LEADERSHIP STORYTELLING EVENT AS A MEANS OF PROMPTING ORGANIZATIONAL IDENTITY CHANGE

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Wilfred Pons

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Abstract

Leaders are tasked with conveying a new organization’s identity via communication and behavior. Thus, this thesis is guided by the research question: “How can a leadership storytelling event prompt organizational identity change amongst internal stakeholders?” The term “storytelling event” is used to represent a story and the message that precedes or follows the narrative. This thesis examines a leadership storytelling event within a financial firm in which the CEO introduced a new organizational identity. The framing of an organizational identity is contingent upon the meaning produced by the language contained within the leader’s discourse. Using rhetorical analysis to analyze the storytelling event, this paper examines whether the CEO used “sensebreaking” and “sensegiving” rhetoric to prompt organizational identity change. The findings reveal the CEO framed the concept of change positively prior to introducing the new organizational identity attributes through a thematic structure embedded within the storytelling event. Additionally, the CEO did not use negative labels to erode the previous identity; rather, confluence was employed to construct the new identity.
We the undersigned, certify that we read this thesis and approve it as adequate in scope and quality for the degree Master of Arts.

[Signature]

Thesis or Project Director

[Signature]

Faculty Mentor

[Signature]

Faculty Reader

Gonzaga University

MA Program in Communication and Leadership Studies
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CHAPTER 1: INTRODUCTION

There are various elements that influence the sustenance and success of an organization, among them, the effectiveness of management to garner support of the organization’s members. Organizational executives are symbolic figures, and their communication is typically representative and intertwined with the company image, values, and beliefs (Boje, 1991; Boyce, 1995; Feldman, 1990). This thesis explores the use of leadership (management) communication as a strategic tool to prompt organizational identity change among internal stakeholders. Recent studies have suggested organizational storytelling is an effective method of transmitting values, sharing knowledge, building cohesion, and garnering support and action of internal stakeholders (Adamson, Pine, Van Steenhoven, & Kroupa, 2006; Cullen, 2008; Denning, 2010; Graham, 1999). Storytelling is a humanistic approach that engages the listener to partake in the actualization of the story, in which the listener embodies the protagonist and interprets the story through his or her experiential lens. Furthermore, storytelling builds on the emotive and cognitive aspects of the human condition to establish a relational dynamic between storyteller and listener. This communication genre as a leadership strategy is a recent phenomenon within organizations (Denning, 2010).

Statement of Problem & Importance of the Study

This thesis offers a unique perspective - theoretically and methodologically - on the analysis of leadership storytelling. The leadership story is typically the sole focus of academic and professional analysis, in which it is treated as a static entity; however, this detracts from the underlying meaning of the message when communication is integrally linked to the message that precedes or follows it. The analysis should account for the entire message communicated to
internal stakeholders, which consists of the story and communications that accompany a story (preceding or proceeding message), thus becoming a “storytelling event.” The thesis explores how a storytelling event prompts internal stakeholder identification when the organization is undergoing an identity transformation. Thus, the research question posed to help understand this dynamic is: How can a leadership ‘storytelling event’ prompt organizational identity change amongst internal stakeholders?

The thesis will incorporate organizational identity and sensemaking theories to provide insight into the storytelling event dynamics. Listening to a story is a self-referential process. Hence, exploration of rhetoric that prompts identification within the storytelling event is a worthy endeavor. Cheney (1983) espoused that internal stakeholder adoption of an organizational identity results in decision making that benefits the organization.

**Definitions**

*Identity* answers the question “Who am I?” (Ahsforth et al, 2008). Identity is either self-referential or self-defining (Ashforth et al., 2008). It is an associative and dissociative self-reference communicative response to social perceptual categorizations (Cheney, 1983a).

*Identification* is a cognitive and emotive process in which an individual perceives that he or she belongs to a particular role or collective (Ashforth, Harrison, & Corley 2008).

*Organizational identity*: (a) What is taken by organization members to be central to the organizations; (b) what makes the organization distinctive from other organizations (at least in the eyes of the beholding members); and (c) what is perceived by members to be an enduring or
continuing feature linking the present organization with the past (and presumably the future) (Gioia, 1998, p. 21).

**Sensemaking theory:** In the context of organizational identity, sensemaking is a reciprocal process that involves sensebreaking, sensegiving, and sensemaking to construct the meaning of an identity (Pratt, 2000).

**Sensegiving** is the process of conveying a “preferred redefinition of organizational reality” to influence organizational constituent sensemaking. (Chittipeddi & Gioia, 1991, p. 442).

**Sensebreaking** is the process of disrupting or problematizing an existing identity (Pratt, 2000).

**Sensemaking** “is an ongoing process that occurs over a period of time in which meaning is constructed and reconstructed by the involved parties as they attempt to develop a meaningful framework for understanding” (Chittipeddi & Gioia, 1991, p. 442).

**Confluence** is “maintenance of some continuity during change” (Chreim, 2002, p. 1119). In the context of organizational identity, confluence refers to the retaining aspects of a previous identity within the new organizational identity.

