During these days’ employees gained awareness of the need and the strength of a strong organizational identity. This training was seen as a preparation for the employees to find and describe a new organizational identity.</p>	<p>The employees who participated in the two-day training, stated that the asked questions by the consultancy agency made the ‘experienced need’ clear. The next step was to start developing an organizational identity certificate.</p> <p>During these days, the compatibility was experienced among this group of employees, because they experienced that different groups gave practically identical answers on questions regarding the construction of identity certificate among. <i>“The second day we worked in other group compositions than the day before. And out of the different groups the different groups came to similar outcomes. Then I thought: this is nice. I get new energy again when I talk about it.”</i> (Respondent F). Also the relative advantage became clear about the process: <i>“I realized that we as a bank can give quite some meaning and value to our society and environment.”</i> (Respondent D), and the content: <i>“Identity is the compass of what the bank will stand for in the coming period.”</i> (Respondent E) of a strong organizational identity.</p>
<p>Identity week (January, 2015)</p> <p>During the identity week, various interviews were conducted with several representative stakeholders in order to get a clear view on how</p>	<p><i>“I was at an employee session during this identity week. I found it important to have conversations about it.”</i> (Respondent M). There was <i>“much input of many sides for both, customers as employees. It was exiting what the result would be of the week. But I found that it became close to what we discussed during the two-day training.”</i> (Respondent</p>

they experienced the current customer value and the potential value of the bank. Hypotheses, future prospects and knowledge about the future value of the organization were tested.

H). During the identity week, the new organizational identity was developed. These processes increased the **need** and **relative advantage**.

Development and presentation of the organizational identity certificate (January, 2015)

Based on the output of the identity week an identity certificate was created. At the end of the week, the developed identity certificate was presented to the stakeholders and in particular to the employees of the bank.

After this *presentation* of the organizational identity certificate to different stakeholders and the employees of the bank, a difference in experienced characteristics of the innovation was found between the ones who participated in the development of the organizational identity during the two-day training, and the employees who did not participate in the two-day training. The employees that participated were already a bit familiar with the organizational identity since they discussed about it. They were questioned by the consultancy agency and did get help with constructing the organizational identity: *"We have been included in those two days, which makes a difference. We have lived it through."* (Respondent H). During this period, the **relative advantage** of the organizational identity (the innovation) became clear for the ones who participated: *"Now it is clear for everybody what the outcome is and we want to achieve."* (Respondent G), but the **relative advantage** remained unclear for the employees who did not participate: *"I found it a little bit fuzzy. What is exactly the point? What are we going to do differently tomorrow?"* (Respondent O).

In addition, the compatibility differed among these groups. For the group who participated in the two-day training, the development of the organizational identity certificate was **compatible**: *"I was proud about the content that was presented."* (Respondent A), but for the ones who did not participate in the two-day training, the compatibility to the organizational identity was unclear. Furthermore, the description of the identity certificate resulted in an increase of experienced **complexity**: *"It was a lot of text, but I could not see what it meant concretely."* (Respondent P). As a consequence, the description of the identity certificate was not quite clear to those who did not participate in the two-day training and these participants experienced it as 'a lot to swallow'. However, for the ones who participated, the description was clear and therefore not complex. At the end, the **complexity** about what the new organizational identity implies for work practices was high for both groups: *"It is well written, but what does it mean concretely?"* (Respondent I), *"I totally agree with the new identity, but it is not yet sharp enough what we are actually going to do."* (Respondent C). During the presentation, a positioning model was used with several quadrants in order to make the organizational identity meaningful to the employees and the work practices of the organization. This model reduced the complexity for the employees in general; *"It was a lot of text, but the presented quadrant, that was something what we could use concretely."* (Respondent K).

Start project groups/team meetings (February - June, 2015)

After the presentation of the organizational identity, a project group was formed in order to embed the organizational identity successfully in its organization. Based on a strategic model, they focused on the following themes which needed the most attention or resulted in the biggest advantage(s): service, drivers/motivation, leadership, and results (how are we going to measure the new identity?).

The newly formed project group started to translate the organizational identity certificate into a so-called *finish-photo*, which contained a clear image about where the bank would stand in 2020 (a 5-year program). This finish-photo should contain measurable outcomes of the new organizational identity certificate, and was created to quantify the new organizational identity, to translate it into work practices, and to function as a compass for future choices. They also collected data about best practices of the new organizational identity. In addition, they also thought about how current products and services could be improved and which new services should be created according to the new organizational identity.

The project group started after the presentation. In addition, some specific events were mentioned. For example, the *team discussions*. During these discussion moments, the outcomes of the organizational identity were discussed within each team, and different reactions of colleagues and questions about how to implement the organizational identity were appointed.

For example: *"We looked at the biggest annoyances of customers and what we could do about it. We have an active case to which we are looking for what we can improve... Also we looked at what services we can expand and develop."* (Respondent D). Others gave meaning to the organizational identity in different ways, for example: *"You have to keep it alive and just start with it and make time to create the finish-photo"* (respondent A). or: *"And the finish-photo, we are working on it, but it is not yet keen enough. It is nice what we have now, but it can be much more powerful."* (Respondent C). In this case, the employees experimented with possible outcomes of the new organizational identity in their work practices (**trialability**) and were able to give meaning to different parts of the organizational identity. The ability to give meaning to the different parts of the organizational identity reduced the **complexity**.

Communication activities (February - June, 2015)

Using the internal web of the organization, several messages went through the organization about what the organizational identity could implicate.

