Strategies of Alignment:
Organizational Identity Management and Strategic Change at Bang & Olufsen

Davide Ravasi
Department of Management & Technology
Bocconi University
Via Roentgen 1, 20135, Milano, Italy
Tel. +39.02.5836.2540
E-mail: davide.ravasi@unibocconi.it

Nelson Phillips
Imperial College Business School
Tanaka Building, South Kensington Campus
London SW7 2AZ, UK.
Tel: +44 (0) 20 7594 1699
E-mail: n.phillips@imperial.ac.uk

Paper re-submitted for consideration for publication in *Strategic Organization*.

Strategies of Alignment:
Organizational Identity Management and Strategic Change at Bang & Olufsen

During periods of strategic change, maintaining the congruence between new configurations of resources and activities (strategic investments) and how these new configurations are communicated to external organizational constituents (strategic projections) is an important task facing organizational leaders. One part of this activity is to manage organizational identity to ensure that the various strategic projections produced by organizational members are coherent and support the new strategic investments. Little is known, however, about how organizational leaders accomplish this crucial task. This study of strategic change at Bang & Olufsen highlights the different strategies available to organizational leaders to ensure members' identity beliefs are aligned with their own beliefs about the distinctive and appealing organizational features that result from the new strategic investments and result in appropriate strategic projections. Our findings highlight the internal identity work – or identity management – that organizational leaders engage in to preserve this congruence. The findings also complement the current emphasis in the literature on the social validation of organizational identities by pointing to the importance of a connection between identity claims and beliefs, strategic projections, and the material reality of organizational products, practices and structures.

Key words: Identity management, strategic change, organizational identity, organizational image, projected images, identity drift, identity maintenance

The capacity of an organization to attract resources depends in part on the consistency among its resources and activities (its *strategic investments*), the images it projects (its *strategic projections*), and its external constituents' interests and expectations (Rindova and Fombrun, 1999). Strategic investments directly shape the material conditions of exchange between an organization and its constituents; strategic projections influence how favourably these constituents regard the organization and how willing they are to support it (Scott and Lane, 2000). When environmental conditions change, organizations may need to adapt both their configuration of resources and activities and the image they project in order to preserve or regain consistency with external constituents' expectations.

Organizational leaders' efforts to change the organization, however, may collide with members' claims and beliefs about central, enduring and distinctive attributes of the organization – or, in other words, with its organizational identity (Albert and Whetten, 1985; Ashforth, Harrison and Corley, 2008). Organizational identity is believed to play a central role in ensuring coherence in strategic efforts (Ashforth and Mael, 1996) and communication (Fombrun, 1996). Members' beliefs about the identity of the organization influence the strategic issues they attend to (Dutton and Dukerich, 1991), how they interpret these issues (Gioia and Thomas, 1996), the relative value they attribute to different resources and capabilities (Glynn, 2000), and the images they endeavour to project outside (Fombrun, 1996).

Organizational identity, however, is also inherently inertial (Albert and Whetten, 1985; Ashforth and Mael, 1996). Organizational members tend to resist changes that clash with established beliefs (Reger, Gustafson, Demarie and Mullane, 1994; Nag, Corley and Gioia, 2007). If not properly managed, organizational identity may therefore hamper strategic change. Realigning internal and external constituents[1] around a new conceptualization of the organization reflecting a new strategic direction, then, is often central to the effective management of strategic change (Gioia, Thomas, Clark and Chittipeddi, 1994).

However, despite its relevance for the successful implementation of strategic change, theoretical understandings of this aspect of the identity-strategy connection are not well developed. While scholars generally agree that organizational leaders play a central role in shaping organizational identity (Ashforth and Mael, 1996; Scott and Lane, 2000) and preserving alignment among internal and external perceptions of an organization (Hatch and Schultz 1997), less is known about *how* they do it. In fact, we know relatively little about why and how organizational leaders engage in identity management in order to preserve alignment among organizational identity, strategic investments, and projections, and the strategies and tactics available to them as they do so.

In this paper, we present the findings of a longitudinal case study of strategic change at Bang & Olufsen (B&O), a Danish producer of consumer electronics, that begin to unpack the processes through which managers attempt to preserve the congruence among organizational features resulting from past and current strategic investments, strategic projections, and the expectations of constituents[2]. In doing so, our observations contribute to the growing literature on the interplay between identity and strategy (e.g. Ashforth and Mael, 1996; Goia and Thomas, 1996; Corley and Gioia, 2004; Kjergaard, Morsing and Ravasi, 2011) by adding to our understanding of how organizational leaders use identity-related initiatives to support strategy formulation and implementation.

---

[1] The distinction between what is 'internal' and what is 'external' can be controversial. We follow the position exemplified by Brown, Dacin, Pratt and Whetten (2006) and distinguish between internal and external constituents based on their inclusion within the formal boundaries of the organization.

[2] Our research builds on a data set used in a previous study (Ravasi and Schultz, 2006) to investigate a different aspect of the management of identity. Given the paucity of rich empirical settings where organizational identity processes can be observed, developing multiple lines of inquiry from a single study is not infrequent in organizational identity research (see for instance Gioia, Thomas, Clark and Chittipeddi, 1994 and Gioia and Thomas, 1996; Humphreys and Brown, 2002 and Brown and Humphreys, 2006; Corley, 2004 and Corley and Gioia, 2004).

Theoretical Background

Organizational Identity, Strategy and Image

The concept of organizational identity was initially understood as those attributes of an organization that members perceive as central, enduring, and distinctive (Albert and Whetten, 1985). Later conceptual developments led scholars to use the same term to refer to either members' beliefs about what an organization is and stands for (e.g. Corley and Gioia, 2004), or official labels used in self-referential discourse (e.g. Whetten and Mackey, 2002). For the sake of terminological clarity, in this paper we follow recent work proposing the use of the term *identity beliefs* for the former and *identity claims* for the latter (Ravasi and Schultz, 2006).

Research suggests that identity beliefs influence both strategic investments and strategic projections. Identity beliefs provide a reference for assessing the importance of events and the extent to which they are worthy of attention (Dutton and Dukerich, 1991). They also provide a cognitive framework for members' interpretations of these events (Gioia and Thomas, 1996; Fox-Wolfgramm, Boal and Hunt, 1998), and shape perceptions of what resources and capabilities are perceived as "strategic" and deserving of the allocation of scarce resources (Glynn, 2000). Eventually, then, identity beliefs influence what Rindova and Fombrun (1999) refer to as *strategic investments* – that is, the deliberate allocation of resources to address the needs and expectations of constituents by enhancing organizational capabilities, defining product features, etc.

Members' beliefs about an organization's identity also influence the images of the organization they try to project, as they engage, for instance, in advertising and investor relations (Price et al., 2008), deal with environmental issues, face emergencies (Dutton and Dukerich, 1991), or support social activities (Sjovall and Talk, 2004). Rindova and Fombrun (1999) refer to these images as *strategic projections*, to highlight their importance in providing constituents with information about the characteristics of the organization, and with "ready-made interpretations" of these characteristics. In doing so, strategic projections are central to the formation of external constituents' perceptions of the organization – that is of the *organization's image* (Gioia et al., 2000; Price and Gioia, 2008).

From a managerial perspective, all the images projected by an organization should be coherent with strategic investments, and they should be part of concerted, explicit efforts to clearly communicate the organization's identity and to create favourable perceptions among external constituents (Fombrun, 1996; Rindova, Petkova and Kotha, 2007). As Rindova and Fombrun observe, lack of consistency among projections – and between them and the investments they are intended to emphasize – is likely to be detrimental to the organization:

> The more consistent strategic projections are with one another and with a firm's strategic investments, the more useful they are to constituents in making interpretations and the more they contribute to the construction of competitive advantage … Strategic projections not supported by investments can lead to a loss of credibility; investments not supported by strategic projections may fall short of realizing their value-creating potential (Rindova and Fombrun, 1999: 697-698)

However, while strategic investments generally reflect organizational leaders' beliefs and aspirations, strategic projections are also affected directly and indirectly by members' activities, as they design products and stores, plan advertising campaigns, and more generally interact with investors, customers, the media, etc. The co-existence of multiple identities in an organization (Pratt and Foreman, 2000), then, may result in partly inconsistent projections.

Organizational Identity and Strategic Change

Under normal circumstances, identity claims and beliefs represent a source of coherence and stability for an organization (Albert and Whetten, 1985). Members tend to oppose initiatives that are inconsistent with identity beliefs, as they will find them difficult to understand and "not appropriate" for the organization (Reger et al., 1994). Indeed, scholars, in a critical tradition, observe how organizational leaders engage in various forms of identity regulation to control employees' behaviour, by influencing their understandings of the organization and of themselves as organizational members (Alvesson and Willmott, 2002; Alvesson and Kärreman, 2008). Over time, then, identity claims and beliefs may become embedded in patterns of power (e.g. Humphreys and Brown, 2002), knowledge and practice (e.g. Nag et al., 2007) that induce individuals to resist changes that challenge established equilibria.

Research shows, however, that a gap between current performance and the ambitions of organizational leaders may well induce leaders to engage in strategic change that is not congruent with the identity of the organization (e.g. Gioia and Thomas, 1996; Rindova et al., 2011; Kjergaard et al., 2011). In these circumstances, strategic investments and, to some extent strategic projections, are likely to reflect a new, envisioned identity and image quite different from the current identity (Gioia and Thomas, 1996). Conversely, the rest of the organization is less likely to acknowledge the need for identity change (Corley, 2004), if not exhibit outright resistance to it (Humphreys and Brown, 2002; Nag et al., 2007).

In these cases, preserving congruence among strategic investments and multiple projections, some of which may not be under direct control of the organizational leaders, require the acknowledgement – and proper management – of an "identity gap" between current beliefs and future aspirations (Reger et al., 1994). Unattended or improperly managed identities may result in multiple and partly divergent beliefs and aspirations, possibly undermining the change process. Ensuring alignment between members' beliefs and new strategies reflecting the aspirations of managers is central to the successful implementation of the desired changes (Gioia et al., 1994).

The Management of Organizational Identity

The way organizations are perceived by internal and external constituents is shaped in important ways by a process of "claim-making" in which influential members and groups try to persuade other internal and/or external actors to accept their conceptualizations of the central, enduring and distinctive features of the organization (Ashforth and Mael, 1996; Glynn, 2000). Among these actors, top managers enjoy a considerable advantage (Scott and Lane, 2000; Rodrigues and Child, 2008). They are expected to represent and to speak “on behalf” of the organization (Cheney, 1983), and they have privileged access to various channels of communication. Their claims, therefore, provide important cues that help internal and external constituents make sense of what the organization is and stands for (Hatch and Schultz, 1997; Whetten and Mackey, 2002).

In many organizations, a set of official identity claims – explicit statements of what the organization is and stands for, embodied in formal documents, uttered in public speeches, etc. – are expected to provide legitimate and consistent narratives for making sense of the organization (Ashforth and Mael, 1996; Czarniawska, 1997). Official claims are an important way in which organizational leaders attempt to influence how internal and/or external constituents interpret and relate to the organization (Corley and Gioia, 2004; Gioia, Price, Hamilton and Thomas, 2010; Whetten and Mackey, 2002) to support strategies aimed at securing critical resources (Scott and Lane, 2000). Internally, official claims complement other forms of identity regulation, such as human resource management practices (Alvesson and Willmott, 2002; Alvesson and Kärreman, 2008) or the architecture of corporate buildings (Wassermann and Frenkel, 2011). Externally, official claims attempt to direct the attention of constituents to organizational attributes that are relevant to their interests and expectations (Rindova and Fombrun, 1999).

Ideally, then, identity claims should reflect what organizational members – and organizational leaders in particular – envision as a desirable and attractive set of projected features – that is, their *desired organizational image* (Gioia and Thomas, 1996) – and coordinate the purposeful projection of this desired image through the various forms of communication mentioned earlier.

Managing Identity Discrepancies

Past research has highlighted how discrepancies may arise between current and desired (e.g. Gioia and Thomas, 1996; Corley and Gioia, 2004) and internal and external perceptions of an organization (e.g. Dutton and Dukerich, 1991). Corley (2004) generally refers to these occurrences as *identity discrepancies*. We will follow this convention in this paper.

The most widely studied discrepancy is what Corley (2004) refers to as a *construed image discrepancy*. Past literature has associated construed image discrepancy primarily with images refracted by the media or other institutional intermediaries (e.g. Elsbach and Kramer, 1996), and it has shown how organizational members react to images that they perceive as unfavourable or incoherent with their own perceptions by engaging in actions aimed at restoring a desirable image (Dutton and Dukerich, 1991; Elsbach and Sutton, 1992; Martins, 2005). Gioia, Schultz and Corley (2000) outline different tactics available to organizational leaders to realign external perceptions with internal perceptions and aspirations. These tactics focus on the manipulation of external images through better communication or impression management (see also Elsbach, 2006).

While the interplay between organizational identity and image has been a concern of identity scholars for a long time, less is know about identity-strategy gaps. Indeed, scholars acknowledge that, in some cases, organizational leaders may perceive the need for the whole organization to question current identity beliefs in order to support new strategic investments and projections (Gioia et al., 2000: 68; Elsbach, 2006: 40). However, despite the strategic relevance of the issue (Rindova and Fombrun, 1999), little is known about what brings organizational leaders to engage in identity management in order to preserve alignment among organizational identity, strategic investments and projections, and the strategies and tactics available to them as they do so. In the remainder of this article, we present findings that begin to address these issues.