**Organization of Chapters** This thesis consists of five chapters. The second chapter reviews organizational identity and storytelling literature, specifically pertaining to the use of language to prompt organizational identity change. This chapter introduces sensemaking theory as the underlying theoretical framework of the thesis. Additionally, Fiol’s (2002) identity transformation process model is examined as a possible means to prompt identity change through
language. Chapter 3 discusses the scope and methodology of the study. Chapter 4 contains the rhetorical analysis of a leadership storytelling event and presents the findings via the theoretical perspective presented in chapter two. The last chapter consists of the limitations of this study, recommendations for further study, and conclusion.
CHAPTER 2: LITERATURE REVIEW

Philosophical Assumption

Analysis of leadership (management) discourse provides insight into the organizational identity. Management is symbolically linked to the values and beliefs of the organization (Chittipeddi & Gioia 1991); hence, management communication directed toward internal stakeholders has significant impact on the adoption of organizational values and beliefs. Management may construct rhetoric strategically through different channels of communication to influence internal stakeholder identification with the values and beliefs of the organization (Cheney, 2002; Chreim, 2002; Pratt, 2002). Leadership communication is context specific, which ultimately determines the language directed to organizational constituents.

Organizational identity change causes a state of perceptual ambiguity among internal stakeholders, in which the meaning of organizational reality is unclear (Bridwell-Mitchell & Mezias, 2012; Chittipeddi & Gioia, 1991; Chreim, 2002; Pratt, 2000). Leaders are tasked with guiding constituents through times of identity change to provide a new organizational vision through model action and communication that espouses the attributes of the organizational identity. This literature review is guided by the research question: “How can the leadership ‘storytelling event’ prompt organizational identity change amongst internal stakeholders? Selecting a distinct form of leadership communication narrows the wide breadth of communication means management may employ during organizational change. The term “storytelling event” is used to represent a story (the term narrative will be used interchangeably within the literature review) and the message that precedes or follows the narrative. Studies on organizational identity, change communication, and storytelling were reviewed to help develop
the research question. Several communication theories were examined to conceptualize the possible relational dynamics of organizational storytelling and identity within the context of organizational change.

**Theoretical Basis**

**Organizational Identity & Identification**

Identification is a self-referential and self-defining process resulting from a cognitive framework through interaction with the social environment (Ashofrth et al., 2008; Cheney, 1983; Gioia, 1998). Identification is both relative and comparative, a state in which an individual perceives himself or herself with a larger whole (Ashforth et al, 2008; Bullis & DiSanza, 1999; Chreim, 2002). Tafjel (1978) believed that the process of identification is not purely cognitive; rather, it consists of two additional components: evaluative and emotional investment (as cited in Ashforth, 2008). Asforth et al. (2008) defines organizational identity as the “feeling of oneness with the organization” (p. 333), which is in agreement with Tafjel’s (1978) view that identification involves valuing one’s identity (evaluative), resulting in an emotional investment. The use of the word *feeling* acknowledges the value laden and cognitive aspects of identification. The process of identification involves cognitively labeling oneself in a relational manner while appropriating the values deemed acceptable to that particular identity.

Identity answers the question of “Who am I?” Organizational Identity answers the question “Who are we as an organization?” (Fiol, 2002). Organizational identity differs from individual identity, in which organizations “instead develop and manifest them[elves] mainly through core values, practices, and most visibly products and services” (Gioia, 1998, p. 22). Individual identity refers to the individual conceptions of the self; a person perceives his or her attributes and traits in relation to others. Organizational identity also differs from social identity,
which is a conception of oneself based on a collective or role. (Ashforth et al., 2008; Bridwell-Mitchell & Mezias, 2012; Gioia, 1998). Albert and Whitten (1985) defined organizational identity as the member’s perception of the “central, distinctive and enduring characteristics of organization” (p. 264). Thompson and Cheney’s (1985) unobtrusive control theory postulated that identification spurs internal stakeholder decision making that aligns with the organizational identity, in which the course of action taken is derived from the institutionalized organizational identity. Hence, an internalization of the central, distinctive and enduring characteristics enables the enactment of the organizational identity.

**Organizational Identity: “Sensemaking” and “Sensegiving”**

When organizations undergo change, the “enduring” characteristic of Albert and Whetton’s (1985) definition of organizational identity does not necessarily apply. Changes within an organization, such as acquisitions, market conditions, financial hardship, or any other drastic change, may alter the members’ perception of the organization’s identity. In contrast to individual identity, the unique aspect of an organizational identity is the ability to change at a rapid pace due to competitive reasons, crises, or changes in products and services (Ashforth et al., 2008; Gioia, 1998). If organizational identities are not capable of transforming into new identities during times of change, then the likelihood of such organizations enduring is minimal (Chreim, 2002). Hence, organizations are tasked with changing their identities and recalibrating the organizational meaning for internal stakeholders during times of organizational change.

Ashforth et al. (2008) presented a model of identification that demonstrated the duality of the identification process, in which the organization initiates the process by communicating the organization’s values to internal stakeholders (sensebreaking and sensegiving), resulting in the internalization of the organizational identity (sensemaking). Chittipeddi and Gioia (1991) used
the terms “sensemaking” and “sensegiving” within their qualitative study of strategic change. According to Chittipeddi and Gioia (1991), sensemaking theory represents a sequential and reciprocal cycle, consisting of sensegiving and sensemaking. Sensemaking represents the “meaning construction and reconstruction” of an organizational reality by “making sense” of the current change (Chittipeddi & Gioia, 1991, p. 442). Sensegiving is the process of conveying the “preferred redefinition of organizational reality” to influence organizational constituent sensemaking (Chittipeddi & Gioia, 1991).