"There were many messages on the internal communication platform about activities in which we could participate. That is nice, but I do not see how I can relate the new organizational identity into my own work practices." (Respondent J). *"What does activity X have to do with our core business? I see the value, but we have to combine them in a correct way to make it strong and natural."* (Respondent C). *"I saw a good example on the communication platform to which we could subscribe. I saw that this was related to the new identity because I knew, but it was not connected to the identity on the platform. So my colleagues did not know it was part of the new identity. That was unfortunate."*

(Respondent F).

These quotes describe the **observability** and **trialability** of the organizational identity. Employees were confronted with messages and activities. They questioned 'if' and 'how' these messages were connected to the organizational identity. They also tried to see what it could imply for their work practices or for the bank as a whole. To embed the identity into work practices, employees search for observable examples and make hypothesis if something is going to work or not (important step for the adoption of the innovation).

Identity booklet (March, 2015)

After the presentation and the start of project groups, a booklet about the organizational identity was developed and spread among all employees.

"A booklet was published of the organizational identity with stories of employees. This resulted in different reactions of employees. Not everyone thought that the stories in the booklet represented the overall opinion of all employees. I personally think it is a good booklet." (Respondent D). **Observability** was present in the sense that there were some examples in which the new organizational identity could be linked to work practices.

Management session(s) (April, 2015)

A management session was planned about the strategy and implementation of the organizational identity in the bank.

Besides the project group, an extra management session was planned about the strategy and implementation of the organizational identity in the bank: *"We have talked with management team (MT) about how the role of the MT-members had to be filled in during the identity process. We have to ensure that the MT members are engaged within the whole process."* (Respondent B). At first, it seemed a quote about the process, however embedded in this quote lays the question of which roles the MT-members should have according to the organizational identity (**compatibility**). This also implies good understanding of what the organizational identity means in different practices (**complexity**).

Mirror gallery (April – May, 2015)

A mirror gallery was organized by the headquarters and was part of the original culture program. The mirror gallery was combined with the new organizational identity and showed results of how employees and other stakeholders saw and experienced the bank.

"The mirror gallery... this was the feedback of customers and personnel... everybody made a personal vision for the organization based on what was presented in the mirror gallery. I was shocked about the quantity of internal focus." (Respondent O). A simple quote, which state something about the **compatibility** of the stakeholders to the organizational identity because of the 'unexpected internal focus, which according to this respondent, did not fit to their experience of it. *"With the employees we've looked at the mirror gallery. We had the assignment to ask employees what they thought about the feedback that was presented during the mirror gallery. In addition, we had to fill our own response to the mirror gallery into a speech balloon. This we discussed during the team meeting... It was a nice way of creating awareness."* (Respondent J). By discussing the meaning of the organizational identity, the understanding of the organizational identity increased while, as a consequence the **complexity** was reduced. This was not only the case for one specific employee, but for entire teams and their work practices.

A (cancelled) staff meeting (May, 2015)

A staff meeting was planned in order to share experiences and to set directions for the future. However, this staff meeting was canceled last minute.

At the end of the research period, a planned staff meeting about the organizational identity was canceled, which caused different reactions among employees. The ones who were involved in the adoption process understood the decision of the cancellation: *"I think the cancellation of this meeting is not a bad thing. Through reflection on the process, you get stronger."* (Respondent C), and the other ones couldn't quite understand the decision and therefore questioned the importance of the project. *"Quite a lot of energy was invested in this event, I think it is not done to cancel this so last minute."* (Respondent L). This shows the difference in the **previous practices** because the employees that were early involved saw the benefit of rescheduling, and the employees that were later involved did not see the benefit or rescheduling.

3. Experienced characteristics of the innovation

In order to gain insight into the experienced characteristics of the innovation, data of the individual narrative interviews, focus interviews, and observations were combined. This offers an overview on the characteristics of the innovation and how they constrain or enable the adoption process.

Relative advantage. The relative advantage was directly related to the experienced need as an aspect of the prior conditions. The relative advantage was measured by the experienced advantage of the new organizational identity compared to current practices. The distinction between the process and content are important in this aspect. For most employees, the relative advantage of the process was clear. Based on previous practices, employees estimated the value of the identity process. Employees stated that the process was needed in order to create a strong organizational identity for future successes of the bank. For the employees who were early involved, the relative advantage of the content was also clear. The new organizational identity stated the 'why, how and what' about the customer value of the bank. One of the reasons the relative advantage of the new organizational identity content was not clear for all employees, was because of the chosen words in the brand promise. The brand promise of the bank contained 'a colored term'. What is meant by this, is that it included a specific term that was used before in the light of previous practices. This term had a specific frame and thereby a specific association. Although this term was now used in a different context, many employees automatically associated the brand promise with previous practices and wondered: 'what is new?' However, the meaning of the new brand promise now was different than in previous practices. This was clear for the employees who were early involved in the process and had the two-day training, but unclear for the employees who were later involved and did not have the two-day training. During the process, the words of the brand promise were reframed into a different meaning in coherence with the new organizational identity. However, proper translation of the reframed words to other employees was held off. Therefore, the relative advantage remained unclear for a group of employees who remained associating the specific words with previous practices instead of the new organizational identity. To summarize, the aspect of 'naming the innovation' directly relates to the relative advantage and also to the compatibility of the new organizational identity.

Compatibility. The compatibility was measured according to the experienced match between the new organizational identity and how the employees experienced: themselves, their work practices, and the bank. The prior conditions had a major influence on how the compatibility was experienced. As stated before, the rules and regulations within the banking sector were tightened up due to the financial crises and scandals in the entire financial sector. However, the new organizational identity implied more latitude in work practices for employees. Therefore, it seemed not directly compatible with the previous practices (or the system) according to the experiences of employees. New questions arose about how the new organizational identity relates to the existing system and (social) norms. To most employees, the new organizational identity was compatible to what the organization could look like in the future. Employees also stated that the organizational identity was compatible with them as a person. However, given the fact that this bank is part of a bigger (inter)national banking organization, employees questioned if the new organizational identity was compatible with future plans of the headquarters of the (inter)national bank. They expected some changes of the

headquarters in the future and could not assess if this would be compatible to the way the organizational identity was given form for their (local) bank.