Research Method

Research Setting

Bang & Olufsen A/S is a Danish producer of expensive, high-quality, audio-video systems founded in 1925. By the late 1960s, following a strategy of focusing on quality, innovation and design, B&O achieved considerable international success including receiving a number of national and international design awards for its products. In the early 1970s, due to the increasing dominance of Japanese electronics companies, B&O began to feel rising pressure from dealers to imitate Japanese technology and Japanese design. Top managers held their ground, however, believing that only by maintaining its position as an alternative to its Japanese competitors could the company preserve its distinctive image and competitive positioning.

During the 1980s, new product development focused on the most expensive lines and the average price of products steadily increased. Furthermore, communication policies increasingly concentrated on luxury at the expense of technical and design quality. When a general economic decline abruptly reduced sales in 1990-1991, the high cost structure of the company generated unprecedented losses. Anders Knutsen, the former VP responsible for Product Development, Production and Supply, replaced the CEO, Vagn Andersen. At first, the newly appointed CEO gave priority to regaining efficiency and reducing the high production and distribution costs of the company. The headquarters and the international sales networks were streamlined, the organizational structure was redesigned for higher flexibility and quicker decision making, and two factories were closed resulting in more than 700 lay-offs (out of a total work force of 3100). A redesign of the logistic system also ensured faster supply of components and delivery of products to the stores. However, restructuring the company, although significantly reducing losses, did not help regain sales growth and profitability.

Top managers at B&O interpreted the abrupt sales decline as a consequence of an increasing gap between how the company and its products were perceived and portrayed by various actors (customers, dealers, the press, etc.) and changing societal values. The Chairman of the Board, Peter Skak Olufsen, declared at the company General Assembly that the Gulf War had led to substantial changes in society, which had negatively affected the appeal of the current image of the organization and its products. These considerations brought the new CEO to conclude that a revision of product and communication policies was in order to change how external constituents perceived B&O and its products.

This decision was embedded in a broader strategic agenda centred on the reaffirmation of the attributes and capabilities that, according to the managers, distinguished the company and its products from its larger competitors. Since its founding, B&O had adopted a strategy of differentiation. Initially, the strategy was based on superior quality and innovation. During the sixties, pushed by the work of chief product developer Jens Bang and designer Jacob Jensen, this strategy had incorporated an additional element: distinctive product design. Over the years, official claims such as advertising taglines ("B&O: for those who discuss design and quality before price" from 1966-1971) and corporate mottos ("We think different!" from 1974) had been used to summarize this differentiation. In the 1970s, pressed by large competitors who benefited from economies of scale in production and research, managers had engaged in explicit reflections on unique drivers of differentiation, culminating in the first articulation of their understandings about the identity of the organization: the Seven Corporate Identity Components.

The set of activities that Mr. Knutsen initiated to regain consistency among how internal and external actors perceived and portrayed B&O was, then, only the latest manifestation of a traditional concern with identity as a way to periodically rethink the strategy of the organization. The fact that organizational leaders deliberately engaged in explicit debate and multiple initiatives that addressed what they referred to as the "identity" and the "essence" of the organization made B&O an extreme case – an ideal setting where the phenomenon of interest is "transparently observable" (Pettigrew, 1990: 275), thereby facilitating its investigation.

Data Collection and Analysis

Our study combined longitudinal case analysis (Yin, 1984) with grounded-theory building (Glaser and Strauss, 1967), and relied on a broad range of data sources (see Table 1). We used these sources: i) to build an understanding of the historical, organizational and strategic context within which the observed process unfolded; ii) to capture how organizational leaders interpreted and responded to identity-related issues; iii) to trace the strategies that they engaged in to address these issues; and, more generally, iv) to triangulate managers' observations and interpretations with other sources of data.

Insert Table 1 about here

Once the data was collected, we performed multiple iterations between our data and our emerging interpretive framework (Locke 2001). For the sake of clarity, we present our analysis in three broad sequential steps.

Phase 1. Familiarization with the context and longitudinal reconstruction of events. Following prescriptions for case-based research (Yin 1994), in the first phase we drew on multiple sources (corporate biographies, archival sources, in-house magazines, and interviews) to build a detailed narrative of the history of the organization (61 pages) from its founding in 1927 to 1998. This preliminary analysis helped us produce an accurate timeline of events and actions, and, at a later stage, helped us relate our emerging interpretations to the historical, organizational, and strategic context of our setting. Our narrative described in particular details the events and actions that occurred between 1990 and 1998, in order to accurately trace identity-related initiatives and to embed them in broader organizational and strategic changes.

Phase 2. Development of a grounded model, based on insiders' interpretations. In the second phase, following a well-established approach in organizational identity research (e.g. Corley and Gioia, 2004; Nag et al., 2007), we used grounded theory building to produce an interpretive framework of identity-related dynamics from the perspective of our informants. Our analysis started with open coding of our textual database (interviews, house magazines, biographies and other internal archival documents) to uncover common themes and an initial set of categories to break up the data for further comparative analysis (Glaser and Strauss, 1967; Locke, 2001). The frequent and explicit use of terms such as "identity", "essence" or "image" facilitated the selection of relevant text segments. These passages were provisionally coded with in-vivo terms and phrases used by our informants (Locke, 2001: 65).

In a further round of coding, we gradually collapsed codes that, although varying in specific terms, were similar in essence, into first-order categories. We associated these categories to analytical codes – working labels induced by the researchers, but that could still be considered meaningful to the informants (see Nag et al., 2007). The two researchers independently conducted this second stage and a later comparison showed a substantial accord; discrepancies were solved through mutual agreement. This step allowed us to move from provisional to more substantive categories (Locke, 2001: 73).

As we grouped in-vivo codes into first-order categories, we started discerning conceptual links among the emerging categories; accordingly, we tentatively combined first-order categories into fewer, broader and more theoretically relevant second-order categories that addressed more directly the overarching question leading our investigation. As data collection and analysis proceeded within and across cases, we "tested" these categories more systematically against our database. During these successive rounds, we carefully scrutinized our database for data that would – or would not – fit with each emerging category or suggest a redefinition of it.

Phase 3. Triangulation and substantiation of the emerging interpretive framework. As core categories emerged from our analysis, we turned to axial coding (Strauss and Corbin, 1998: 123) to uncover relationships among these categories. We built chronological tables linking strategic decisions, identity-related initiatives and performance outcomes in order to establish the sequence of events. Further iteration between our emerging theoretical framework and our database, helped us triangulate our informants' observations with factual and historical data that could substantiate and corroborate them. At this stage, we tried to verify the consequentiality of managers' reflections and statements about the identity of the organization for organizational policies, structures, and practices. In other words, by searching for triangulating evidence, we attempted to verify whether new statements were merely corporate rhetoric, or whether they could plausibly be considered a genuine reflection of managers' beliefs and aspirations, manifested also in substantial action[3].

The analysis carried out at this stage enriched our emerging model with three additional categories – reformulation of identity claims, identity-consistent strategic investments, and identity-consistent strategic projections. At this stage, second-order categories were grouped into three broader overarching themes associated with perceived sources of misalignment, identity management strategies, and identity-related outcome. Figure 1 depicts the complete data structure that emerged through this process, presenting the

---

[3] Of course, we have no way to know for certain whether these decisions were genuinely driven by managers' identity beliefs and aspirations, or whether they also or primarily reflected other considerations. However, the fact that they were explained (to us during interviews, and to the employees in internal communication) in terms of the identity of the organization reflects a fundamental function of identity claims, which is providing a consistent narrative for internal and external audiences to make and give sense of the organization and its actions (Whetten and Mackey, 2002).

first-order codes and their relation to the second-order categories, and overarching themes we generated.

Insert Figure 1 about here

Following Locke (2001: 76), we tested alternative conceptual frames until we assembled our categories into an overarching process model fitting our evidence. In order to increase reliability, our analysis and interpretations were repeatedly submitted to two of our informants for feedback (see Corbin and Strauss, 1990: 11). We also compared our interpretations with those of other external observers such as business journalists (e.g. Poulsen, 1997) and other academic researchers (e.g. Kets de Vries, 1999; Hatch and Schultz, 2001). The interpretative framework that emerged will be presented in the next section.

Findings

At Bang & Olufsen, the engagement of organizational leaders in identity management was motivated by their perception of an inconsistency among the ways that B&O had been perceived and portrayed inside and outside the organization. Managers attributed current identity-related problems to strategic changes occurring in the course of the 1980s, which, in their view, had led to the gradual loss of clarity and consensus inside the organization about what was considered central and distinctive about B&O (*identity drift*), resulting in multiple and partially inconsistent strategic projections (*image blurring*).

From the point of view of the new top management team, recovering acceptable performance levels required not only new strategic investments, but also adjustments in the way members understood their organization and communicated about it directly and indirectly. They viewed a re-alignment of internal beliefs (and strategic projections) as essential to regain a coherent organizational image that would once again attract the support of critical constituents. In order to do so, managers engaged in a set of identity-related initiatives that reflected three broader identity management strategies (*identity reassessment*, *identity refocus,* and *identity tuning*) – each strategy resting on various related initiatives – in order to inspire a new narrative about the central and distinctive attributes of the organization (*the revision of identity claims*), and to promote the consistent projection of images (*identity-consistent strategic projections*) that were coherent with the perceived expectations of constituents on one side, and grounded in focused adjustments in organizational products, practices, etc. (*identity-consistent strategic investments*) on the other.

In the remainder of the section, following common prescriptions for qualitative research (Eisenhart and Grabner, 2007), we intertwine a detailed narrative of our observations with theoretical reflections to articulate our emerging model (Figure 2).

Insert Figure 2 about here

Following recent recommendations for data reporting in qualitative research (Pratt, 2009), we provide additional selected quotations supporting our interpretations in Table 2.

Insert Table 2 about here

Identity drift

According to informants, between 1972 and the early 1980s the images projected by the organization had followed clearly defined identity claims embodied in the Seven Corporate Identity Components (the Seven CICs): seven features – Authenticity, Autovisuality, Credibility, Domesticity, Essentiality, Individuality and Inventiveness – that "identified and described the company's goals and personality, its identity" (Bang and Palshøy, 2000: 86). An internal publication described in detail each component and exemplified it with reference to product design and corporate communication (see Table 1).

The Seven CICs had emerged from deep reflections on attitudes and practices that differentiated B&O from its competitors carried out in 1972. The notions of Essentiality and Autovisuality, for example, referred to the simple, self-explanatory design of user interfaces. Credibility, on the other hand, was associated with careful planning of changes in product portfolio, and in "no discount-no obsolescence" retail policies. Inventiveness, instead, was related to a perceived capacity to pioneer technological innovation using the results of basic research creatively, as manifested in the release of the first fully transistorized radio in 1964 and the first record player with a tangential arm in 1972.

Top managers intended the Seven CICs to promote the coordinated projection of a distinctive image[4]. According to informants, throughout the 1970s product development and advertising faithfully followed the guidelines embodied in the Seven CICs. As two senior managers who had been deeply involved in those events later observed:

> The Seven CICs became a textbook model for building a corporate identity with the full acceptance of the staff (Bang and Palshøy, 2000: 88).

Over time, however, the influence of the Seven CICs on the organization seemed to wane. At the time of our study, the "little red book" illustrating the Seven CICs was still circulating and posters were still hanging on the walls. However, informants observed how they did not inform communication activities as they used to in the past. As a member observed:

> When I joined the company nine years ago, the company's ideas were drummed into our heads. We heard about the Seven Corporate Identity Components – and we were tested on it. Since then, it has gone out of fashion. (Communication Manager)

Various sources attributed part of the responsibility of this change to the top management team running the organization during the 1980s, following the departure of Jens Bang. According to informants, under the leadership of CEO Vagn Andersen, recruited in the 1980 from outside, management had placed increasing emphasis on "exclusivity" and

[4] At B&O, product design was considered central to the image projected by the organization: "Bang and Olufsen has never doubted that its identity is closely connected with its products which are – and always have been – the company's strongest means of communication" (1992/1993 Annual Report).

"luxury" (see Table 2). Informants suggested the new top management was very "image-oriented", and was "dazzled" by the increasing global recognition of the company manifested in numerous design awards and the attention of prestigious international arts and cultural institutions. Understanding B&O as a "luxury company" had substantial implications for product development, advertising, and retailing.

Following the idea that B&O should sell only the most expensive products, the new top management team discontinued lower level product development. Advertising campaigns and commercial catalogues began to associate products with luxury symbols. An informant showed us examples of communication material from the mid 1970s and the late 1980s, and commented how the "unobtrusive style" and the "human side" of the products had been lost to "marble and empty banqueting halls". As managers later recalled:

> The main catalogue was shorn of argument, poetry and sensibility, portraying environments with which only the rich could identify (Bang and Palshøy, 2000: 104).

So-called "prime site" flagship stores were established in the most exclusive and expensive areas of big cities, with no regard for operating costs. Seasonal launches in exotic places were used to secure dealers' loyalty. According to informants, eventually the company came to be portrayed as "an expensive luxury brand".

During the 1980s, the beliefs and ambitions of the top management team were consistent with the rise of a young, affluent social class whose values and lifestyles were characterized by hedonism, ostentatiousness, and the search for social affirmation through engagement in conspicuous consumption – a group often referred to as "yuppies." However, senior managers later lamented that the increasing emphasis on luxury that characterized the new strategy led members of the organization to overlook the essential ideas, embodied in the Seven CICs, that had traditionally driven product design and marketing (Bang and Palshøy, 2000: 102). A corporate historian later observed how in those years, the top management built “a façade towards the outer world which [created a] superficial picture of the company competencies” (Poulsen, 1997, p. 39).