Ashforth et al. (2008) derived their model of identification from Chittipeddi and Gioia’s (1991) study of strategic identity change context, which postulated that upper management studies their current organizational identity and climate as a means of sensemaking and communicates the organization’s new values to internal stakeholders through sensegiving. Subsequently, internal stakeholders reflect and internalize the espoused reality (“made sense of the reality”), then participate in sensegiving through enacting the organizational reality and using language that reflects the organization’s value.

Ashforth et al.’s (2008) model of identification extends Chittipeddi & Gioia’s model (1991) by adding another “sense” process layer titled “sensebreaking.” Pratt (2000) views sensebreaking as a strategic means to “break” one’s identity; essentially, disrupting or problematizing the existing identity. Such states of instability provide an organization the opportunity to prompt organizational identity change via sensegiving (Asforth et al, 2008; Chreim, 2002; Fiol, 2002). Ashforth et al. (2008) viewed organizational identification as the process of sensebreaking, sensegiving and the “episode of identification”.

Sensebreaking and sensegiving are treated as top-down processes, in which both practices are categorized as the organizational level; while, the individual level represents the
sensemaking process. An episode of identification is a cyclical process influenced by sensebreaking and sensegiving that results in the individual interpretation of the organizational identity, construction of an organizational identity narrative, and the enactment of identity. Leadership communication that influences organizational identity change consists of sensebreaking and sensegiving; therefore, located at the organizational level. Organizational identity change is a process that occurs over an extended period. However, an examination of sensebreaking and sensegiving within leadership communication provides insight into how the sensemaking process is initiated.

The Literature

Leadership communication and Organizational Identity Change.

Organizations use different means of communicating their identity change efforts to internal stakeholders, such as company newsletters, mass e-mails, and upper management speeches. Leadership communication symbolically represents the voice of the organization; furthermore, this discourse is representative of the organizational identity, and the language used is important in defining this identity. Language plays a vital role in the identification process; it induces and reflects identification (Bullis & DiSanza, 1999; Cheney, 1983; Fiol, 2002). The language crafted by management to convey organizational values and practices is a blueprint of the prototypical organizational member, which represents “Who we are as an organization” (Ashorth et al., 2008). Internal stakeholders seek meaning from leadership during times of identity change to help resolve feelings of identity destabilization (Ashforth et al., 2008; Bridwell-Mitchell & Mezias, 2012; Chreim, 2002; Fiol, 2002; Pratt, 2000). Leaders are tasked with conceptually guiding internal stakeholders toward the new organizational identity. Such a task requires an identity re-articulation strategy.
Fiol (2002) views identity change as a paradoxical process in which management must destabilize strong organizational identifications by establishing substitute weak and strong organizational identifications. He proposed this paradox is attained via the identity change process model consisting of three sequential phases: (1) deidentification; (2) situated reidentification; and (3) identification with core ideology. Each phase leads to “likely consequences” for organization members and the organization (Fiol, 2002). The term sensebreaking was not used in Fiol’s study of Tech Co, a technology company; however, Pratt (2000) stated that sensebreaking is the communication process of destabilizing an existing organizational identity (Pratt, 2000). Strong identification is beneficial to an organization; however, during times of identity change, organizational members resist or have difficulty adapting to the new organizational identity due to existing strong bonds (Chreim, 2002; Fiol, 2002).

Deidentification assists change initiatives by allowing members to conceptually detach themselves from a previous organizational identity that contrasts with the new organizational identity; essentially, challenging the “old” organizational identity. Weakening the strong identification bonds is beneficial to an organization, so the new vision can be met with less resistance (Fiol, 2002). Leaders can employ deidentification strategies, in which the old organizational identity is framed in a way that depicts it as requiring change (Chreim, 2002; Fiol, 2002). For example, Chreim’s (2002) empirical study of two Canadian financial organizations, Bank of Montreal and Bank of Canada, illuminated the process of negation as a means of sensebreaking. The study examined an internal publication directed to internal stakeholders, within each organization. Chreim’s categorized dissociative and associative properties tied to disidentification used by the CEO in the publication: *Past attributes of bank and employees and*
**Desired attributes of bank and employees.** The previous organizational identity is conveyed in a negative manner; in contrast, the CEO uses positive language for the new organizational identity. Language that negates or uses noninclusive referents helps establish deidentification (Fiol, 2002).

Using the word “not” to contrast the new organization with the old is a rhetorical means to negate the old organizational identity (Fiol, 2002). Cheney’s (1983) study of internal organizational publication revealed a rhetorical identity change strategy titled antithesis, in which organizations use rhetorical means of uniting against a common enemy. Cheney (1983) did not discuss deidentification practices; however, antithesis of an old organization identity is a plausible rhetorical strategy to create an ideological enemy. For example, an external threat or old organizational identity is perceived as a threat in contrast with the attributes of the new organizational identity. Hence, the leader capitalizes on such and unites organizational members to adopt the organizational identity in face of the antithetical threat. This resonates with Gioia and Chittipeddi’s (1991) ethnographic study, in which the president of a public university used language to frame the current organizational identity as threatening. Although this study mentioned the devaluing of an old organizational identity in favor of the new, it did not classify such processes as deidentification. Additionally, the study did not differentiate between sensegiving and sensebreaking. Sensebreaking provides the opportunity for leaders to prompt organizational identity change via sensegiving. The old identity thus becomes “outdated”; however, certain ideological characteristics are maintained to help transition into the new organizational identity.