Complexity. The level of complexity could be divided into two aspects. First, the understanding of what the new organizational identity contains. Second, the understanding of what the new organizational identity implies for the work practices of employees. Combining the different parts of the individual narrative interviews gave insight in the way complexity of the organizational identity was experienced among employees.

The employees who were early involved did not experience the identity certificate, that described the organizational identity, as complex. The consequence was that these employees also did not experience the organizational identity itself as complex. However, employees who were later involved stated to have had more difficulties understanding the identity certificate and therefore the organizational identity. Although these employees understood the meaning of what was described in the identity certificate, they could not give meaning to the described organizational identity and what this identity could imply for their (future) work practices. However, the experienced complexity increased for both the early involved as the later involved employees after the organized events took place (i.e. the booklet, the mirror gallery, and the team meetings). One of the reasons the overall experienced complexity increased is because these organized activities offered a lot of options of what the organizational identity could imply, but did not translate these implications to employee work practices. As a consequence, the organizational identity remained vague and therefore complex for a long period of time.

Trialability. According to the results of the individual narrative interviews, the trialability was difficult to understand for participants. The participated employees were asked if they experienced they could 'try out' the new organizational identity in their work practices without direct consequences, like taking a test-drive with a car. During the interviews it became clear that they are not used to think like this concerning the organizational identity, or in general. According to the employees, an identity is something you 'have' and is like a 'fact'. This ruled out the option of trying without consequences. However, based on the results of the narrative interviews and observations it became clear that employees actually do create hypothesis about potential outcomes and effects of what the new organizational identity could be. This could also be seen as a form of trialability. However, employees did not experience it as trialability in their actual work practices.

Observability. The observability was measured with examples of employees about what they experienced in accordance with the organizational identity. Employees saw different events and actions, such as for example new projects, which they related to the new organizational identity. However, the concerning events were not actually connected to the new organizational identity. So employees are interpreting different events in their current work practices as an example of the organizational identity, even when they were not 'officially connected' to it.

Accordingly, if the new organizational identity is experienced as complex by the employees, they tend to search for answers and meaning in their (work) environment. The experienced observability becomes more relevant at that moment. Employees link possible meanings or events to the new organizational identity, to form the experienced observability of the innovation in order to reduce complexity and understand the identity. So employees look for observable examples to see if

they have perceived the new organizational identity in a correct way and to see how they can implement it into their own work practices.

The findings demonstrate how the five experienced characteristics (i.e. relative advantage, compatibility, complexity, trialability, observability) enabled or constrained the adoption of the new organizational identity by the employees. It shows the coherency and dependence between the prior conditions and experienced characteristics. The experienced relative advantage is especially influenced by the perceived need and previous practices as part of the prior conditions. The experienced compatibility is especially influenced by the norms of the (social) system and also the previous practices. After all, the experienced relative advantage, complexity and compatibility of the innovation seem to be either constraining or enabling identity (work) practices. The experienced trialability and observability then contribute to apply the identity-driven behavior into work practices of employees. Combined, all the five characteristics of the innovation together influence the decision to adopt the new organizational identity.

4. Evolutionary cycles of the adoption process

A process model emerged from the analysis of the findings. This model depicts a cyclic character of the adoption process of the organizational identity (figure 2).

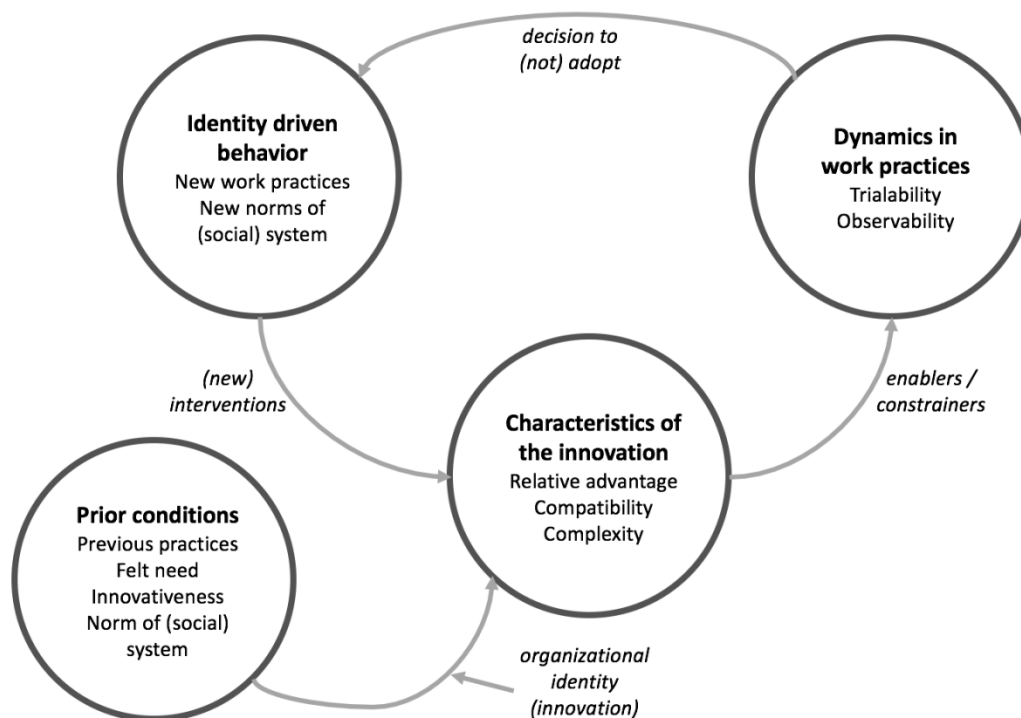


FIGURE 2. A PROCESS MODEL OF IDENTITY ADOPTION IN ORGANIZATIONS.