Theoretically, the process our informants described can be considered as an instance of identity drift (Albert and Whetten, 1985) – that is the increasing misalignment between traditional claims and new, yet unacknowledged, beliefs manifested in changing policies, structures, and practices. As a form of identity adaptation, identity drift differs from the adaptive instability process described by Gioia and colleagues (Gioia et al., 2000), in that whereas the latter implies the periodic renegotiation of the meanings associated with unchanging official claims, identity drift is associated with the gradual and tacit loss of the salience of official claims for strategic investments. During identity drift official identity claims are neither enforced nor replaced. In the absence of revised claims, changing beliefs and aspirations are not explicitly acknowledged, and internal and external constituents lack guidance about how to make sense of (and give sense to) the organization. From the perspective of members, a drifting identity may produce a *temporal identity discrepancy* (see Corley, 2004), understood as a perceived misalignment between past and present conceptualizations of the organization. Different beliefs are likely to arise as members interpret and respond differently to changing strategies and practices reflecting new and emerging understandings. Multiple beliefs, in turn, may result in multiple and partly incoherent projections. According to different sources (see Table 2), this was the case also at B&O.

Image blurring

According to informants, in the early 1990s, drifting managerial beliefs and aspirations eventually produced inconsistent strategic projections, resulting in what managers referred to as a “blurred” organizational image (see Table 2). Of particular concern was the growing detachment between the beliefs that, according to informants, inspired product development on one side and marketing on the other. As an external observer remarked:

> The marketing people addressed an international audience with a message they thought was the same, but which was not. When the product said “new thinking”, marketing said “elegance”. When the product said “lifestyle”, marketing said “status symbol”. (Poulsen, 1997: 117)

As a result, marketing communication increasingly neglected important product features and qualities, as described in the previous sub-section.

Managers also considered the increasing autonomy of some subsidiaries in running local promotional activities as another source of confusion. For instance, informants mentioned the decision of the French subsidiary to distribute high-end products to a large discounter as an example of the loss of consistency between the images projected by various units. As managers lamented, “more and more people began to influence communication decisions without knowing the strategy”, eventually resulting in the incoherent strategic projections (see Table 2).

A further source of discrepancy was associated with the way retailers portrayed B&O to prospective clients. B&O relied on a network of more than 3,200 independent dealers. Many of these dealers sold B&O products exclusively and also provided after sales service. Even non-exclusive stores dedicated at least a wall or a window to the company’s products, using merchandising, product exposure tools, and shop fronts designed and provided by B&O. Blind tests in the shops, however, revealed that, when conducting a sale, more than 30% of the retailers around Europe emphasized only the formal and aesthetic aspects of the products, reinforcing the idea among potential customers that the only really distinctive attribute of the organization was styling.

Current theory maintains that projecting different images to different constituents characterized by different interests and expectations may be instrumental to preserve their consensus (Price et al., 2008). At B&O, however, different and partly discrepant images reached the *same* constituent. According to informants, eventually these projections produced a partial, inconsistent, and not entirely appealing representation of the organization. Indeed, in the absence of clarity and consistency among strategic projections, constituents will be uncertain about whether and how the strategic investments of the organization – manifested in its capabilities, product features, etc. – address their needs and expectations (Rindova and Fombrun, 1999). We refer to this phenomenon as *image blurring* – defined as the simultaneous projection of multiple and inconsistent images about an organization – and we argue that, from the perspective of managers, this situation represent a form of *projected image discrepancy*, understood as a perceived misalignment among strategic projections, and/or between these projections and the beliefs and aspirations of managers. Theoretically, image blurring can be explained in terms of multiple and inconsistent identity beliefs and/or image aspirations among members (Pratt and Foreman, 2000). Our informants attributed this phenomenon to the loss of congruence among members' beliefs that followed the gradual and unacknowledged detachment of top managers' beliefs and aspirations from traditional identity claims.

Identity Reassessment

In the previous sub-section, we have illustrated how, according to informants, in the 1980s, B&O had suffered from a combination of temporal identity discrepancy and projected image discrepancy. In the early 1990s, as shown in Figure 2, the unsatisfactory performance of the organization triggered the response of organizational leaders. Attributing the ultimate cause of the declining performance to a loss of clarity and consensus around the identity of the organization, they turned their attention to the claims and beliefs that underpinned strategic projections.

The losses of the previous years brought top managers to conclude that the image of luxury and exclusivity built in the previous decade had to be altered in order to appeal to a different target audience; an audience that, they believed, appreciated the "old" B&O but had been alienated by the recent drift towards luxury. According to informants, this drift had brought advertising and retailing to overlook qualities that could have justified the high price, driving away potential buyers who thought of products as too expensive and “not for them”. This strategy might have been justified temporarily by a persistent period of economic growth and the diffusion of hedonistic values and the search for status symbol. Recent changes in the market, however, had made the target segment of this strategy much less attractive, and the projection of B&O as merely about “luxury” unable to connect with a sufficiently broad range of constituents for the company to survive. In order to spur new growth, they reasoned, it was necessary to define a set of claims that, in their view, could favourably realign all the images projected by the various parts of the organization with the expectations of external constituents.

As shown in Figure 2, the perceived misalignments among identity beliefs and strategic projections brought managers to engage in identity management in order to realign beliefs around a new strategy that could effectively address external expectations. As an informant observed, “the identity of the company” was to become “a reference point in the changes that were taking place”, helping to “ensure coherence between our products, our image, which is also influenced by our communication, and the expectations of consumers.”

In order to identify a new conceptualization of the organization that could be used to realign beliefs, investments, projections and expectations, in mid-1992 managers initiated an in-depth assessment of what organizational members and customers perceived as central and distinctive of the organization. The process was based on two groups working in parallel without knowing each other’s results.

The first group carried out a field survey with four international groups of actual and potential customers. The customer groups were representatives of a segment of the market that managers considered their primary target in the future. The groups were selected from two countries that had suffered less from the recent recession and, such was the reasoning of the managers, where B&O still enjoyed an appealing image for a sizable target constituent. Managers expected the field study to identify features that could be used as a "platform" for coordinating the projection of images across different units and countries. The survey found that "B&O was regarded as a company that creates harmony between aesthetics and technology" (Annual Report 1992-1993). People in the four groups ranked "the immediate perception of technological excellence" (reliability, high performance, advanced research, etc.) as the main features associated with the organization. All the groups indicated "the emotional side of the product" (as reflected in the design, in the choice of material components and in the mechanical movements) as number two. All the other potentially distinctive features were ranked lower.

Mr. Knutsen assigned a second group the task of identifying and defining what he referred to as the "essence" of B&O – or, in other words, to clarify the essential features that, in their view, distinguished the organization and its products from their competitors. The group was composed of six members, including the CEO himself. The stated purpose was to "find, renew and strengthen" the identity of the company. Although the group did not deny the validity of previous conceptualizations of the organizational identity, they perceived the Seven CICs, in the words of one informant, as referring "too much to the products, and too little to the organization." As the CEO told us, the task was to produce a statement about what Bang & Olufsen really was, which would not be restricted to the corporate communication office, but that "referred to the whole company": a statement that "could be explained to people in the factories, and to the dealers."

Eventually, the group produced what was later referred to as "The New Vision": "The best of both worlds: Bang & Olufsen, the unique combination of technological excellence and emotional appeal." This statement summarized what members perceived as core and distinctive about the organization, as clearly reflected in the words of a member of the group:

> What we came out with in the end was a statement of "what B&O is." We chose it because it is true and because no one else can say the same (Communication Manager).

Another member of the group observed that the fact that the two groups had come to very similar conclusions simplified the selection of those attributes that could help regain consistency between internal and external perceptions of the organization, and that should be emphasised, from then on, in product design and corporate communication.

In summary, a perceived misalignment among strategic projections, and between them and external expectations, brought organizational leaders to engage in what we refer to as *identity reassessment* – understood as the explicit review of organizational features, with the aim of selecting a new set of claims that could favourably realign how internal and external constituents make sense of the organization and of its characteristics manifested in its strategic investments. Contrary to what is predicted by current theory, organizational leaders did not try to counter discrepant perceptions through impression management, but questioned themselves regarding what attributes of the organization could be plausibly claimed as core and distinctive *and* at the same time meet the expectations of critical constituents.

Reformulation of Identity Claims

The most immediate outcome of the process described above was the reformulation of the official statements about the identity of the organization, embodied in the "New Vision". As the top management team declared:

> The B&O vision is a description of the company's "raison d'être" and its role in relation to society. It is a role with which the group management and the employees should be able to identify themselves and the company's customers should find compatible with the well-known Bang & Olufsen identity. (AR 1992/93)

Managers intended the new claims to become a guiding principle for future product design, advertising, communication, and any other activity impacting on the images projected by the organization.

In the following months, in order to facilitate the implementation of the new claims in concrete guidelines for organizational policies and practices, managers articulated a set of capabilities that they believed to underpin “technological excellence” and “emotional appeal”. The capabilities they identified were labelled as “design”, “sound and picture reproduction”, “integration of audio and video”, “user interface”, “choice of materials and finish”, “micro-mechanical movements”, and “quality control.” As declared in the Annual Report 1992-93, managers perceived these capabilities as the pillars of their differentiation strategy and they planned strategic investments in order to enhance them as described in the following section. As shown in Figure 2, managers used the new claims to give sense and consistency to strategic decisions (identity consistent strategy) and identity management efforts (identity refocus and identity tuning) aimed at changing perceptions of the organization, as discussed in the remainder of this section.

Identity Consistent Strategy

The New Vision was not a commercial slogan. In fact, it was never explicitly employed as a tagline in advertising campaigns and the claims it embodied addressed primarily an internal audience. The new management expected the New Vision to ensure coordinated support across the organization to a differentiation strategy, the core elements of which were summarized in the new identity statement. As Mr. Knutsen told us, “We never used the Vision towards our customers. That was not the intention. They were words that you were supposed to use and discuss internally.”

The New Vision was first used to give sense and direction to changing product strategies. The first tangible outcome of the new identity statement was the release of the BeoSound Century, a new audio system targeting a younger and less affluent segment to stimulate sales growth, soon followed by another product addressing the same target: TV LE 6000. Managers perceived the release of simpler and less expensive products as a risk, as it could have confused the image of the company, thus making other lines less attractive. As Mr. Knutsen publicly remarked:

> [B&O has to] extend its product range to include cheaper products, which are accessible for a wider clientele (…) We have to make a wider basis for growth. And the risk involved in it is obvious, if we are not careful. How do we ensure that the new cheaper products do not damage our image – and thus make our other products less attractive? For instance by making sure that the new products have the same characteristic B&O features. 'The best of both worlds.' The technical quality and the emotional values. (*What?* Nov. 1993).

As an informant observed, it was clearly understood by management that any line extensions needed to take place "respecting the identity of the company." Following the principles embodied in the New Vision, product developers had dropped some features (e.g. system integration) and retained others (e.g. infra-red sliding doors) so that the new product, although simplified in design and offered at a lower price, would be coherent with the desired B&O image. Record sales for BeoSound Century contributed substantially to restore the profitability of the organization.

In the following months, managers also used the New Vision to explain other important investments. While some plants had been closed down, one was upgraded due to the strategic importance of the aluminium treating process that was carried out there. As an informant explained while showing us a new remote control:

> Try this remote control: your hand will never get sweaty. That's because of the way we treat the aluminium surface. This is important for the "emotional appeal" of our product, and that's why we did not discontinue the investment, while we closed down the production of cables and wires (Product Developer).

Finally, in order to facilitate the design of product features that "surprised" and "delighted" the user, managers invested in a new facility where a team of psychologists and technicians could observe users interact with prototypes. The new "operation room" was expected to enhance the capacity to "emotionally appeal" to its customers through unusual, but easy-to-approach user interaction (see Table 2).

Theoretically, the release of new products and the investment in new operating capabilities can be considered as *strategic investments* aimed at "creating value for constituents by providing them with options that satisfy their interests (Rindova and Fombrun, 1999, 695)." These investments built on current capabilities and product features, accentuating characteristics that top managers viewed as important to recapture the consensus of customers. In this respect, then, as illustrated by the double arrow in Figure 2, strategic investments were partly inspired and partly substantiated the new claims. The purpose of the identity refocus program that accompanied these investments was to give sense to these investments and to re-align members identity beliefs in order to ensure consistent image projections.

Identity Refocus

The reassessment process brought top managers to affirm that the organization's difficulties were not due to "deficiencies in the basic idea behind the product strategy", and that the search for a more favourable image did not require radical changes. According to them, customers' expectations could be met by emphasizing attributes that were already part of the organization, but that, over time, had been "set aside." Accordingly, managers attempted to draw members' attention to a common set of claims regarding the attributes that they considered meaningful and attractive to current and potential customers.

Managers considered the alignment of members around a common understanding of the organization as crucial to the projection of a clear and coherent image:

> [The image of a company] is formed by all its actions. That is why it is so important – at least for the company – that it fully realizes how it wants to be regarded. (*What?,* Nov. 1993)

Between the end of 1993 and mid 1994, articles in the house magazine and messages from the top management explicitly addressed issues of organizational identity, in order to raise members' awareness of the implications of how the organization was perceived internally and externally (see Table 2). Managers invited every employee from headquarters, and many from the international network, to Corporate Identity Workshops, where managers strove to clarify the concept and its importance for B&O's competitive success. Identity seminars were associated with an exhibition, The Curious Eye, which traced the history of B&O's identity over the last 70 years. The exhibition used past communication materials to illustrate how the identity of the organization had been periodically redefined – as manifested in changing corporate mottos and other identity statements – along with its evolving strategies. As an informant put it, managers presented the New Vision, as the "enduring essence" of B&O, "a confirmation of the past and a guide for the future." Despite its name, managers did not present the New Vision as an aspirational statement aimed at inducing a radical change in the organization, but as a "reminder" of what the organization – in the managers' views – "really was".