Fiol’s (2002) second phase of the identity change process is labeled *situated reidentification*, in which the new organizational identity is linked to an experimental setting that
enables the enactment of the identification. Fiol (2002) did not elaborate on what constitutes an experimental setting, whether this can represent a cognitive state or “concrete” experimental setting; he merely stated “leaders must find social and symbolic ways to help people solidify the new self-understanding into changed behaviors” (p. 660). Fiol (2002) espoused rhetoric that uses inclusive language such as “we” and “us” used in relation to the experimental setting or change events, which will help build ties to the new organizational identity. Although this rhetorical technique is advocated, Fiol’s (2002) qualitative study of organizational change within a technology company does not provide an example of such; rather, solely the perspective of an internal stakeholder depicts the affectual consequence of situated reidentification. Cheney’s (1983) study of internal company newsletters recognizes multiple instances in which organizations use “we” and “us” to help prompt organizational identity change. It is plausible that discourse that invokes a phenomenological experience such as storytelling, will cause internal stakeholders’ cognitive and emotive reenactments of the new organizational identity consistent with Fiol’s (2002) “experimental “ setting. Fiol (2002) also espoused the use of rhetoric containing the possibilities of “future self” within the “situated reidentification” phase.

prompting identity change; however, there was no empirical evidence that substantiated their conceptual strategies to purport identity crafting. The first and second phase of Fiol’s (2002) identity transformation process used dissociative and associative rhetorical techniques.

Fiol’s (2002) model extended beyond the view that identity inducement during organizational identity change was a two-step process: disidentification and reidentification. The process includes a third phase that emphasizes inducing identification that is strongly attached to core ideologies; meanwhile, using abstract language creates a paradoxical weak attachment to the identity to allow further changes to an organizational identity to avoid stakeholder resistance.

The illusion of Albert and Whetton’s (1985) central and enduring definitional qualities of organizational identity are created when certain value qualities are associated with the new organizational identity. Members are less apt to resist change when certain organizational identity qualities remain (Chreim, 2002; Fiol, 2002; Rosseua, 1998). Rhetoric that connects certain past qualities of the old organizational identity to the new organizational identity creates ideological confluence (Chreim, 2002). “Confluence can be established by reframing the meaning of past experience so it appears consistent with the present and future requirements” (Chreim, 2002, p. 1134). Such a rhetorical strategy enables an easier transition to a new organizational identity, because an existing cognitive schema exists.

Leadership discourse provides the impetus for sensemaking; thus, an analysis of rhetoric used by leadership during a staged event could reveal whether all deidentification, situated identification, and reidentification tactics are used to spur identification change efforts. Furthermore, a researcher can explore what type of leadership communication provides this identity transformation impetus. The following section reviews leadership storytelling as a means
of inducing identity during organizational identity change through the interpretative framework that narratives enact.

**Leadership Storytelling**

Organizations are faced with the challenge of selecting appropriate discourses to convey new values during times of identity change. Identity properties of the organization are formulated among upper management during times of change; leadership is then responsible for conveying the new organizational identity to the internal stakeholders (Chittipeddi & Gioia, 1991). Storytelling assists in framing organizational values by providing a reflective and experiential cognitive mechanism (McCarthy, 2008). Leadership storytelling may be used as a sensegiving mechanism during times of change, when the identity of the organization is fractured; stories provide frames of reference for internal stakeholders to understand the direction of the organization (McCarthy, 2008).

The purpose of telling a story is to construct a shared meaning between the listener and storyteller, in which both parties are engaged in actively creating meaning. A listener becomes an embodied actor of the story and uses his or her experiences as a referential point to create understanding of the narrative. Meanwhile, the storyteller relives his or her experience and reinforces the inherent values, beliefs, and knowledge through the act of narration (Boje, 1991). According to Jameson (2001), a story is more than a series of events that constitute a plot; rather, it comprises an intelligible whole. An organizational story consists of a protagonist, plot, turning point, and a resolution (Denning, 2010). Stories consist of the external and internal elements; the external is the observable, which can be deconstructed, and the internal is the experiential, which the audience lives (Denning, 2010). Leadership storytelling may trigger identity enactment that is not manifested in action, but rather is first performed cognitively.
The dynamics of leadership narrative are similar to the models of identity change discussed earlier in the literature review, in which a sensegiving and sensemaking process occurs. Leadership storytelling literature often described the strategic use of storytelling as means of aligning organizational beliefs (Driscoll & McKee, 1998); however, it rarely alluded to organizational identity as the premise for such. Literature that discussed leadership storytelling as a strategic communication tool provided insight into the sensegiving and sensemaking dynamics and helped explore the link between storytelling and organizational identity change rhetoric.