From prior conditions to characteristics of the innovation

As suggested in the findings, an organization has its own influencing prior conditions which direct the experience of the new organizational identity as an innovation. This happens through the characteristics: relative advantage, compatibility and complexity.

Within the prior conditions, the way previous practices were experienced, shaped the felt need for the new organizational identity. The difference in previous practices was especially seen within the group of respondents. Those who were involved early in the process, experienced their previous practices differently than those who were later involved in the process. With respect to the latter group, the need to innovate was not or only partially present. Because these prior conditions influence how the innovation is experienced by the employees, it has influence on the entire adoption process.

From characteristics of the innovation to dynamics in work practices

The way the characteristics of the innovation, thus the new organizational identity, are experienced by employees influences the dynamics within work practices. In the first stage of the process, the relative advantage, the compatibility, and the complexity are especially important since these factors, in turn, influence the observability and the trialability in work practices (see figure 2).

If the characteristics of the innovation are clear to the employees, they are also able to see examples in their work practices which connect to the organizational identity (observability) and see opportunities to try out in their work practices (trialability). These steps are positively connected to each other. The characteristics enable the translation of the innovation to their work practices. Otherwise, if the characteristics of the innovation are unclear, employees are not experiencing the relative advantage of it, do not get what is meant and certainly do not experience the compatibility. As a result, it is hard for them to see examples of the organizational identity in their work practices (observability) and they do not feel the freedom to try out (trialability). Or they waited for examples to see what the new organizational identity could possibly contain. In this case, the experiences of these characteristics constrain the translation of the innovation into their work practices.

From dynamics in work practices to identity-driven behavior

If both stages before – characteristics of the innovation and the dynamics in work practices – are positively experienced by the employees, new identity-driven behavior follows due to the decision to adopt the new organizational identity. Therefore, new work practices according to the organizational identity will emerge, and the norms of the (social) system will change according to the experienced norms of the prior conditions.

A cyclic process of adoption

As became clear in the findings, employees do not adopt the innovation as a whole, but in small steps or parts. With every new event during the process, employees 'discovered' a new aspect of the organizational identity. Therefore, a new cycle within the adoption process begins: new interventions influence the characteristics of the innovation which are depended on the experienced prior conditions. The experienced characteristics are enabling or constraining the innovation in their work practices and these influence the decision to adopt new information about the innovation, and translated into (new) identity-driven behavior of the employee. The efforts that were made in the form of interventions and actions are the identity practices through which identity-driven behavior will be established.

Conclusion

As part of the research, document analysis, observations, individual narrative interviews, and focus interviews were conducted. The findings of these data sources gave much insight in how the adoption process of the organizational identity develops (figure 2). The way the characteristics of the innovation were experienced, the influence of the prior conditions during the adoption process, and how these factors enabled or constrained the adoption through the identity practices.

As a conclusion of this research, the adoption process of the organizational identity as the innovation can be seen as a cyclic process. The way different stages in the process are combined show that these processes cannot be seen as static. Especially in a dynamic organizational context in which several actions are taken and interventions are made, the cyclic process continues.

According to the findings, the prior conditions and characteristics of the innovation are the underlying mechanisms which influence the adoption of the organizational identity. Also, the findings indicate that a shared experience of need at the start of initiating the new organizational identity is very important. The importance of a shared experienced need is emphasized by the difference in experiences between the two groups of employees. Both groups of employees felt the necessity to appear 'good' towards the external environment and the customer. However, employees who were early involved experienced a clear necessity to adopt and implement the new organizational identity in order to achieve customer value. This necessity was strengthened over time due to the fact that these employees participated in the organized activities and had the opportunity to ask questions. In contrast, the employees who were later involved experienced no clear necessity and therefore did not see the value of achieving customer value by implementing the new organizational identity. Mapping the prior conditions on beforehand and creating a shared need have a major influence on how the characteristics of the innovation are experienced which enables successful adoption of the organizational identity.

Although the actions or interventions seem to be direct enablers or constrainers at first sight, the way the characteristics of the innovation are experienced were proven to be actual enablers or constrainers for adoption. At first the relative advantage, complexity and compatibility give employees insight and meaning of the content. To subsequently translate these new insights into the work practices of the employees, trialability and observability were found to be important. The trialability and observability provide employees examples and situations in which they could 'try out' different actions according to the organizational identity. So if the first characteristics are experienced positive, it enables dynamics in work practices and therefore adoption of the innovation. The contrary, if the characteristics are experienced negative, it constrains the dynamics in work practices and therefore no adoption of the innovation. At the end, both the first characteristics of the innovation (relative advantage, complexity, and compatibility) and the dynamics in work practices (trialability and observability) are important in order to translate the organizational identity into identity-driven behavior of the employees.

Discussion

The research started with a specific theoretically driven question, namely how an adoption of an organizational identity unfolds, what factors constrain or enable influence the adoption and how the adoption process looks like over time? In using the literature on the adoption of an innovation –in this

case a new identity-, a broad inquiry was done to get new insights in these organizational processes, what the underlying mechanisms are and how the frames of the employees influence the whole process of adoption. The inquiry was done by several observations, individual narrative interviews and focus interviews with employees.