In summary, through the initiatives described above, managers attempted to realign members' understandings around a new set of claims, in order to regain consistency among strategic projections, and between them and organizational policies and practices. In their view, realigning organizational identity and image did not require substantial change, but the recovery of past understandings of the organization (reflecting past investments), albeit embodied in formally different claims. Managers, therefore, used new identity claims to encourage members to revise their beliefs, finding new anchors in features that were perceived and presented as an existing part of the organization.

Theoretically, we refer to this process as *identity refocus* – understood as the crafting of a self-referential narrative aimed at recovering past referents, by increasing their salience in members' beliefs about the organization. Past accounts of identity change typically described managers advancing new claims about the organization to encourage the engagement in what they perceived as more efficient or more effective practices (e.g. Nag et al., 2007; Kjergaard et al., 2011). Identity refocus differs from what was described by previous research in that it does not demand the embrace of a radically new set of claims about the organization. On the contrary, identity refocus is based on managers' perception that the organization already possesses the features (values, practices, capabilities, etc.) required to secure the consensus of constituents, but that they are not effectively taking advantage of them. In other words, identity refocus is aimed at realigning the beliefs that underlie strategic projections with strategic investments that are currently overlooked. New claims, therefore, are crafted in order to turn members' attention back to these features and to encourage them to incorporate these features in how they make and give sense of the organization. In this respect, identity refocus represents a deliberate attempt to counter a perceived identity drift, to the extent that the new understandings resulting from the drift are perceived as less desirable than the old ones.

Identity Tuning

As Figure 2 shows, new claims were not only used to support internal identity management. After working to ensure that all employees shared the same identity beliefs about B&O, top management's attention turned to actors that were peripheral to the organization. As we have mentioned earlier, retailers contributed to the propagation of images of the organization and its products that were not entirely appealing to its constituents or consistent with the aspirations of top managers. According to Mr. Knutsen, however, B&O's sales suffered due to "the imperfect transmission of the values and the principles embodied in the products." After what we have described above as identity reassessment and identity refocus, therefore, managers engaged in a third set of initiatives aimed at ensuring that retailers accurately "transmitted" to consumers the images projected by the organization through its various forms of communication.

Managers considered consistency between what they believed to be the distinctive attributes of the organization (and in which they had strategically invested) and how retailers portrayed it as critical to the firm's relationship with this critical external constituent. As the CEO explained, "the dealers who have grasped the soul of the products achieve far better results than those who would simply like to have a few luxury offers in their mixed bag." Our informants substantiated this interpretation by pointing to the rising sales at dealers that managers perceived as "loyally" implementing the company's communication policies.

It is not surprising, then, that ensuring that all retailers shared the same understandings of the organization was identified as a strategic issue. This belief was clearly expressed in the 1993-1994 Annual Report:

> We have realised that, in order to comprehend the philosophy of the company – and recognise its potential for growth – it is vital that we ourselves and our dealers share these ideas.

Managers redefined the goal of marketing activities as "to make sure that the distribution chain all the way through to the customer gets the same message." The Match Point program saw more than 600 dealers visiting headquarters and participating in a training course that illustrated new products and explained product design in terms of core values and competencies. As an informant observed:

> The new vision is not intended to be only a set of guidelines for research and development. (…) it should be transmitted to all the final retailers, asking them if they agree. If they don't, they may as well sell something else (Communication Manager).

In addition, the company held special seminars for regional trainers, whose job was to ensure that the dealers understood how to sell B&O products. Seminars focused on product positioning, defined as "the way we want B&O to be perceived by the consumer." As Claus Bundegaard, the coordinator of these seminars, stated, "[i]t is not a question of having a personal attitude, but a uniform one which we all loyally should support".

In summary, managers intended these initiatives to ensure the consistency between strategic projections and how the network of independent dealers portrayed the organization. Theoretically, retailers can be conceived as "peripheral" actors. By peripheral we refer to actors, such as agents, franchisees or exclusive retailers, who are formally not part of the organization, but may be perceived as such by external constituents because they are directly involved in the sales and delivery of an organization's products, and they do so under the name of the organization. By mediating interactions with external constituents, these actors may heavily influence external perceptions. Yet they may neither identify with the organization, nor share members' beliefs about core and distinctive features. While it is possible that these actors make *bona fide* efforts to positively influence external perceptions, their actions may eventually result in inconsistent projections, ultimately blurring the organizational image.

Unlike the refocus process described earlier, which presupposes the realignment of internal beliefs through the recovery of past referents, by *identity tuning* we refer to managerial attempts to reduce inconsistency in strategic projects by making identity claims available to peripheral actors and encouraging the incorporation of these claims in their beliefs about the organization. By doing so, organizational leaders provide peripheral actors with guidance and discursive resources to give sense of the organization according to the desired image. While identity refocus is expected to influence a broad range of organizational practices, then, identity tuning is mainly intended to ensure consistency in the communication activities of peripheral actors.

Identity-Consistent Communication

Informants agreed that the concerted efforts to influence the beliefs of members and peripheral actors had produced the desired effect; that was a more coordinated projection of organizational images reflecting a new set of identity claims (see Figure 2). In order to achieve this effect, identity-related initiatives were associated with substantial changes in communication structures and policies, reinforcing alignment among strategic projections. Managers centralized marketing and retail policies (from the design of store concepts to the production of training material for salespersons), and produced strict guidelines for communication and advertising. They also restricted the ability of country managers to adapt material and campaigns to local markets by moving some of these functions to a regional headquarter in Brussels. The number of dealers was also severely reduced, as B&O increasingly focused on exclusive stores, which followed strict central policies regarding store design, product display, assortment, etc., and were supported by centralized training for salespeople. According to informants, these efforts went a long way to realign the beliefs and understandings of marketers, advertisers and retailers. As an informant remarked:

> Our retail network is now thinner than it used to be, but – also thanks to the massive efforts we made with Match Point – those left have a clearer view of what Bang & Olufsen is. Or at least of what we think it is. (Sales Manager)

Although our data did not allow us to directly ascertain whether new claims were eventually incorporated in the beliefs of all the members, or even of their majority, multiple observations point to the relative success of the identity management strategies described above and suggest that the new claims eventually "stuck". First, all our informants seemed to accept the new claims as a truthful description of the organization. Second, no resistance or open disbelief was ever reported or observed (although it is quite likely that retailers that did not buy into the new values were dismissed). On the contrary, informants mentioned how, during presentations and identity seminars, the new claims were welcomed. Product development and advertising quickly incorporated new referents, as manifested in the new BeoSound line, and in the new catalogues replacing luxury symbols with what informants described as a warmer and more "humane" tone based on the association between individual products and unconventional users. Third, managers displayed commitment to the new claims, not only by substantiating them with changes in structures and practices, but also by prominently using them in self-referential discourse for at least five years.

More importantly, as changes were implemented, commercial and financial results improved. By the end of 1994, the company had become profitable again, and in 1996 its share price was almost ten times higher than three years before. Over the course of the 1990s, turnover grew steadily and the return on equity stabilized around 20%. Following Rindova and Fombrun (1999), we consider the eventual recovery of growth and profitability as indication that strategic projections were eventually realigned with a set of strategic investments – embodied in organizational structures, capabilities and product features – that effectively addressed the expectations of constituents. Of course, not all of these investments were made by the new managers. However, the revised claims likely managed to reorient the attention of members to capabilities and features resulting from past investments that had been overlooked in the previous decade, but according to the new management could be used to rebuild a viable differentiation strategy.

Discussion and Conclusions

Our study investigated how managers at B&O addressed a perceived misalignment among identity beliefs, strategic investments, and strategic projections, and between these projections and the perceived expectations of external constituents. Our study provides insights that enrich our understanding of how misaligned projections arise and are attended to, and of the interrelations between identity management and strategic change (see Table 3 for a summary).

Our observations suggest how temporal identity discrepancies (identity drift) and projected image discrepancies (image blurring) may induce organizational leaders to engage in identity management – rather than impression management – in order to realign strategic projections with their identity beliefs (as reflected in new strategic investments) and desired image. By highlighting the various identity management strategies that managers can engage in to address identity discrepancy, our observations point to the “identity maintenance”[5] that underlies the preservation of congruence among strategic projections and between these projections and strategic investments and perceived constituents’ expectations.

Our observations also complement the current emphasis on the social validation of identity claims (Ashforth and Mael, 1996; Pratt and Kraatz, 2009) by suggesting that the sustainability of these claims may also require an “anchor” in the material reality of the organization resulting from past and emerging strategic investments. Based on our observations, we propose an interpretation of identity adaptation as introspective “discovery” based on a) the periodic selection of emergent features or latent features that could be plausibly claimed as distinctive and that may satisfactorily address constituents’ expectations, and b) on the enhancement of these features by identity-consistent strategic investments and projections.

Insert Table 3 about here

In the following sub-sections, we discuss implications for theory and future research arising from our observations. Before we do that, it is important to acknowledge a potential limitation of our study. Our study was largely based on a corpus of texts reflecting managers’ interpretations of identity issues and the narrative that they produced in order to realign members’ beliefs, strategic investments and strategic projections. As common in grounded theory building, then, our model largely reflects the interpretations of our informants. Other beliefs, such as for instance those of previous top managers or other organizational members, were inferred from the observations of our interviewees and other documental evidence, and from their practical manifestations in past investments in product development, advertising,

[5] Brown and Starkey (2000) use the term ‘maintenance’ to refer to a number of psychological defences that members turn to in order to counter threats to their self-esteem; we use the term in a different conception, to refer to social practices that are activated to constantly uphold and preserve a common understanding of the organization.

etc. Identity beliefs, then, represent an (partly) unobserved variable in our study, which we mostly inferred indirectly from other sources. In order to compensate for this shortcoming, we paid particular attention to triangulate our informants' observations with archival data. The implications of this limitation for our argument will be properly acknowledged as we discuss our observations.

Identity Drift as a Source of Identity Discrepancy

Past research on identity discrepancy has generally focused on construed image discrepancies ("We are not what they think and say we are") (e.g. Dutton and Dukerich, 1991; Elsbach and Kramer, 1996; Martins, 2005), and future-oriented temporal identity discrepancies ("We are not yet what we want to be") (e.g. Corley, 2004; Corley and Gioia, 2004). Our study enriches this line of inquiry by highlighting members' responses to past-oriented temporal identity discrepancies ("We are not what we used to be") and to projected image discrepancy ("The way we portray ourselves is not what it should be").

At B&O, managers partly explained these discrepancies as a consequence of what, building on Albert and Whetten (1985), we have termed "identity drift" – understood as a gradual identity change, characterized by increasing misalignment between past claims and beliefs embodied in official identity statements and changing managers' beliefs manifested in new strategic investments.

While our study traced managerial responses to a perceived identity drift, our data allowed us to capture only indirect evidence of the drift itself. From the perspective of top managers of B&O during the nineties, what we have retrospectively labelled as an identity drift was probably a more or less conscious attempt to alter the strategy, based on a new and emerging understanding of the organization and a new desired image. For a few years, the new strategy seemed to effectively address the expectations of constituents. The new course of action, however, was never properly explained through a new set of identity claims. The

Seven CICs remained as official identity statements even when new strategic projections seemed to have little to do with the principles they embodied. In the absence of clearly articulated new claims to give sense to the new strategy, what could have produced identity change eventually resulted in identity drift.

Future research may extend our understanding of identity drift by investigating in more depth the conditions under which they unfold. Consistent with past research, our informants' accounts pointed to two possible antecedents of identity drift. First, identity drift could be caused by the recruitment of a new CEO from outside, who may bring new beliefs and aspirations, manifested in changing organizational strategies and a new desired image (Gioia and Thomas, 1996; Kjergaard et al., 2011). If the new leader does not produce a new self-referential narrative helping internal and external constituents make sense of the new course, the identity of the organization may drift as policies and practices become increasingly misaligned with the official statements.

Second, consistent with previous research (Hatch and Schultz, 2002), our informants' accounts pointed to the "hyper-adaptation" of managers to the expectations of external constituents, resulting in new understandings of the organization that largely mirror external images. Research has shown that exposure to favourable external images may induce members to redefine their identity beliefs mirroring representations that satisfy their need for self-enhancement (see Kjergaard et al., 2011). Under these circumstances, members may be brought to gradually disregard features that are not directly acknowledged by externally produced images. Hyper-adaptive identity drift may lead to temporary benefits related to the fit between strategic projections and external expectations. Scholars, however, consider a discrepancy between strategic projections and the organizational material reality untenable in the long run (Fombrun, 1996). An interesting avenue for future research, then, lies in a closer investigation of whether and how the projection of images that are not backed up by organizational practices, widely-held values, etc., can be sustained over an extended period of time, and with what implications for internal identity work?

Future research may enrich this emerging picture by investigating other possible sources of identity drift. Our observations point to specific causes of drift that induce some member's to gradually alter their perception of the material reality of the organization. It remains unclear, however, whether organizational identities may also be subjected to "natural" drifts, as a consequence of long-term changes in organizational demography, patterns of activity, etc.