**Leadership Storytelling within Organizational Identity Change**

Organizational identity change causes a state of perceptual ambiguity among internal stakeholders in which the meaning of organizational reality is unclear (Fleming, 2001). A story can be used as a strategic tool in which the new philosophy, values, and mission are conveyed to organizational members (Adamson, Pine, Von Steenhoven, & Kroupa, 2006). The leader is tasked with constructing a new organizational reality and facilitating sense-making among internal stakeholders. Adamson et al. (2006) presented a case study in which organizational leaders of a hospital crafted a story titled “Raiders of the Lost Ark” espousing a new organizational philosophy that advocated focus on employee well-being. Identity was not mentioned in the study; however, the story told to the internal stakeholders answered the fundamental question of organization identity: “Who are we as an organization?” Furthermore, the “Raiders of the Lost Ark” functioned as a sensegiving facilitator. The study consisted only of an interview with the CEO, in which he suggested that the storytelling tactic was successful in garnering support of internal stakeholders. Adamson et al. (2006) did not include the story used by the CEO. A rhetorical analysis of the “Raiders of the Lost Ark” would have illuminated how
language within the story was used to facilitate sensegiving. Leadership stories such as the “Raiders of the Lost Ark” are symbolic representations of organizational identity.

Graham and Nissley (2009) viewed stories as similar to scripts in which there is an “ordered set of expectations about what will happen” (p. 15). Leadership stories as symbolic representations of the organizations require rescripting during times of organizational identity change, because the “old” story is no longer suitable (Graham & Nissley, 2009). Rescription is similar to the technique of prompting identity change, in which a re-articulation of “Who are we as an organization?” occurs. A three-step process is proposed by Graham and Nissley (2009) consisting of: “titling the present script,” “founding the future script,” and “actualizing the new script.” Graham and Nissley (2009) used the U.S. automobile financial crises of Ford, Chrysler, and General Motors as an example of how the old organizational story consisting of manufacturing large SUVs required rescription to a new leadership story that focused on manufacturing economical automobiles. Although organizational identity is not mentioned in the article, the question of “Who are we as an organization?” changed for these three car manufacturers. The first phase required the leadership story to acknowledge the current “stuck” point and articulate how it may become “unstuck” (Graham & Nissley, 2009). Deidentification required the destabilization of the current identity; hence, a story that destabilizes the current identity possibly aligns with the ideals of the first phase. The next phase consists of a “future” narrative that provides an answer to the current change required (Graham & Nissley, 2009); thus, the story will contain future claims of the organizational identity. Actualization of the new script represents the actual act of telling the story. According to Graham and Nissley (2009), “the true measure of a successful rescription is the whole-hearted acceptance of the executives compelling new narrative by those in the organization and their subsequent adoption of effective actions.
toward the desired outcome” (p. 17). An acceptance of the rescription that leads to organizationally desired outcomes is similar to the process of prompting identity change.

Rationale

The leadership story has typically been an important focus of academic analysis. Narratives are treated as static entities; but the analysis should account for the entire message communicated to internal stakeholders during the leadership storytelling process, which consists of the story and the message that accompanies a story (introduction or closing message), thus becoming a “storytelling event.” A rhetorical analysis of a narrative in the context of organizational change may help may provide insight into the process of prompting identity change; however, the study of the storytelling event, which includes the narrative and the message that precedes or follows it, explores how the components are intricately linked to serve the same purpose of prompting identity change.

Organizational identity asks the question “Who are we as an organization?” Leadership storytelling can function as a symbolic means of answering this question. Organizational identity change creates ambiguity and provides a challenge to answering this question; however, the process of inducing organizational identity change requires answering the questions: “Who were we previously as an organization and why is it no longer viable?” and “Who are we going to be as an organization and why this is this preferable?” Fiol’s (2002) identity transformation model deconstructs a previous organizational identity, espouses the new identity and paradoxically attaches some of the core ideologies of the old to the new organizational identities to create an organizational identity that is capable of flux. Language plays a critical role in the identity
change process; hence, leadership communication provides the impetus for organizational identity change.

An analysis of a distinct form of leadership communication may provide insight into the language and rhetorical usage embedded in the message. This endeavor is possible with the following research question: How can the leadership ‘storytelling event’ prompt organizational identity change among internal stakeholders?
Chapter 3: Scope and Methodology

Scope

The purpose of this study is to examine the sensegiving dynamics within a leadership storytelling event for possible identity inducements through the language embedded within the discourse; however, the study does not delve into critical analysis of power relations.

Addressing the research question requires the selection of a particular artifact, such as a leadership storytelling event that is orally or textually presented. This paper examines a speech by the CEO of a financial organization. The speech was directed to XYZ Corporation operations personnel during a time of change, in which risk mitigation became the focal point of the XYZ organizational identity as a result of the industry emphasis on risk, post 2008 financial crises (further explained in Chapter 4). The CEO used storytelling to communicate a new organizational identity to internal stakeholders within this staged event.