In this part of the research, which draws further on the theory, a short reflection is taken first in order to get more insight in the process and stages of adoption in the specific context of an organization. Next the theoretical contribution of this research, the limitations and further research is described.

1. Reflection on the adoption process

Stages of the adoption process

As stated in the theoretical framework, different stages of the adoption process could be distinguished (Zaltman, Duncan & Holbeck, 1973). However, as the findings of this research demonstrate, there do not seem to be such distinguishable stages. For instance, the initiation stage, that finishes with a decision to (not) adopt the innovation, is not distinguishable from the subsequent implementation stage. It appears that the adoption process is dynamic and it seems that the different stages merge into each other during this process. As a consequence, the stages are not distinguishable from one another. In addition, the research findings indicate that the organizational identity, as the innovation, is not adopted at once, but rather incrementally in small parts at a time. It seems that, during the adoption process, there are multiple sequences of 'initiation' and 'implementation' at the same time.

After presenting the organizational identity to employees, the process of adoption started. This process resulted in several decisions concerning the adoption of the new organizational identity. It appears that, depending on new interventions during the process, employees develop new insights about aspects of the new organizational identity and search for observable examples. The incremental steps of adopting the new organizational identity shapes the process of translating the new organizational identity into identity-driven behavior of employees.

Influencing factors on adoption

As the findings demonstrate, the employees indeed translated the organizational identity into their work practices in an incremental way. It appears that, if employees decide to adopt the organizational identity as an innovation, the adoption occurs step by step and not at once. These steps are highly influenced by the prior conditions. As shown in the findings, the employees who were early involved in the process of the organizational identity, were more likely to adopt aspects of the organizational identity compared to employees who were later involved. Overall, the employees had the same previous practices, but the experienced 'norms of the (social) system' changed for the employees who were early involved. This is because they were involved from the beginning of the process, these employees shared the same need and had a shared view on the experienced need and what the future value of the organizational identity could be. So the new insights they developed, made it possible to think more 'outside the system' and see the possibilities in their work practices. For the employees who were later involved, the 'norms of the (social) system' made it almost impossible to see the possibilities and future value of the innovation. These prior conditions will influence the adoption process all the time, because they influence the way the characteristics of the innovation –

relative advantage, complexity, and compatibility – are experienced, every time they achieved new information as a result of new interventions.

To conclude, the prior conditions are found to be important underlying mechanisms. Especially because they influence the used ‘frames and values’ to guide (identity-driven) behavior and work practices. In turn, these mechanisms influence the experienced characteristics of the new organizational identity. Combined, the prior conditions and experienced characteristics influence the adoption of the new organizational identity by employees.

2. Theoretical contributions

As described in the introduction Henkel, Tomczak and Wentzel (2007) explained that there is often a gap between organizational identity and employee behavior. In addition, it is quite a challenge to align employee behavior with the organizational identity. Using the theory of adoption, this research contributes by giving insights in the underlying mechanisms of aligning employee behavior with the organizational identity. In comparison to the adoption theory of Rogers (2003), the innovation central in this research was not only a product or service, but moreover a new organizational identity that is associated with a new kind of behavior and new employee work practices (identity-driven behavior). Therefore, this research contributes to narrow this gap by providing a new perspective on the process of adopting a new organizational identity and illustrated which influencing mechanisms are underlying to this process. This research shows how the characteristics of the innovation could enable or constrain the adoption of the organizational identity in order to reach identity-driven behavior.

Because the innovation of the adoption process was a construct (identity certificate) as well as desired behavior of employees (identity-driven behavior), the perceived characteristics of the innovation and the prior conditions of the adoption process are influencing in a different way compared to other adoption theories (e.g. Rogers, 2003). As the research shows, these conditions enable or constrain the adoption of the innovation at different moments during the adoption process.

As part of the findings of the research, it was found that the existing norms of the (social) system of the organization are important in order to change and innovate successfully. Thus, for the new organizational identity to be successful, the identity needs to be interpreted and adopted by employees within an ordered system. Therefore, the starting point of change or innovation has to match in some way with the existing experienced norms of the (social) system. This observation is in line with Farjoun (2010) who argued that some stability is necessary to change.

This research also contributes to theoretical understanding of framing in organizations during adoption processes. It is about how these frames develop in identity processes of organizations. Insight in how frames are developed and how these underlying mechanisms work, is a precondition in order to successfully adopt and implement new innovations in the organization (Kaplan, 2008; Zwartkruis, 2013).

At the end, the research provides insights in how the adoption process develops over time in organizations. Therefore, a new theoretical process model is developed in order to offer insight in the important and influencing steps in the adoption process of the organizational identity as the innovation.

3. Limitations and further research

During the 6-month period in which the research was conducted, it was not possible to examine the total completion of the adoption process into ongoing work practices. Only the earliest stages were assessed. Further longitudinal research could provide a better understanding of the adoption process in total. This would potentially yield insights in the long term effects of the adoption process in an organizational context and thus how it sustains over time. Also quantitative research could strengthen the insights in order to complete the overview of the adoption process of the innovation by employees. This could be meaningful since it enables monitoring the adoption in a large scale and more frequently. For example, a questionnaire which is frequently filled in by the same group of employees, in which the experienced characteristics of the innovation could be tested. These data could provide insights in the effectivity of certain identity practices and how they influence the experienced characteristics of the innovation over time.