Future research may also investigate what brings different members to respond differently to identity drift and to be more or less sensitive to temporal identity discrepancies. At B&O, according to our informants, the drift towards luxury seemed to be more readily embraced by top managers and marketers. This observation is consistent with past research. Hatch and Schultz (2002), for example, maintain that members at the interface with external constituents may be more sensitive to external representations and prone to hyper-adaptation. Corley (2004) also shows how employees in lower levels of the organization tend to have more inertial, inward-looking conceptualizations of their organization than top managers. Future research may investigate more systematically how variables such as hierarchical level, tenure, and position may affect differential response to identity drifts.

Identity Maintenance and Strategy Formation

Our observations complement and extend Rindova and Fombrun's (1999) theory of competitive advantage by highlighting identity management process that underlies strategy making. Past research has shown how identity beliefs affect how organizations respond to environmental challenges (e.g. Dutton and Dukerich, 1991; Fox-Wolfgramm et al., 1998). Our findings extend this line of inquiry by suggesting how the articulation of these beliefs into a new set of claims underpins strategy formulation and implementation. Identity claims and beliefs drive viable responses to environmental challenges insofar as their referents are embodied in investments (made or in the making) that satisfactorily address the needs and expectations of constituents. In this respect, the reassessment process described earlier, along with the reformulation of identity claims, brings both the "strategic plot" that is expected to provide coherence and continuity to the investments and the projections that underpin the strategy of an organization above the threshold of awareness (Rindova and Fombrun, 1999). The reformulated claims are then used to develop a new narrative tying strategic investments to distinctive attributes and capabilities, that can be accepted by organizational members and appealing to external constituents.

It might be argued that our focus on the perspective of top managers allowed us to capture only part of the identity dynamics unfolding at B&O between the late 1970s and the mid 1990s. Indeed, in organizations multiple narratives may co-exist, implying or advancing different understandings and conceptualizations (Brown, 2006). By no means do we claim to have analyzed *the* organizational identity: the possibility of "multiple identities" (Pratt and Foreman, 2000) is intrinsic to our notion of identity claims and beliefs. We recognize that our approach might have led us to downplay alternative identity narratives advanced elsewhere in the organization (e.g. in the factories or sales branches) and by other categories of employees (e.g. factory workers). In fact, during our study, we encountered instances of other identity narratives or metaphorical claims. None of these narratives, however, was as prominent in self-referential discourse and as grounded in concrete organizational commitments[6] as those we have described. Most importantly, none of these narratives directly addressed the investments and projections required to secure the support of constituents. In other words, none of these narratives was "strategic".

In this respect, it is not surprising that identity management at B&O involved mainly

[6] According to Whetten (2006), these are fundamental conditions to label self-referential discourse as *bona fide* identity claims.

members involved in activities such as product development, communication, and retailing. This focus reflected the primary concern of top managers to realign strategic investments *and* projections in order to improve organizational performance. Recent studies show how different concerns may lead top managers to focus their identity management efforts on supporting changes in other elements of the organization, such as human resources systems (Alvesson and Kärreman, 2008), organizational structures (e.g. Kjergaard, et al., 2011) or goals (e.g. Nag et al., 2007). Future research may build on the increasing range of case studies of identity management in strategic change to build a higher-order framework linking, for instance, different types of change, with different scope, focus, and primary audiences of identity management.

It could also be argued that, rather than identity management, what we observed was really an instance of "corporate brand" management (e.g. Hatch and Schultz, 2004). Yet, as Kärreman and Rylander (2008) show, corporate branding *is* an identity management practice, in that it entails the purposeful attempt to express a core set of values and meanings, addressing external as well as internal audiences. Kärreman and Rylander (2008) argue that corporate branding contributes to enhance the attractiveness of belonging the firm, therefore strengthening members' identification. Our observations suggest an even more substantial contribution of corporate branding practices in creating opportunities for the expression and elaboration of identity claims and beliefs. Future research may investigate more in more depth the internal implications of "externally-oriented" attempts to realign identity and strategy. In other words, as employees display a natural tendency to stick to "past identities" (Corley, 2004), "branding" initiatives aimed at adapting to external conditions and/or constituents' expectations, may result in cascading misalignment among members who are less exposed to the environment. Consequences may range from resistance to the unacknowledged divergence of beliefs, as it seems to have been the case during B&O's drift towards luxury. Future studies may investigate further the conditions under which cascading misalignments arise, and identity management efforts succeed or fail.

Our study has begun to unpack the identity maintenance process as a set of identity management strategies. At B&O managers adopted these strategies in sequence in order to repair what they perceived as a drifting identity and a blurred image. More research, however, is needed to investigate the conditions that shape the relative effectiveness of each strategy. At B&O the growth and profitability they regained let us reasonably assume that the new claims successfully reconciled strategic investments and constituents' expectations. However, whether the observed result is a natural consequence of the three strategies, or depends on the specific way in which they were implemented at B&O, remains unclear. For instance, while the process we have described aims at reconciling internal beliefs and external expectations, the actual result – i.e. the referents of the reformulated claims – is likely to be shaped by the perspectives that are brought to bear on it, and in particular by the hierarchical level (Corley, 2004) and professional background (Glynn, 2000) of those involved. In fact, identity reassessment may *not* necessarily be followed by identity refocus, if the process brings members to conclude that substantial change is required. In this respect, future research may investigate whether and how the tenure of organizational leaders influences the outcome of the process, and in particular, the tendency to ground new claims in past vs. current investments, or to recover past claims vs. mirroring current images.

Social Validation vs. Material Anchoring: Identity Adaptation as Discovery

More generally, we believe that our findings contribute to improve our understanding of how members engage in the construction and reconstruction of organizational identities. A social constructionist conception of organizational identity as what members believe and define it to be implies an understanding of organizational identities as socially negotiated, possibly transient, conceptualizations of an organization (Brown, 2006; Gioia et al., 2000).

Past research in an interpretive perspective has argued for the importance of social validation – understood as "legitimizing feedback" from external perceptions and representations (Pratt & Kraatz, 2009; Gioia et al., 2010) – but has paid less attention to the issue of whether and how these conceptualizations are actually substantiated by organizational material reality. Past research on the interrelations between organizational identity and image has implicitly assumed a relative degree of malleability of the former, by emphasising the "primacy" of external images in triggering changes in organizational identity aimed at bringing it to conform to external expectations (e.g. Price and Gioia, 2008; Tripsas, 2009).

Our study suggests instead how both social validation and material anchoring – understood as the consistency between identity claims and organizational structures, capabilities, product features, etc. resulting from strategic investments – shape the outcome of attempts to establish or revise identity claims and beliefs. At B&O, during the eighties, hyper-adaptive drift might have brought top managers to lose connection with organizational structures and capabilities, resulting from past investments: in the beginning of his tenure, Mr. Andersen did invest in upgrading technologies for sound and video reproduction; eventually, however, these investments and the resulting product features did not feature prominently in the images projected by advertisers and retailers. In other words, strategic projections gave only a partial account of the past investments of the organization Conversely, during the nineties, Mr. Knutsen made a synergistic use of strategic projections and investments, to clearly establish a connection between a revised conceptualization of the organization and the new strategic course. While the reformulated identity claims gave sense to the new strategic investments, the latter gave substance to the new self-referential narrative of the organization.

By suggesting that, when it comes to identity change, both words and substance matter, our study encourages reconciliation between a social constructionist (e.g. Gioia and

Corley, 2004) and an essentialist perspective (e.g. Whetten, 2006) on organizational identity construction[7]. According to the former, organizational identities are socially constructed through discursive practices and acts that imbue claims with meanings and enact them in organizational structures and practices. Conversely, an essentialist perspective points at how perceived properties of identity features influence organizational practices and are eventually reflected in credible identity claims (Whetten, 2006). While the former perspective gives pre-eminence to the constitutive role of language, emphasizing flexible adaptation resulting from the periodic renegotiation of shared beliefs (Gioia et al., 2000), the latter suggests how credible identity claims necessarily reflect more substantial properties of organizational referents, implying constraints to the actual capacity of organizational leaders to alter or renew self-referential discourse (Albert and Whetten, 1985; Whetten, 2006).

The process of refocusing we have described suggests how a social constructionist and an essentialist perspective on organizational identity could be combined in order to produce a more realistic account of how organizational identities are periodically reconstructed. One of the fundamental functions of organizational identities is to provide members with a sense of self and continuity (Whetten, 2006). Over time, however, organizations may confront pressures to adapt their identity to changing environmental conditions (Gioia et al., 2000). The notion of "adaptive instability" has been advanced to account for how members manage to adapt while preserving a sense of continuity by periodically renegotiating the meaning of official claims (Gioia et al. 2000). Based on our observations, we propose an alternative theory of identity adaptation that suggests how the organizational material reality, as a reflection of past strategic investments, may provide a reservoir of potential referents that leaders can selectively draw upon as they attempt to reshape shared identity beliefs in order to cope with changing internal and external

[7] We are indebted to David Whetten for this insight.

conditions.

Organizational leaders, we argue, may promote “change within continuity” by periodically selecting (or re-selecting) a subset of all the features that could plausibly be claimed as central and distinctive, that are perceived as fitting current circumstances, and re-enacting them by making them salient to members through reformulated identity claims. Adaptation, then, is not attempted by directly promoting substantial changes, but changes are encouraged by selectively re-focusing the attention of members on established or emerging referents. The notion of adaptive instability implies that continuity is achieved by preserving formal claims and retrospectively “revising history” to account for current interpretations (Gioia et al., 2000). Our observations point to the complementary process through which members attempt to preserve a sense of continuity by using reformulated claims to acknowledge emergent, latent, or “forgotten” capabilities, product features, etc. Adaptation in turn is achieved by acknowledging emerging changes or leveraging on past investments that may have regained relevance for the constituents that the new strategic course addresses.

Identity Adaptation as Discovery

Our observations imply a conceptualization of the adaptation of organizational identities to changing environmental challenges as a process of “discovery”, rather than a process of “invention.” Identity scholars generally acknowledge the importance that identity claims are supported by credible commitments embodied in organizational structures, policies, etc. (Whetten, 2006). Radical new identities, then, are likely to require enormous strategic investments to retain congruence between the identity and the materiality of the organization, and may imply a loss of past investments, that may be justified only in the presence of dramatic environmental changes (technological discontinuities, etc.). With rare exceptions (e.g. Kjergaard et al., 2011), research on attempted identity change mostly reports resistance and failure (Humphreys and Brown, 2002; Nag et al., 2007) or remains silent about the outcome (Gioia and Thomas, 1996). Empirical evidence, therefore, seems to corroborate the notion of identity as enduring, rather than adaptable (e.g. Whetten, 2006), and points to the difficulty of introducing new conceptualizations of the organization that imply substantial changes in social practices (Nag et al., 2007) and social structures (Humphreys and Brown, 2002). Based on these findings, one might be brought to conclude that deliberate identity change is nearly impossible.

Our findings suggest instead that identity management may encounter less resistance, to the extent that new claims reflect established or emerging “investments” – that is organizational commitments to policies, structures and practices – that may only be partly acknowledged by current claims and beliefs. Identity adaptation, then, can be conceived as an introspective process aimed at identifying features and capabilities that can be plausibly claimed as core and distinctive, while at the same time satisfactorily address the concerns and expectations of critical constituents. New identity claims, then, can be used to acknowledge and consolidate emerging features, rather than push the development of entirely new ones.

Indeed, these observations assume that organizational leaders are able to detect organizational referents that, while not part of current identity claims and beliefs, can be drawn upon to address external constituents’ expectations. In the case we have described, this process was partly carried out by attempting to reverse a perceived drift and rebuild past alignments. Part of the process, however, implied an attempt to increase the salience of some features (such as, in this case, the technological excellence of the organization and the emotional appeal of the products) that were perceived as relevant to the current target constituent, while downplaying other features included in previous claims that were perceived as less relevant to the current circumstances.

It could be argued that this way of interpreting identity adaptation may be less relevant in circumstances where organizational leaders want to carry out a complete transformation, and cannot find any feature inside the organization that can possibly be used to construct an appealing new identity. In fact, the issue raises the question of whether a radical identity change is feasible at all. Recent research suggests that positive media coverage may encourage members to embrace a radically new conceptualization of the organization, along with its substantial implications (Kjergaard et al. 2011). We still know little, however, about how organizational leaders can bring about substantial and enduring changes in organizational identity.

Bibliography

Albert, S. and Whetten, D.A. 1985. Organizational identity. In L.L. Cummings, M.M. Staw. (Eds.) *Research in Organizational Behavior*, 7, 263-295.

Alvesson, M. and Willmott, H. 2002. Identity regulation as organizational control: Producng the appropriate individual. *Journal of Management Studies*, 39, 619-644.

Ashforth, B. E., Harrison, S.H. and Corley, K.G. 2008. Identification in organizations: An examination of four fundamental questions. *Journal of Management*, 34, 325-374.

Ashforth, B.E. and Mael, F. 1996. Organizational identity and strategy as a context for the individual. *Advances in Strategic Management*, 13, 19-64.

Bang, J. and Palshøy, J. 2000. *Bang and Olufsen, Vision and legend*, Copenhagen: The Danish Design Center.

Brown, A. D. and Humphreys, M. 2006. Organizational identity and place: A discursive exploration of hegemony and resistance, *Journal of Management Studies*, 43: 231-257.

Brown, A.D. 2006. A narrative approach to collective identities. *Journal of Management Studies*, 43, 731-753.