Although the researcher was present at the storytelling event, in the capacity as an audience member, the analysis is derived from a recorded video. The organization taped the CEO’s speech and e-mailed the video to the operations staff for future viewing purposes. This leadership storytelling event is approximately 50 minutes. Multiple storytelling events are not examined due to the time constraint imposed on the research study. The rhetoric analyzed is limited; however, this qualitative method provides insight into the sensegiving dynamics of a leadership storytelling event. A researcher’s presence within the setting is not essential, in contrast to an ethnographic study focusing on internal stakeholder perceptions. Hence, examining a storytelling event in which the researcher is removed from the actual setting does not detract from the validity, because the examination is concerned with the language usage.
Method

The language used by leadership plays an important role in the identity change process (Fiol, 2002). Such language provides a framework for internal stakeholders to understand and adopt the organizational identity (Cheney, 1983). A rhetorical analysis of the storytelling event illuminates how leadership uses rhetoric to prompt internal stakeholder identification during organizational identity change. Furthermore, it provides insight into the sensegiving communication dynamic of leadership communication as a means of re-framing an organizational identity. This study uses two different methods of rhetorical analysis (discussed below) to demonstrate prompt techniques. Both methods illustrate how the elements of the storytelling event, consisting of the story and pro/preceding communication, are intricately linked to each other with the purpose of sensegiving.

Rhetoric: Narrative Analysis

A narrative analysis identifies the objective of a narrative and discovers how the object is supported and implemented (Foss, 2009). The narrator may explicitly state the objective of the narrative; however, the narrative itself may reveal the objective, such as the characters, settings, or the language (Foss, 2009). An examination of how the objective is strategically supported and implemented in the narrative provides clues to the espousal of the organizational identity via an examination of the narrative features (events, cause and effect relationships, temporal relations, themes, and characters).

According to Foss (2009), “the primary defining feature of narrative discourse is that it is comprised of at least two events. These events maybe active (expressing action) or stative (expressing a state of condition)” (p. 307). The events within a story follow a temporal order and are guided by a cause and effect relationship. Examining the latter within the leadership story
illuminates inducement techniques such as presenting cause and effect relationships that are linked to organizational outcomes or prototypical organizational identities. Furthermore, ascertaining the temporal relation within the story reveals the context related to organizational identity. In the context of identity change, the temporal relation of a story may be relevant to the organizational identity change, such as a story that discusses the past features of an organization. This study examines whether the theme of a leadership story provides a means of identity inducement in which there is an underlying meaning in the theme. For example, Foss (2009) provided examples such as “good triumphs over evil” or “kindness is a virtue” (p. 314). Lastly, an examination of the characters may provide an understanding of an ideal organizational identity or framing of a character that is antithetical to the organizational identity.

The narrative analysis in this study did not explore the environmental factors that may affect the sensegiving process. Additionally, the non-verbal communication was not a primary concern of this research. However, despite these limitations, examining the features within the narrative provides insight into the sensegiving dynamics as a means of prompting identity change.

**Rhetoric: Communicating Organizational Identity Change**

Examining language within the leadership message that proceeds or follows the story that prompts identity change is warranted. The present study adopts a rhetorical analysis used in a study of organizational newsletters by Cheney (1983), in which organizational identity inducement was examined via three strategies: common ground technique, identification through antithesis, and the assumed or transcendent “we” used in a study of organizational newsletters. The common ground strategy occurs when the “rhetor equates himself or herself with others in an overt matter” (Cheney, 1983, p. 148). Furthermore, this study adopted
Cheney’s (1983) examination of common ground tactics: expressions of concern for the individual, recognition of individual contributions, espousal of shared values, and advocacy of benefits and activities. Identification through the antithesis strategy involved language that explicitly dissociated the organizational identity (Cheney, 1983); hence, this methodology flagged any language used to influence organizational identity by uniting members of the organization against a common enemy or threat (Cheney, 1983). Any use of the word “we” or “they” within the reinforcement message will be labeled as the assumed or transcendent “we” strategy. Lastly, Cheney (1983) espoused that well-crafted trademarks or sayings represent a strategy of identity inducement labeled as the unifying symbol.

Bullis and DiSanza (1999) used Cheney’s (1983) rhetorical method in their analysis of Forest Ranger publications; however, they enhanced this methodology of flagging language in text, with the recognition of themes within the passages that pertained to the three identity inducement strategies. A thematic analysis provided a means of comparing the themes derived from Cheney’s (1983) methodology with those in the story that were discovered by the narrative analysis. Therefore, the CEO communication that preceded and/or followed the story was examined for possible themes. For example, a theme such as “proper conduct” or “obligation to society” may arise in both the narrative and “regular” communication within the storytelling event. Thus, such a thematic categorization illuminates the sensegiving dynamics of organizational identity through language, specifically general themes embedded within the storytelling event,

**Ethical Considerations**

The researcher is an employee of the organization; however, the data presented is objectively analyzed through a theoretical communication lens. The name of the organization
and CEO are kept anonymous to protect privacy of both parties. The organization provided consent to analyze video that is not accessible to the general public. Furthermore, the researcher informed the organization of the purpose of the study. The organization did not influence the researcher’s presentation or interpretation of the data. Additionally, the organization is not examined in a manner that attaches a positive or negative value.
CHAPTER 4: THE STUDY

Introduction

The financial crises of 2008 resulted in vast changes in the financial services industry, specifically pertaining to risk management. Although many different institutions and factors led to the economic meltdown, the one underlying theme was risk (Chan, 2011). Eventually the risk was no longer avoidable and the high rise in mortgage defaults led to the collapse of many financial institutions, which negatively affected the economy. Hence, the risk management of these institutions impacted society far removed from the financial operations. This basic explanation of the financial crises of 2008 provides insight into the necessity for risk management change within the financial industry and the regulatory institutions. The above does not espouse that all financial institutions partook in risky practices; rather, the emphasis is the context of change. Organizational identity change often occurs from an exegesis and may require the formation of new identity (Chreim, 2002).