As shown in both the theoretical framework and findings, the first stages are the most important part of the adoption process. Therefore, this research offers a framework of the development of adoption within a new (organizational) context. However, it should be taking into account that it is possibly difficult for employees to reflect on a timespan of six months. Especially because it is for employees somehow hard to remember exactly what happened in that timespan and how they experienced it exactly. To obtain more detailed insights and data of the identity practices, further longitudinal research can take more small interventions into account during a longer research timeframe.

A final remark can be made with regard to the level of transferability of the results of this research to other cases and practices. At this stage, the research is carried out within the service sector and provides therefore only insights in this certain sector. Especially for the banking sector, because it has its own 'norms of the (social) system' which influences the way of working within this sector. Although this research gives a good first impression of the developments within the adoption process in an organizational context, further research could strengthen the findings and process model with other cases in different sectors, that are characterized by other norms of the (social) system'.

Practical implications for organizations

Experienced characteristics of the innovation

The experienced characteristics of the innovation, in this case the organizational identity, have influence on the success of adoption. To increase a successful implementation, the organization has to make sure that the experienced characteristics of the new organizational identity are given form correctly. Testing the experienced characteristics before presenting and implementing could give useful insights during the process of adoption, especially by involving employees who are little involved during the development stage. Processing the 'adopter feedback' could help with a successful implementation of the innovation into the organization and its employees.

Mapping the prior conditions

As found in the process, the prior conditions are important during the implementation of the organizational identity into employee work practices. Knowing these prior conditions before

implementing will benefit a successful implementation of the new organizational identity. This could result into two major benefits. First, it gives valuable input in developing an organizational identity. Knowing these aspects in detail will help to spot change-agents, innovators and early adopters who will adopt easily and help other employees to adopt the innovation also. Secondly, it will foresee possible obstacles and give insight in how to tackle these issues during the implementation stage. So by 'mapping' these prior conditions thoroughly, the underlying mechanisms become clear which will influence the adoption of the new organizational identity. Framing has an important role in this part (Zwartkruis, 2013), because it makes sure both parties use the same meaning (frame) of a concept and that the same subsequent steps are taken during the implementation.

Be sure of a 'shared need' of the innovation

As was found during this research, the 'experienced need' differs between employees. However, in order to adopt the innovation effectively and successful, a shared need by all the employees is needed. If there is no shared need, no relative advantage of the new organizational identity is experienced. Not knowing the actual experienced need of the innovation emphasizes the risk that employees do not see any reason to adopt and therefore change the way they work. Managers could easily make the mistake of emphasizing the relative advantage to their employees by explaining it over and over again (the fallacy of the empty vessel). While the actual problem is that the employees do not experience a need for the innovation. Asking questions concerning the needs offers insight in underlying mechanisms and provides insight in what answers are suitable in the given context.

Connect to employees to accomplish the desirable effects

During the process, the new organizational identity certificate was presented to employees, customers, and the executive directors of the headquarters. This was done by informing the stakeholders. However, it is questionable if informing people creates the desired effect for the stakeholders. Especially because of two reasons: the experienced 'need' was not clear for people who were not or later involved in the process of the organizational identity. Also using an already 'colored term' as brand promise leads people in a direction that might not be in line with the desired direction according to the new organizational identity. In other words, the interpretation of the new brand promise was different among employees. Partly because of previous practices and partly because of the content of the new organizational identity.

Therefore, it is important to realize what kind of effect is desirable, looking at the presentation of the new organizational identity. Informing people during the presentation of the new organizational identity while the 'experienced need' is not clear, will not result in the desired effects. In order to commit employees who do not have a clear view 'why' the new organizational identity is needed so much, a more transforming event or presentation would be more suitable.

Role clarity of involved employees (change-agents)

In the process of developing an organizational identity, organizations choose to embed the new identity into the organization through their own employees. In this case, it is important to make sure what the explicit role of employees is: the role of change agent, innovator or early adopter. If this is not clear, the boundaries of their job by implementing the innovation becomes vague and new problems will arise. Problems could arise when they do not have the answer to questions asked by other employees. The change agent could doubt if he or she has adopted the new identity in the right

way. These new questions could therefore make the role between change agents, innovators or early adopters in some ways quite difficult. It is necessary to create clear boundaries of what is expected of the adopter and what is expected of a change agent.

Repositioning the innovation

During the adoption process, the used framework for repositioning the new organizational identity clarified a lot for the employees. It reduced the complexity, showed the relative advantage and the employees could better see the compatibility of the innovation for themselves. However, it could also create unwanted effects if employees understand the positioning of the organizational identity for the organization as a whole, but do not translate its promise into their work practice. Employees can therefore fully identify and underpin the organizational identity, but still not implement it into their work practices. To overcome this effect, a clear idea about the current position and concrete steps to implement it into their own work practice helps for a better understanding and implementation.

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Appendix A: Narrative interview guideline

Introduction

[duration: 5 minutes]

The aim of this interview is to get insight in your experiences and frames about the organizational identity of the bank, which you perceived over time. As a researcher, I am interested in your 'story', which is primarily about the last 6 months. From the beginning of the development of the organizational identity until now.

In order to get insight in the adoption process of the organizational identity of the bank over the last few months, I will collect the stories by these interviews. So today, I will listen closely to the story you're going to tell. There are 'no wrong answers'.

At the end, I'll write a report in order to use it for my master thesis. Your name will not be used (anonymous), and will only be for personal use. The duration of the interview will be 1 hour. Do you have any questions about this interview on beforehand?

With your permission, this interview will be recorded to use for analysis.

General characteristics of the respondent

[duration: 5 minutes]

First I will ask you some general questions, before we will start with the interview.

- Name, age, gender
- Function within the organization
- Number of years working within the organization
- What have you perceived of the organizational identity until now?
- What is your share in the organizational identity development within the bank?