Brown, A.D. and Starkey, K. 2000. Organizational identity and learning: A psychodynamic perspective. *Academy of Management Review*, 25, 102-120.

Brown, T.J., Dacin, P.A., Pratt, M.G. and Whetten, D.A. 2006. Identity, intended image, construed image, and reputation: An interdisciplinary framework and suggested terminology. *Journal of the Academy of Marketing Science*, 34, 99-106.

Cheney, G. 1983. The rhetoric of identification and the study of organizational communication. *Quarterly Journal of Speech*, 69, 143-158.

Corbin, J. and Strauss, A. 1990. Grounded theory research: Procedures, canons, and evaluative criteria. *Qualitative Sociology,* 13, 3-21.

Corley, K. G. 2004. Defined by our strategy or our culture? Hierarchical differences in perceptions of organizational identity and change. *Human Relations*, 57: 1145-1177.

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

Czarniawska, B. 1997. *Narrating the Organization: Dramas of Institutional Identity*. Chicago, IL: The University of Chicago Press.

Dutton, J. and Dukerich, J. 1991. Keeping an eye on the mirror: Image and identity in organizational adaptation. *Academy of Management Journal*, 34, 517-554.

Echikson, W. 1997. Bang & Olufsen class act gets classier. *Business Week*. October 20th: 142

Eisenhardt, K.M. and Graebner, M.E. 2007. Theory building from cases: Opportunities and challenges, *Academy of Management Journal*, 50, 25-32.

Elsbach, K.D. 2006. *Organizational perception management*. Mahwah, NJ: Lawrence Earlbaum Associates.

Elsbach, K.D. and Kramer, R.M. 1996. Members' responses to organizational threats: Encountering and countering the *Business Week* rankings. *Administrative Science Quarterly*, 41, 442-476.

Elsbach, K.D. and Sutton, R.I. 1992. Acquiring organizational legitimacy through illegitimate actions: A marriage of institutional and impression management theories. *Academy of Management Journal*, 35, 699-738.

Fombrun, C.J. 1996. *Reputation: Realizing value from the corporate image*. Boston, MA: Harvard Business School Press.

Fox-Wolfgramm, S. J., Boal, K. B., & Hunt, J. G. 1998. Organizational adaptation to institutional change: A comparative study of first order change in prospector and defender banks. *Administrative Science Quarterly*, 43, 87-126.

Furnham, P. 1991. A beautiful face is not enough. *Forbes.* May 13th, 105-106.

Furnham, P. 1995. Bang on target. *Forbes.* April 10th, 16.

Ginzel, L.E., Kramer, R.M. and Sutton, R.I. 1993. Organizational impression management as a reciprocal influence process: The neglected role of the organizational audience. In L.L. Cummings and B.M: Staw (Eds.) Research in Organizational Behavior, 15, 227-266, Greenwhich, CT: JAI

Gioia, D. A., Price, K. N., Hamilton, A.L, and Thomas, J.B. 2010. Forging an identity: An insider-outsider study of processes involved in the formation of organizational identity, *Administrative Science Quarterly*, 55, 1-46.

Gioia, D.A. and Thomas, J.B. 1996. Identity, image and interpretation: Sensemaking during strategic change in academia. *Administrative Science Quarterly*, 41, 370-403.

Gioia, D. A., Thomas, J. B., Clark, S. M. and Chittipeddi, K. 1994. Symbolism and strategic change in academia: The dynamics of sensemaking and influence. *Organization Science*, 5, 363-383.

Gioia, D.A., Schultz, M. and Corley, K.G. 2000. Organizational identity, image and adaptive instability. *Academy of Management Review*, 25, 63-81.

Glaser, B. and Strauss, A. 1967. *The Discovery of Grounded Theory*. Chicago, IL: Aldine.

Glynn, M.A. 2000. When cymbals become symbols: Conflict over organizational identity within a symphony orchestra. *Organization Science*, 11, 285-298.

Hatch, M. J. and Schultz, M. 1997. Relations between organizational culture, identity and image. *European Journal of Marketing*, 31, 356-365.

Hatch, M. J. and Schultz, M. 2001. Are the strategic stars aligned for your corporate brand? *Harvard Business Review*

Hatch, M. J. and Schultz, M. 2002. The dynamics of organizational identity. *Human Relations*, 55, 989-1018.

Humphreys, M. and Brown, A.D. 2002. Narratives of organizational identity and identification: A case study of hegemony and resistance. *Organization Studies*, 23, 421-447.

Kärreman, D., and Rylander, A. 2008. Managing meaning through branding – The case of a consulting firm, *Organization Studies*, 29, 103-125.

Kets de Vries, M. 1999. Struggling with the demon: Essays on individual and organizational irrationality, International University Press, CT.

Kjergaard, A., Morsing, M., Ravasi, D. 2010. Mediating identity: A study of media influence on organizational identity construction in a celebrity firm, *Journal of Management Studies*

Lerpold, L., Ravasi, D., Van Rekom, J. and Soenen, G. 2007. *Organizational identity in practice*. Routledge.

Lindberg, O. 1994. Hi-fi performance turns tables. *International Management*. May: 6-7

Locke, K. 2001. *Grounded Theory In Management Research*, Thousand Oaks, CA: Sage.

Martins, L.L. 2005. A model of the effects of reputational rankings on organizational change. *Organization Science*, 16, 701-720.

Myerson, J. 1993. Totally successful. *Design*. February: 22-24

Nag, R., Corley, K.G. and Gioia, D.A. 2007. The intersection of organizational identity, knowledge, and practice: Attempting strategic change via knowledge grafting. *Academy of Management Journal*, 50, 821-847.

Pettigrew, A.M. 1990. Longitudinal field research on change: Theory and practice. *Organization Science*, 1, 267-292.

Poulsen, P. T. 1997. *Break-point.* Copenhagen: Centrum - Jyllands-Postens Forlag

Pratt, M.G. 2009. For the lack of a boilerplate: Tips on writing up (and reviewing) qualitative research, *Academy of Management Journal,* 52, 856-862.

Pratt, M.G., Foreman, P.O. 2000. Classifying managerial responses to multiple organizational identities. *Academy of Management Review*, 25, 18-42.

Pratt, M.G., M.S. Kraatz. 2009. E pluribus unum: multiple identities and the organizational self. L.M. Roberts, J.E. Dutton, eds. *Exploring Positive Identities and Organizations*. Routledge, New York, NY, 385-410.

Price, K. N., Corley, K. G., and Gioia, D. A. 2008. Reconciling scattered images: Managing disparate organizational expressions and impressions. Journal of Management Inquiry, 17, 3, 173-185

Price, K.N. and Gioia, D.A. 2008. The self-monitoring organization: Minimizing discrepancies among differing images of organizational identity. *Corporate Reputation*

Review, 11, 208-221.

Ravasi, D. and Schultz. M. 2006. Responding to organizational identity threats: Exploring the role of organizational culture. *Academy of Management Journal*, 49, 433-458.

Reger, R., L.T. Gustafson, S.M. Demarie, J.V. Mullane. 1994. Reframing the organization: Why implementing Total Quality is easier said than done. *Academy of Management Review*, 19, 565-584.

Rindova, V. P. 1997. The image cascade and the formation of corporate reputations. *Corporate Reputation Review*, 1, 188-194.

Rindova, V.P. and Fombrun, C.J. 1999. Constructing competitive advantage: The role of firm-constituent interactions. *Strategic Management Journal*, 20, 691-710.

Rindova, V.P., Petkova, A.P., and Kotha, S. 2007. Standing out: How new firms in emerging markets build reputation, *Strategic Organization*, 5, 31-70.

Rodrigues, S. and Child, J. 2008. The development of corporate identity: A political perspective. *Journal of Management Studies*, 45, 885-911.

Rohwedder, C. 1994. Bang & Olufsen returns to profit for year. *Wall Street Journal*. August 25th: 8.

Scott, S.G., Lane, V.R. 2000. A stakeholder approach to organizational identity. *Academy of Management Review*, 25. 43-62.

Sjovall, A.M. and Talk, A.C. 2004. From actions to impressions: Cognitive attribution theory and the formation of corporate reputation. *Corporate Reputation Review*, 7, 269-281.

Strauss, A.L., J.M. Corbin. 1998. *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*. Sage, Thousand Oaks.

Tripsas, M. 2009. Technology, identity, and inertia through the lens of "The Digital Photography Company". *Organization Science*, 20 2, 441-460.

Wasserman, V., Frenkel, M. 2011. Organizational Aesthetics: Caught Between Identity Regulation and Culture Jamming. *Organization Science*

Whetten, D.A. 2006. Albert and Whetten revisited. Strengthening the concept of organizational identity. *Journal of Management Inquiry*, 15, 219-234.

Whetten, D.A. and Godfrey, P. 1998. *Identity in Organizations: Developing Theory Through Conversations*. Thousand Oaks, CA: Sage.

Whetten, D.A. and Mackey A. 2002. A social actor conception of organizational identity and its implications for the study of organizational reputation. *Business and Society*, 41, 393-414.

Yin, R. K. 1984. *Case Study Research*. Beverly Hills, CA: Sage Publications.

Table 1. Data sources and their use in the analysis

Data types	Details	Use in the analysis
House magazines	*B&O Magazine* (7 issues, Nov. 1991- Mar. 1993), and *What?* (15 issues, Oct. 1993 - Dec. 1995) for a total of 476 pages	Capture managers' interpretations of identity related issues, and the official identity-related narrative available to organizational members. Collect detailed information on corporate events, decisions, and actions, and triangulate observations and substantiate managerial interpretations of identity-related issues.
Interviews	16 interviews to 10 informants: CEO (1 interview)*, country man. (2)*, communication man., headquarter (3)*, brand man. (2), sales man. (1), advertising man. (1), local communication man. (3), user interaction designer (1), product developer (1), 1 technician (1). * Members of the team in charge of reformulating claims	Capture managers' interpretations of identity related issues. Collect additional information about identity-related initiatives, and more generally on corporate events, decisions, and actions, and triangulate observations and substantiate managerial interpretations of identity-related issues.
Corporate biographies and publications	Two corporate biographies (Poulsen, 1996; Bang and Palshøy, 2000), and other publications: *Bang & Olufsen* (1985, 12 p.); *Bang & Olufsen: The way ahead* (1988; 18 p.); *Bang & Olufsen 1925-1990* (1991, 20 p.), *Bang & Olufsen* (1998, 18 p.)	Familiarize with the historical, organizational, and strategic context within which identity-related processes took place. Capture retrospective reflections of external observers and past members on identity-related issues and programs between 1972 and 1993, and samples of identity narratives prior to 1993
Annual reports	Annual reports from 1989-90 to 1996-97	Keep track of financial and commercial performance over the years, and collect detailed information of corporate events, decisions, and actions. Capture additional reflections of managers on changing strategies and identity-related initiatives.
Identity-related documents	*The Seven CICs of Bang & Olufsen* (1974, 8 p.) Transcripts of *Corporate Identity Workshops* (Dec. 1993 – Jan. 1994, 19 p.). *Strategic Issues and Perspectives* (an outline of intended cultural changes, 1994, 8 p.) *There is ONE Bang & Olufsen* (visual identity manual, 1997, 14 p.) *Retailer's Guide* (25 slides) and *Trainer's Guide* (support manual, 1997, 18 p.)	Capture managers' interpretations of identity related issues, and the official identity-related narrative available to organizational members. Collect additional information about identity-related initiatives, and triangulate observations and substantiate managerial interpretations of identity-related issues.
Other archival sources	Articles from the international business press (Furnham, 1991; Myerson, 1993; Lindberg, 1994; Rohwedder, 1994; Echikson, 1997) INSEAD teaching case study (Kets de Vries, 1997)	Familiarize with the context, and triangulate managers' interpretations and observations

Table 2. Selected evidence

Second-order categories	First-order categories	Selected evidence
		Perceived identity discrepancies
Perceived identity drift	Managers beliefs mirror external representations	The top management was not in line with the company culture. It was dazzled by products and awards (Poulsen, 1998, p. 39).
		The communication concentrated on luxury symbols instead of explaining the qualities that could have justified the high price of the B&O product (CI workshop, Dec. 1993)
	Strategic projections overlook traditional referents	While concentrating on outer prestige, the products' qualities – and the idea which lay at the heart of Bang and Olufsen existence – were ignored (Bang and Palshoey, 2000, p. 102).
		What used to be the strong points of communication were now the weak points, meaning the connection between the product and communication (CI workshop, Dec. 1993)
Perceived image blurring	Misalignment among internal beliefs	For many years we have experienced that the markets have interpreted the messages from Business Development at their own pleasures (Sales Trainer, *What?* Feb. 1994).
		For many years B&O sent two different messages, in two different languages, spoken by two management groups who did not understand each other. (Poulsen, 1997: 117)
	Misaligned projections negatively affect image	If we begin speaking different voices – even if they have been adapted to quite well-defined target groups – we risk losing our credibility, the result of which is a blurred image (Identity Manager, CI workshop, Dec. 1993)
		[During the 1980s] the subsidiaries and the dealers got more influence – and identity was no longer under strict control. ... The result was a somewhat blurred image. (What? May 1994)
		Identity management strategies
Identity reassessment	Assessment of identity beliefs	We were assigned a philosophical task: To codify the essence of Bang & Olufsen (Country manager, interview).
		The start of the process was asking ourselves: What is the raison d'être of Bang & Olufsen? We had to find it out. We had to trust in some features, some core values… The task was to make a vision that did not cover only the product, but the whole company (CEO, interview).
	Assessment of externally held	The purpose of the project was to verify whether the essence of the company, as perceived by clients, corresponded what was perceived internally (Communication manager, interview).