This chapter examines a speech by the CEO of XYZ Corp., which is a financial organization. The speech was directed to operations personnel within the company during a time of organizational identity change in which risk mitigation became the focal point of the organization’s identity as a result of the industry emphasis on risk—post 2008 financial crisis. The leader used storytelling to communicate the new organizational identity to internal stakeholders within this staged event.

XYZ Corporation is structured as a limited-purpose trust company and clearing agency. The Securities and Exchange Commission and several other major governmental and state regulatory bodies oversee the operations of XYZ Corporation. The financial industry, consisting
primarily of the major brokerage firms, created XYZ Corporation in response to the Paperwork Crisis of the 1960s, in which the stock exchange closed one business day of the week to allow the processing of paperwork, which enabled the trades to settle. The high volume of trades led to a “paperwork crisis” resulting in brokerage firms closing the exchange for one trading day to enable the transfer of Securities. XYZ Corporation initially started as depository and clearing corporation that transformed the financial industry by centralizing the securities movement, rather than operationally transferring one Security from one firm to another.

**Data Analysis** The storytelling event (refer to appendix for the full storytelling event communication) occurred in 2010 during an operations information session, in which four executives of XYZ Corporation gave speeches pertaining to operational matters; however, the focus of this study is Michael Donovan’s, CEO, storytelling event consisting of multiple stories. The speech is approximately 50 minutes long. As described earlier, the researcher is a member of the operations staff and attended the speech, yet the analysis is derived from a video recording of the storytelling event. The researcher used a professional transcription service to accurately capture the leadership speech into text, which assisted the rhetorical analysis process. Michael Donaovan’s stories are examined in the chronological order presented to the audience. The analysis of the speech will divulge whether the existing identity change theories or models are applicable to this storytelling event. Additionally, this approach will answer the research question: How can the leadership ‘storytelling event’ prompt organizational identity change amongst internal stakeholders?
Results: Rhetorical Analysis

The operations managing director of XYZ Corporation briefly discussed the topic of the operation information session prior to introducing the CEO of XYZ Corporation. Although the focal point of the study is Donovan’s communication, the organizational identity, XYZ Corporation 3.0, was explicitly stated by the managing director:

Today we are thrilled an honored to have Michael Donovan our Chairman and Chief Executive Officer from XYZ Corporation, speak to us today about our future. Our future is going to be referred to as XYZ three dot 0 (3.0) . . . we can level set everyone and think about one dot 0 (1.0) as the early seventies when it was really a necessity to create the Depository Trust Company and the Clearing Corporation to handle equities and a CC [Clearing Corporation]. And then we can fast forward a couple decades to 1999 and think of that as two point 0 (2.0) when we created XYZ Parent Company an umbrella company and today, obviously, that umbrella company not only has several clearing corporations . . . globally . . . and the trust company, Limited Purpose Bank, but various affiliates and joint ventures and subsidiaries . . . which brings us to 3.0 which is our; it’s your future and it’s my future and it’s our responsibility to manage risk and in order to manage risk, we have to first identify risk, review risk, analyze risk, mitigate risk and manage risk.

The labeling of 3.0 alluded to a forthcoming organizational identity change from a previous state, XYZ Corp. 1.0 & 2.0 to the future of XYZ Corporation. Hence, the object of the CEO’s story and the communication that proceeds and follows the narrative pertains to this particular topic, XYZ Corp. 3.0. The CEO was now tasked with articulating the new organizational identity by detailing the attributes to the internal stakeholders. An organizational identity answers the question: “Who are we as an organization?” (Ashorth et al., 2008; Fiol, 2002). The managing director provided a glimpse of this organizational identity, yet the CEO was introduced to give further elaboration of this new organizational identity. The forthcoming analysis reveals how the new organizational identity, XYZ Corp. 3.0 was constructed to convey a new focus on risk mitigation, in which XYZ Corporation was deemed the protector of the financial industry. Each member of the organization was asked to partake in thinking in terms of
risk. The below was written by XYZ Corporation communications department after this particular speech; however, it provides an understanding of the new identity XYZ Corp. 3.0:

In the wake of the global financial crisis of 2008 and in consultation with our Board, we have been extensively strengthening our risk management capabilities. During 2011 many elements of this transformation yielded results. We began formulating a multi-year strategic plan to guide this transformation and articulate a business end state. We remodeled our governance structure; upgraded our risk management talent and expanded our risk staff; reconfigured our quantitative risk models; and began enhancing our risk-monitoring reporting. We also initiated a broad educational program for our members about our risk management and mitigation activities, and equipped employees with additional risk management training. Working with our product areas, we have effectively reshaped some of our existing product offerings to better address risks in current and future market conditions. Several important risk-related product additions are also well along in the approval process.

A few words about our employees, the source of any effective risk management program: everyone at XYZ Corp. is expected to be a risk manager, and one of our highest priorities has been to cultivate this awareness throughout the organization. We have fostered employee education with a broad range of resources and activities. Senior management-led town hall meetings, coupled with in-depth discussions with business-unit heads, gave context and support to this transformation. Other educational guides ensured that staff members were fully versed in the issues and in their responsibilities. Risk management competencies and behaviors have been incorporated into job descriptions, performance management and reward systems. Ongoing training programs have increased employee understanding of operational risk, compliance controls, information security and privacy awareness, while other courses are helping employees develop the skills to think much more critically and deeply about risks in their areas of responsibility.