Chapters of adoption process

[total duration: 40 minutes]

Chapters

[duration: 20 minutes]

At the beginning, I will ask you to think about the period of the last few months, from winter 2014 until now, like you are going to write a book or roman. As you know, a book has a table of contents with all the chapters of the book.

Could you describe – in short – what the chapters of the book will be?

- Give each chapter a title, so we could write the table of contents together.
- Describe in short what each chapter is about, and the way these chapters are connected. Just tell me a summary of each chapter.

You can call each chapter as you like, with the recommendation to use about 3-6 chapters (compare with prior conditions of the innovation: the previous practices, the felt needs or problems, innovativeness, and norm of the social system).

Important situations in the story

[duration: 15 minutes]

Now we have a summary of your experiences of your work at the bank, I would like to ask you to concentrate on the important scenes of your story. A scene could be notable on different reasons (important, vivid in memory, memorable, nice or annoying).

Highlights

Describe a scene, event or moment in the last period which stands out as a very positive experience compared to the organizational identity. *Could you describe in a few words why you think this moment is positive?*

Lows

Describe a scene, event or moment in the last period which stands out as a very 'negative' experience compared to the organizational identity. *Could you describe in a few words why you think this moment is 'negative'?*

Next chapter

The described chapters are in the past, but also include imaginations of the future. *Describe what you think the next chapter will be according to the organizational identity of the bank. What will happen in the next period of time in your story?*

Central theme

[duration: 5 minutes]

Looking back at the whole story you told, with all the chapters and scenes, could you point out a central theme, message or idea in your whole story? What will be the central theme of your story? Explain in short.

Identity certificate

[duration: 10 minutes]

At the end of the interview I will ask you some questions about the organizational identity of the bank in specific. Please explain your answer in short.

Need for innovation (prolog)

- Do you recognize the need for a more specified or different organizational identity, and therefore the need to work with it?
- Do you think the bank is capable to change the organizational identity?

Perceived characteristics of the innovation

Here we have the identity certificate, which reflects the organizational identity of the bank. Please answer the next questions in short

[identity certificate printed at A3]

TABLE 4. QUESTIONS ABOUT THE PERCEIVED CHARACTERISTICS OF THE INNOVATION.

<u>Question</u>	<u>Category</u>
- Have you seen / read the identity certificate and are you aware of the organizational identity promise?	<i>General questions</i>
- Do you recognize the advantage or benefit of the organizational identity (as written in the identity certificate), compared to the current or past situation? - If yes, what do you experience as an advantage of the organizational identity?	<i>Relative advantage</i>
- Does the organizational identity fit to the current bank (organization)? - Does the organizational identity fit to your job? - Does the organizational identity fit to you as a person?	<i>Compatibility</i>
- According to you, do you perceive the content of the organizational identity (identity certificate) as complex or simple, and why? - Do you understand what the organizational identity implies to the organization, your job and for you personally?	<i>Complexity</i>
- Do you have the idea you could try to try out the organizational identity in your own work activities without (direct) consequences? - Did you tried to translate the organizational identity to your own work practices, in order the experience benefits or disadvantages?	<i>Trialability</i>
- Could you describe situations in your (work) environment which you would categorize as 'fit to the organizational identity of the bank'? Situations which are exemplary or needed.	<i>Observability</i>

[check: do you understand the questions which are asked?]

Reflection and closure

[duration: 5 minutes]

We are at the end of this interview. Thank you very much for your collaboration and sharing your experiences.

- How did you experience this interview?
- Do you have any comments about the interview process?
- Do you have other questions in mind before we close this interview?

Appendix B: Focus interview guideline

Introduction

[duration: 5 minutes]

Today we will reflect on the process of the organizational identity development within the organization of the bank. In specific the initiation stage and the start of the implementation stage. We will reflect on the data of the individual narrative interviews you had before. Notice: these are *not* the conclusions of the research.

This focus interview is also to check if the interpretations of the interviews are done well and if it is possible to use the adoption theory within the context of an organization. However, today I am especially curious to your experiences, so there are no 'right or wrong'-answers.

At the end, the eventually results, conclusions and practical recommendations will be shared with you, and there is a moment for further questions.

Are there any questions on beforehand?

Part 1: Reflection on the time line of the adoption process

[duration: 30 minutes]

At first I'll show you a time line of the adoption process, according to your individual interviews. We will walk through it together. If you see something which is missing or is not right, please note.

The following questions related to the perceived characteristics of the innovation are discussed:

TABLE 5. QUESTIONS ABOUT THE PERCEIVED CHARACTERISTICS OF THE INNOVATION.

<u>Subject</u>	<u>Question</u>
Events	<ul style="list-style-type: none"> Are there any events missing in the time line?
Complexity	<ul style="list-style-type: none"> Could you point out one moment in which it was clear for you what the organizational identity meant (in general)? Could you point out one moment in which it became more complex what the organizational identity meant (in general)? Could you point out one moment in which it became clear to you what the organizational identity meant for the bank (in general)? Could you point out one moment in which you realized what the organizational identity meant for your work practices? Could you point out one moment in which you realized what the organizational identity meant for you as a person?
Relative Advantage	<ul style="list-style-type: none"> Could you point out one moment in which you realized the relative advantage of the organizational identity became clear for you?

Compatibility	<ul style="list-style-type: none"> • Could you point out a specific event which made clear that the organizational identity was compatible to the organization itself? • Could you point out one moment which it was clear to you: it is compatible to who I am? • Could you point out one moment in which you realized that the organizational identity was compatible to your work practices?
Trialability	<ul style="list-style-type: none"> • Could you point out one moment in which you had the idea you could 'try out' freely to translate the organizational identity to your work practices? • Do you have a hypothesis of the possible results of the translation of the organizational identity to the realization of the brand promise?
Observability	<p>If you look at the process, at what time did you see any examples which:</p> <ul style="list-style-type: none"> • Matched with the organizational identity? • Could be possible matches to the organizational identity?