	images	A brand essence test was made this spring, including both people who had bought Bang & Olufsen products, and people who had chosen another brand. The test tells us the view that the target group has of Bang & Olufsen (AR 1992/93).
Identity refocus	Claimed soundness of traditional claims	Trying to change our fundamental identity would be a bad idea since it has proved to be extremely strong and efficient (Identity Manager, CI workshop, Dec. 1993).
		The vision should not replace the perception the company has of itself and which is already articulated in 'The Seven CICs' (CEO, in Poulsen, 1998, p. 96)
	Need to dispose of multiple strategic projections	It is just as important that all our communication activities clearly indicate that they are from the same sender. That they express the same identity. Because a company can have only one identity (CEO, *What?* Nov. 1993).
		We should communicate and express only one, uniform B&O identity (Identity Manager, CI workshop Dec. 1993)
	Need to regain clear identity beliefs	[An organization's] identity is formed by all its actions. That is why it is so important that it fully realizes how it wants to be regarded (CEO, *What?*, Nov. 1993).
		Understanding Bang & Olufsen identity is a precondition for being able to further develop it (Editorial, *What?* May 1994).
Identity tuning	Members and peripheral actors should share the same beliefs	In order to comprehend the philosophy of the company – and recognize its potential for growth – it is vital that we ourselves and our dealers share these ideas (AR 1993/94).
		The job of a producer is to create consistency between its products, organization and marketing. If the dealer does not understand this common identity, and act accordingly, he has to be replaced (VP Marketing and Sales, in Poulsen, 1998, p. 100)
	Members and peripheral actors should project the same image	The whole chain must be fit for fight and convey the same idea (VP Sales and Business Development, *What?* Jul. 1994).
		Bang and Olufsen has the same identity all over the world. The same thing should apply to the training of retailers. (Regional Trainer, *What?* Feb. 1994)
		Identity-related outcome
Reformulation of identity claims	Articulation of differentiating features	We will ask you always to keep the following Vision of Bang & Olufsen in mind, because it tells us what it is that makes us different (*Bang & Olufsen*, 1998).
		Our purpose is to create harmony between emotional appeal and technological. This particular balance is what attracts our clients (CEO, Press conference, 1994)

	Articulation of distinctive capabilities	The core competencies are selected due to their contribution to the excellence of user experiences and the uniqueness of Bang & Olusfen products, which is how B&O achieves market differentiation (CEO, Press conference) Excellence means quality of materials and finish, and quality in performance – two of our competences (CEO, interview)
Identity-consistent strategic investments	Extension of product lines preserving distinctive features	The product strategy itself has not changed, as it was only a question of widening the product range back to the level it had up until 1986-87 … with the same basic aesthetic and technical features characterizing all Bang & Olufsen products (Annual Report 1992-93, p. 15) Bang & Olusfen must mean the best at both ends of the price range… no matter which end of the price range you buy, the B&O special standards of quality are part and parcel of the purchase (CEO, press conference)
	Investment in distinctive capabilities	User interaction is one of the core competencies at B&O… B&O has decided to establish a usability lab as part of the user interaction design team … This is because B&O products must have the distinctive B&O identity (Press release, 1995) The Break Point plan assigned many processes to subcontractors. Only the strategically important – e.g. advanced anodising of aluminium – remained with B&O (Bang and Palshoey, 2000, p. 109)
Identity-consistent strategic projections	Stronger coordination of international subsidiaries	There is no doubt that the period where the kingdoms each had their own marketing and perception of the company must come to an end. [Ebbe Pelle Jacobsen, VP Sales] wants to position Bang & Olusfen identically in all markets (Poulsen, 1997, p. 74) With Break-Point the company has changed the way of running the subsidiaries… To be an image-company you have to means the same thing to all people all over Europe. We must be *one* company, not send different messages as we did (Country manager, in Poulsen, 1997, p. 103, italics in original)
	Focus on fewer, but loyal retailers	The old objective, to extend the number of dealers, is changed into finding the *right* dealers. In France, for instance, they have to buy back the stocks of goods to be able to withdraw from a chain selling mostly discount products (Poulsen, 1997, p. 101, italics in the original). In the Break Point it is made clear that the marketing cannot be left to the individual subsidiaries. Bang & Olufsen is a brand-name that represents the company as a whole (Poulsen, 1997, p. 100).
	Uniform visual identity	Every time customers and other people see the name of a company, they must see the same thing… For a long period the way we have been writing our name has been a mix-up… advertisements, magazines, shops, windows, etc. shall in the future send uniform signals everywhere (CEO, visual identity manual, 1997).

Table 3. New insights on managing identity discrepancies

Issue	Current view	Additional insights from our findings
Source of identity discrepancy	*Construed image discrepancy* (Corley, 2004): Perceived external perceptions and representations differ from members' perceptions and aspirations (Dutton and Dukerich, 1991; Elsbach and Kramer, 1996; Martins, 2005)	*Perceived identity drift*: loss of traditional referents in identity beliefs (and the related strategic projections) *Perceived image blurring*: multiple, inconsistent strategic projections
Organizational response	*Image management:* Impression management (Elsbach, 2006; Gioia et al., 2000) to preserve favourable external perceptions and representations of the organization	*Identity management:* Identity maintenance – identity reassessment, identity refocus, and identity tuning – to preserve alignment between strategic investments, strategic projections, and perceived constituents' expectations
Sustainability of identity claims	*Social validation*: Identity claims are sustainable to the extent that they are 'validated' by external perceptions and representations (Ashforth and Mael, 1996).	*Material anchoring*: Identity claims are sustainable to the extent that they reconcile external perceptions and expectations with the material reality of the organization, resulting from past and current strategic investments.
Identity adaptation	*Outside-in:* Projection of desired images is expected to pull identity beliefs, first, and organizational practices, next, into alignment with desired identity (Gioia and Thomas, 1996; Tripsas, 2009). Adaptation of organizational identity is expected to be shaped by social negotiation, and to be fluid and relatively unconstrained (Gioia et al., 2000)	*Inside-out*: Reformulation of claims suggests a reorientation of identity beliefs on a partly different subset of organizational structures and practices. No substantial change, but relatively constrained selection of features that can be plausibly claimed as enduring; organizational structures and practices resulting from past strategic investments as 'anchors' of the process.

Figure 1. Data Structure

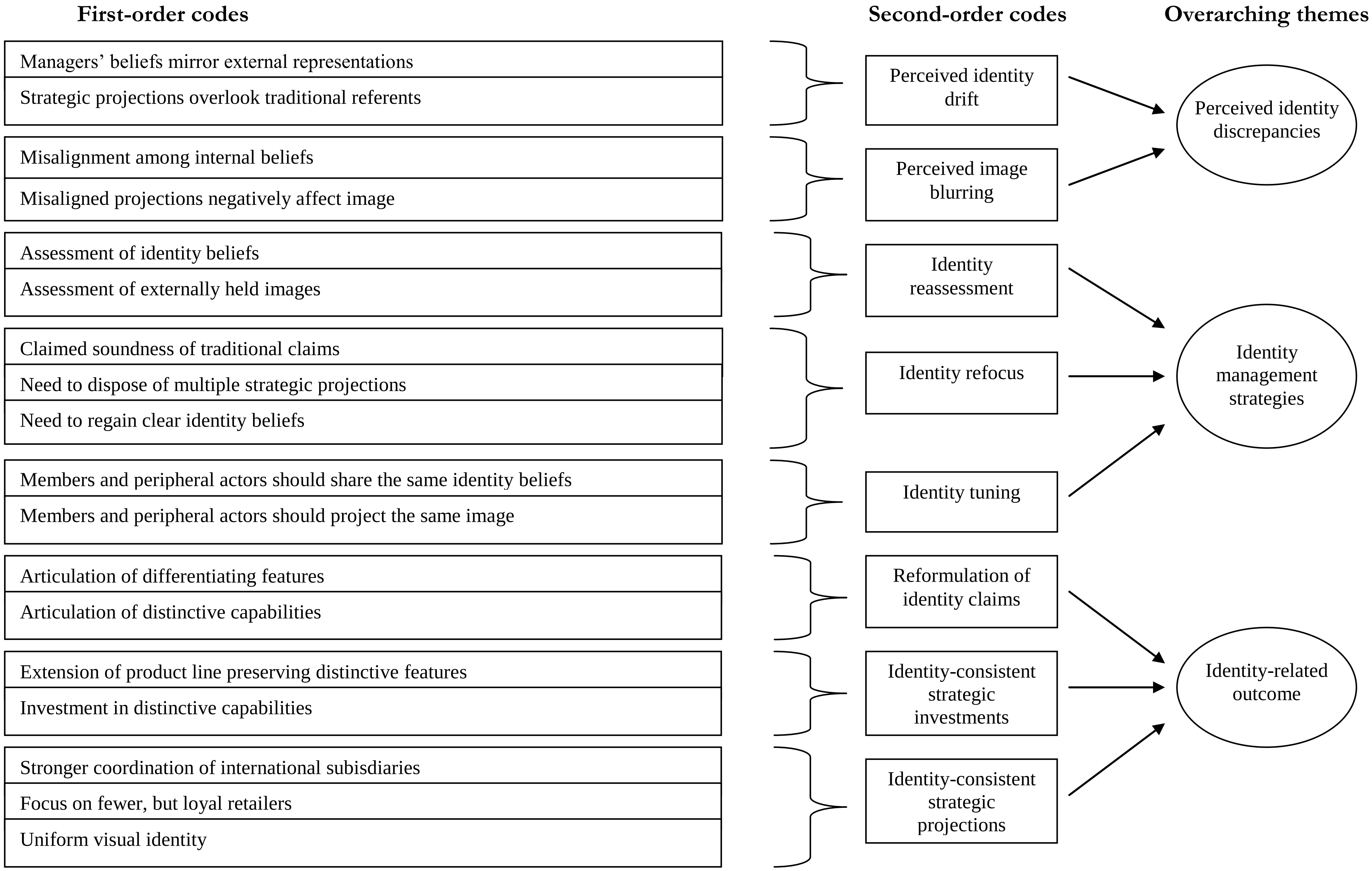
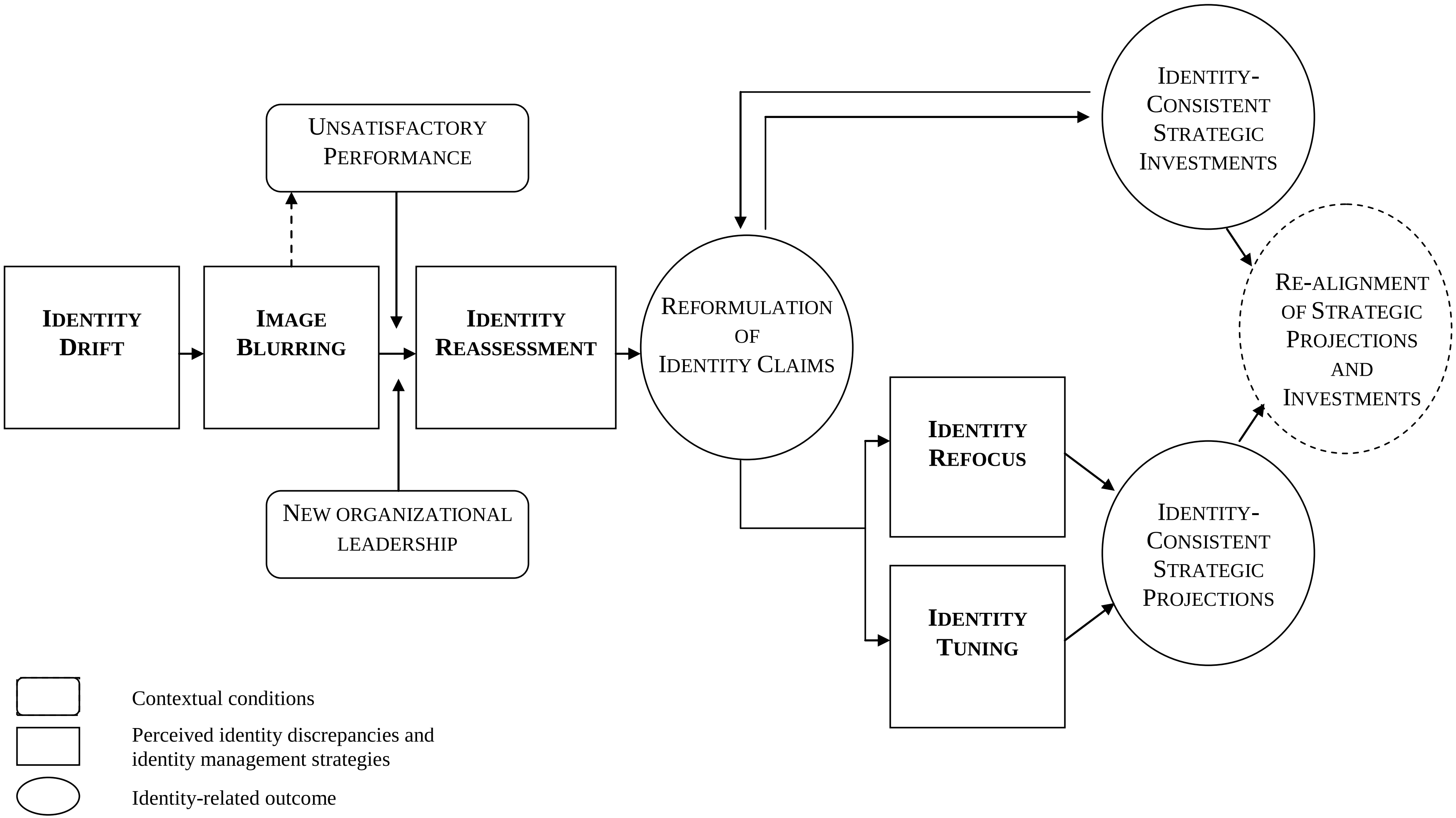


Figure 2. Responding to identity discrepancies at Bang & Olufsen



Professor Ann Langley
Co-editor, *Strategic Organization*
HEC Montreal
ann.langley@hec.ca

February 10, 2011

Dear Prof. Langley,

Please find enclosed our revised manuscript originally entitled "**Strategies of Alignment: Managing Identity and Image at Bang and Olufsen**" (SO-10-175) submitted for consideration for publications in *Strategic Organization*. We are very grateful for your decision to conditionally accept our paper subject to the conditions outlined in your letter. We are also very grateful to you and the three anonymous reviewers for your additional suggestions and observations that we have found very helpful in our revision.

Based on your guidance and suggestions, we have revised the paper as follows:

a) Following your suggestions and the indications of Reviewer 2, we have largely rewritten the abstract, introduction, and theoretical framework in order to reposition the paper more convincingly as a study of the realignment of identity and strategy. We have also revised the findings section accordingly.

b) We have eliminated the inconsistencies between the structure of our findings, tables and figures. All subsections of our findings now correspond to the second-order codes shown in our data structure (Figure 1).

c) We have extended our discussion, addressing the remaining concerns expressed by Reviewer 1.

d) Finally, we have responded to the minor points raised by Reviewer 2.

Our revision is now complete. We hope that the current version of the manuscript satisfactorily addresses your remaining reservations about the framing of our paper and the structure of our findings. Based on the revised framing of the paper, we have renamed the paper "Strategies of Alignment: Organizational Identity Management and Strategic Change at Bang & Olufsen" to highlight the framing and contribution more clearly.

The rest of this document is dedicated to a detailed reply to each point raised by your and the reviewers' comments. Following your instructions, we have reported your concerns before presenting our replies and we have presented them in the same order as in the original reviews.

We would like to thank you once again for a constructive and developmental editorial process, and for all the insightful suggestions that helped us improve our paper greatly. We hope that our revision addresses your remaining concerns to your satisfaction.

Yours sincerely,

Davide Ravasi and Nelson Phillips

SO-10-175 Reply to the Editor

1. Your concern: ***Adjust the framing of the paper as suggested by Reviewer 2***
Please read carefully Reviewer 2's comments, but particularly his/her point 4. I think this raises a really good opportunity to make the paper stronger and more original as a contribution to Strategic Organization. While identity and image concerns have been a long-time preoccupation for identity researchers, the identity-strategy connection seems to me to have been rather less developed. That is not to say that the categories that you currently have are not interesting, and I would not suggest changing them - rather I think you need to better integrate the idea of strategy - identity issues that come out in your empirical discussion into the framing of the paper. Note that Reviewer 2 also says (point 4c), "This focus would also fit better with your data, which to a very large extent reflects the perspective of the top management team, so emphasizing the interplay between identity and strategy will be quite appropriate." Please consider carefully how you might respond to this constructively.

A related point that occurred to me in reading your paper is that at the moment you insist on how previous researchers have essentially focused on impression management strategies for realigning image and identity. I couldn't help thinking that the classic work of Dutton and Dukerich (Keeping an eye on the mirror) and Gioia and Thomas (1996) on identity-image alignment focused much more on how perceived images generated substantive changes that were not just cosmetic. I don't think you have done justice to these previous writers and I'd ask you to rethink your formulation.

Finally, I found certain of your expressions in the upfront framing difficult to follow. For example, the following phrase is quite hard to get one's mind around: "congruence among projected images, and between projected images, organizational material reality, and the expectations of critical constituents." There is a lot in there - perhaps this needs to be systematically broken down. Also, I do not understand the meaning of the term "expectations of critical constituents" which comes back a lot but is not in your model (is it the same as projected images). It is never quite clear either who is included in "critical constituents."

Our reply:

We are glad that you and the reviewers appreciated our effort to emphasize the strategic implications of our observations. Prompted by your suggestions, we have further elaborated along this line, and reframed our paper in order to embed more clearly our research question and our contribution in the literature on identity and strategy.

We have largely re-written the abstract and introduction, following the logical structure suggested by Reviewer 2 as he/she writes (point 4):

"As I read your paper, I was struck by the importance of the insight that while strategic projections and strategic investments MUST be updated to respond to changing market conditions, identity poses an inertial constraint. If this constraint is ignored or left unattended (as during the Andersen years) an identity discrepancy ensues; when tackled strategically (as during the period of your observations), important identity management sub-processes (described in your model) take place and enable the dynamic updating of both strategic projections and strategic investments, without identity discrepancy and potentially image misalignment."

Our study is now grounded more firmly and more explicitly in the theory of competitive advantage proposed by Rindova and Fombrun (1999), and in the literature on the interplay between identity and strategy. Following the advice of Reviewer 2 (points 4 and 7), we have moved some text up from our discussion section that points more directly at the strategic management of identity and at the role of organizational leaders.

In the literature review, we have greatly reduced the parts related to organizational image, and identity-image inconsistencies, and we have introduced entirely new parts that position our study within the literature on the identity-strategy connection, and highlight potential causes of misalignment between identity and strategy during strategic change. Overall, the structure of the theory section now maps closely the logical sequence highlighted above.

Following comments from your and from Reviewer 2, we did not modify our categories and our discussion substantially, although we revised our terminology (for instance, we use more consistently the term "strategic projection" rather than "projected images"), and some of our arguments according to the new framing.

Following your suggestion, we have also revised our portrayal of Dutton and Dukerich (1991) and Gioia and Thomas (1996), emphasizing their observations about how identity beliefs and aspirations drive strategic decisions.

2. Your concern: *Repair alignment between your data structure (Figure 1), Model (Figure 2) and the text itself*

In the current version of the paper, I found the sequencing and connections between all the concepts to be confusing and inconsistent between the two models and the text First, please present your key concepts in a consistent order and consistent hierarchical relationship with each other (e.g., second order concepts within overarching dimensions). For example, you have "identity drift" and "image blurring" in one order in the diagrams and in a different order in the text. Moreover, these concepts do not have major titles associated with them as all your other second order concepts do.

Similarly, there is a very puzzling sequencing and hierarchical organization of the other dimensions in the text. For example, in Figure 1, "reformulation of identity claims" is treated on the same level as "identity consistent strategy" and "identity consistent communications" as an "outcome." "Identity reassessment," "identity refocus" and "identity retuning" are treated together as "identity management strategies." However in the text itself, the ordering is not consistent with this. You move from "identity reassessment" (a management strategy) to "reformulation of identity claims"(an outcome) to "identity consistent strategy"(an outcome) to "identity refocus" (a management strategy) to "identity tuning"(a management strategy) to "identity consistent communication" (an outcome). This is impossible to keep straight for the reader. When refer in the text to "identity tuning" as "a third set of identity initiatives," I was completely lost as to what the other two were that you were referring to. Are they the two we've just read about (identity refocus and identity consistent strategy which by the way are presented in Figure 2 as deriving from identity reassessment) or the two that they seem to be in Figure 1 (identity reassessment and identity refocusing). There is now a real problem of logic in your model that needs to be properly sorted out. Of course, all this may change slightly if you follow Reviewer 2's recommendations. But in any case, we need your argument to be totally consistent and clear.

Please also consider Reviewer 2's point 6 in clarifying your model and your labelling.

Our reply:

We apologize for the remaining inconsistencies between text and figures. In order to address this problem:

1. We have reorganized the findings section around second-order codes. In order to follow the logical (and chronological) sequence of the model, second-order codes are not further grouped according to overarching themes. We believe that this solution allows readers to better follow the narrative of the process, because managers did not engage in the three strategies in parallel, but in rough sequence, with the outcome of the first phase (the revision of identity claims) becoming the input of later ones.

2. In order to clarify the hierarchical relationships among second-order codes, in the beginning of the findings section, we have introduced a brief summary that outlines the three groups of constructs that constitute the core of our framework.

3. On p. 13, we have clarified the difference between "identity management strategies" and "identity-related initiatives", the latter term referring to the concrete activities through which each strategy is carried out in practice - e.g. identity reassessment (a strategy) was carried out through a survey of customers

in four countries and a task force reflecting on the “brand essence” (initiatives)

4. Answering Reviewer 2 (point 6a), we have clarified how a gap between organizational performance and the aspirations of organizational leaders triggered identity reassessment – thereby “moderating” the link between image blurring and identity reassessment (i.e. in absence of performance decline, it is less likely that image blurring is perceived as problematic and addressed through identity reassessment). This contextual condition is now explicitly included in our framework.

5. Answering Reviewer 2 (point 6b) we have made explicit the two-way relationship between identity-consistent strategic investments and the revision of identity claims, both in the text and in the model.

6. Following a suggestion of Reviewer 2 (point 6c), we have incorporated explicitly the terms strategic projections and strategic investments in our first-order and second-order codes, whenever appropriate.

We thank you and the reviewer once again for pointing to this inconsistencies and pushing us to further refine our theoretical model.

3. Your concern: *Better reflect Reviewer 1’s concerns in the discussion*
Reviewer 1 has “mixed feelings” believing that you have an interesting case, but given that his/her view of identity is somewhat different from yours, s/he is still rather uncomfortable with your approach. S/he suggests in fact that what you are essentially dealing with is closer to an internal and external branding initiative that might have little to do with how internal organizational members other than top management and communications/marketing actually see the firm about which you really have little information. I agree with this comment, but I think your focus on “identity management,” as described in your title is now fairly clear about that. The more important issue is whether despite this limitation, your paper still makes a worthwhile and novel contribution.

I would like you to introduce some reflections into the discussion that take into account Reviewer 1’s latest comments. For example, I think you might warn how attempts to realign identity and strategy at the frontiers of the firm could lead to cascading misalignment between management and employees, and that there might be a need for further research on these issues. As well as the Corley (HR, 2004) paper which reveals potential discrepancy between levels, there are more critical perspectives on “identity management” (e.g., Alvesson and Karreman, 2007, Organization Science) that you might consider and refer to while reiterating the boundaries of your own perspective.

Our reply:

The revised discussion of our paper now includes two pages of text that, as you suggested, address directly the concerns of Reviewer 2.

Building on Karreman and Rylander (2008), we argue that, while it could be argued that much of what we observed could be labelled as corporate branding, corporate branding *is* inherently an identity management practice. Furthermore, it is a "strategic" one in that it addresses directly the core attributes of the organization (presumably resulting from past and current investments) to be enhanced in corporate communication (i.e. strategic investments). We have clarified that while we are aware that identity management may manifest itself in other forms (see Alvesson and Karreman, 2008), what we observed was particularly consistent with the research question driving our study.

Following your suggestion, we tie this discussion with the potential implications of cascading misalignments resulting from strategies and/or branding initiatives that depart from current identity to address changing external conditions, and discussed it as an issue for further research.

Finally, we have incorporated more explicitly in our theory section, observations from studies of organizational identity coming from a critical perspective (e.g. Alvesson and Willmott, 2002), to complement our discussion of how organizational identities act as sources of stability within organizations.

4. **Your concern: *Respond to other comments from Reviewer 2***
Lastly, please consider the other comments by Reviewer 2 concerning improving your labels (if possible) (point 5) and minor points.

Reviewer 2's comments about the labelling of our core constructs pushed us to reconsider, once again, the appropriateness of our choices. As suggested by Reviewer 2, we reflected once more on the underlying processes and "brainstormed" once more about alternative labels.

We must confess, however, that these labels were already the result of considerable reflection, and, we honestly find them the most appropriate labels (among the several we considered) for the three strategies we have described (from the point of view of the managers engaged in them):

1. By "identity reassessment" (or "identity assessment"), we emphasize how managers openly interrogate themselves (and other constituents) about distinctive features of the organization, with the purpose of producing a new set of identity referents (eventually to be embodied in new claims) (other options we considered included *identity audit*, *identity review*).

2. By “refocus” we point to how managers attempt to bring blurred images, unclear identities, fragmented beliefs back to clarity, bringing member’s attention back (“re-focus”) on a clear set of identity referents (other options we considered included *identity recovery*, *perceptual alignment (core members)*).

3. By “tuning” we pointed to the attempt to adjust (not radically alter) projections, in order to ensure – to use a metaphor – the consistent transmission of a clear signal, that is the projection of a clear and consistent image, by promoting the assimilation of identity beliefs among peripheral actors (other options we considered included *image tuning*, *identity extension, peripheral identification, perceptual alignment*).

In absence of specific suggestions, therefore, we will stick with the three terms, unless, of course, you consider one of the alternative options suggested above as more appropriate in which case we are happy to change.

Finally, in order to address minor points raised by Reviewer 2, we have:

- Removed text (about terminological fragmentation, refracted images, etc.) that was not strictly related to our arguments.

- Provided full legal name of our site

- Clarified or removed unclear or ambiguous sentences

In conclusion, let us thank you and the reviewers once again for your substantial help in pointing out ambiguities and inconsistencies in previous versions of the paper, and for pushing us to refine our analysis and conceptual development. We believe that the current version of the manuscript is a substantial improvement to the earlier versions we submitted. We hope you will agree!