Part 2: The formation of identity driven behavior

[duration: 20 minutes]

What does the identity brand mean to you? How do you measure it? How could the organizational identity be translated into several indicators, so you could know you are doing the right things? What do you have to do differently, and how are you going to reach it? These questions will be discussed together.

Therefore, if we described the 'ideal employee' according to the organizational identity, how will he/she look like? And in which rate do you recognize these characteristics at colleagues currently?

Thanks and closing

[duration: 5 minutes]

Summary of the results of today and thanks.

Appendix C: Guideline to structure data

Developed by using Atkinsons's (2007) characteristics, and also the characteristics Rogers (2003) uses for the perceived characteristics of an innovation. Both are translated to the situation of the organizational identity as the innovation, and adoption in an organizational context. This guideline to structure data is used for the observations and the individual narrative interviews.

TABLE 6. GUIDELINE TO STRUCTURE DATA.

<u>Subject</u>	<u>Analyzing aspects</u>
Process development	Timeframe How the process develops Title (how, what and why) Chapters (important happenings)
Prior conditions	
Previous practices	Describing the way of working before the new identity (Prolog) - <i>Which steps are taken before?</i>
Felt needs or problems	Why the need for a new identity (Prolog) - <i>What are the perceived needs?</i>
Innovativeness	Perceived innovativeness of the organization - <i>Innovativeness in system / products / service</i>
Norms of social system	The way of working together (how) - <i>Rules, processes, system</i>
Adoption	Decision to use Behave according to the identity
Relative advantage	Description about the benefits of the new identity Expected relative advantage (need for change)
Compatibility <i>Consistent with existing values?</i>	Fit with existing ideas Fit with the organization Personal fit Job fit
Complexity	Understanding of idea and what it implies Implies for the organization What it implies for their jobs What it implies for them personally
Trialability	Possibility to try without commitment Made an idea (hypothesis) about the possible effects
Observability	Seeing the (effects) of the new identity Possible identity activities (what could fit new organization identity)

Appendix D: Timeline of the experienced events during the adoption process

It is important to note that the findings show that the participated employees of this research could be split up in *two groups*: 1) the ones who were involved from the beginning of the process, and 2) the ones who were not involved from the beginning and had no explicit role in embedding the new organizational identity into the organization itself.

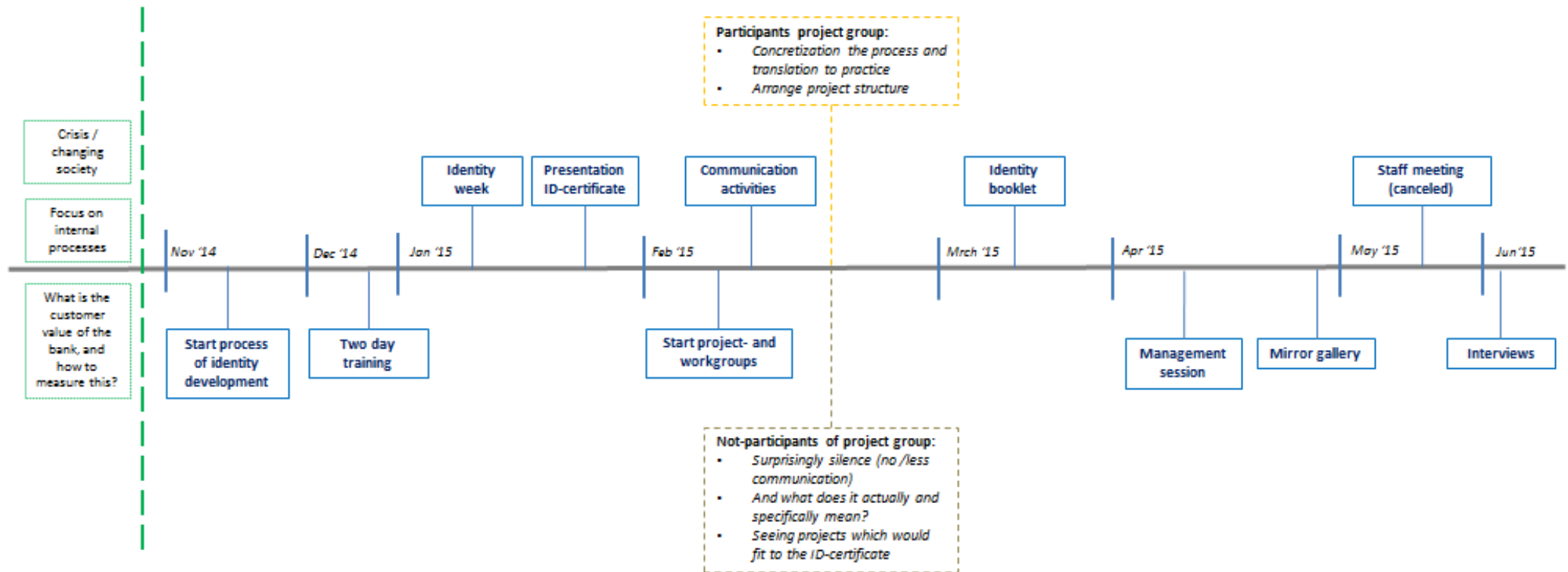


FIGURE 3. THE PERCEIVED EVENTS OF THE ADOPTION PROCESS BY EMPLOYEES.