This storytelling event introduced the XYZ Corp. 3.0 identity for the first time to the internal stakeholders; hence, the CEO was responsible for constructing and framing the new identity. Donovan had to change the previous identity focused on cost efficiency that contained some risk mitigation practices to an identity that viewed risk mitigation as the primary focus.

Story #1. Michael Donovan introduced the context of change immediately by providing the benefits of change; essentially, framing it in a positive light prior to discussing XYZ Corp. 3.0 in greater detail. During organizational change, internal stakeholders often view the
organizational identity in a state of ambiguity due to the uncertainty of organizational meaning (Fleming, 2001). Organizational identity change causes anxiety and uneasiness for internal stakeholders due to the unknown organizational consequences of impending changes (Ashforth et al., 2008; Bridwell-Mitchell & Mezias, 2012; Chreim, 2002; Fiol, 2002; Pratt, 2000).

The first story described a factual event that occurred in the past, “the paperwork crisis,” defined earlier within this paper. Internal stakeholders were aware the paperwork crisis led to the creation of XYZ Corporation; however, the CEO selected this story to emphasize the necessity of change; furthermore, change leads to positive quality of life and financial industry efficiencies. The CEO was the main character and provided an account of his experience during such times. The narrative provides a glimpse of the hardships of the past, in which employees within financial organizations worked extensive amount of hours beyond the 40-hour workweek, yet, change in operations led to operational efficiency so that such hours were no longer necessary. Furthermore, the events within the story discussed how the exchange closed one day a week due to the amount of paperwork entailed to complete transactions of trades, which occurred in 4 or 5 business days as opposed to the current process. The CEO concluded the story by contrasting the amount of trades today to those during the paperwork crisis to accentuate the benefits of change.

Fiol (2002) espoused the identity transformation process during organizational identity change begins with disidentification, which involves detaching internal stakeholders from their current organizational identity. Researchers advocated rhetoric that devalues the identity outright or negatively contrasts the previous identity with the new (Fiol, 2002; Pratt, 2002). The constituents were aware of a pending change, yet the CEO did not immediately frame the previous organizational identity in contrast to the new one. Furthermore, Donovan did not
discuss the attributes of the new organizational identity or the prototypical membership qualities of such.

Donovan’s story positively framed the context of change through the use of an organizational example. Although the main theme within the story and the preceeding communication was focused on the context of change, the CEO subtly conveyed the importance of XYZ Corporation to the financial industry. Additionally, Donovan iterated the importance of change, yet the communication that follows the story frames the impending change as less drastic than previous instances:

When corporate communications wrote some of the speeches for me, they kept sticking this line in about how the change that was coming . . . that’s coming because of all the new regulations coming out of the financial crisis is the most sweeping change that has happened in the financial markets since the thirties, right? And I keep taking that line out ‘cause if you have lived through the last twenty-five, thirty years, you have lived through a period of stunning change in the financial markets that truthfully, uh, is a . . . is a pace of change, a rate of change that honestly, I think dwarfs what’s coming at us. I mean, we lived through times that . . . that transformed this industry in a . . . in a way that is completely indescribable . . . and the numbers just… just begin to suggest it a bit.

Change caused anxiety for internal stakeholders due to the lack of organizational meaning and direction (Fiol, 2002); hence, conveying change in a positive manner may help alleviate such fears. The forthcoming story built upon the theme “change is not bad.” It is plausible a leader can frame the context of change as progressive to prepare for the devaluing of an old identity or construction of a new identity.

Fiol (2002) and Pratt (2002) purported sensebreaking rhetoric should defame the old identity or negative comparison in contrast with the new identity. However, the concept of sensebreaking does not necessarily require such negative connotation; rather, the purpose is to destabilize the current organizational identity. The forthcoming analysis of the storytelling event will divulge the sensebreaking dynamics that occurred within the storytelling event. The first
story did not describe the attributes of the previous or XZY Corp. 3.0. The first story framed the context of change. It is plausible that strategically conveying change in a positive light may become a preliminary step of the sensebreaking and sensegiving process. Most importantly, this rhetorical context strategy would occur prior to the leader discussing any aspect of the old or new identity.

**Story #2.** Donovan’s preceding communication explicitly built on the theme of positive change by referencing an instance of organizational change within XYZ Corporation, in which the global expansion led to the creation of jobs and positively affected other aspects pertaining to quality of life. He framed the consequences of this organizational change as affecting the quality of life:

> And we have people here and again, think of what that means in terms of how this organization has changed and what this organization has gone through over the last . . . we are a critical lynchpin in the functioning of the financial markets around the globe. And that matters because those markets are what creates jobs; those markets are what build[s] schools for our kids; those markets are what support healthcare . . . Those market[s] are what support the incredible, you know, incredibly dynamic change globally in terms of the standard of living across the globe.

The CEO effectively used the word “we” within the preceding message to create a common ground amongst internal stakeholders. Employing various forms of rhetoric, Donovan used adjectives “sophisticated, powerful, strong” to describe the organizational members. Although the words reflected XYZ Corporation, Donovan used “we” to convey ownership of the adjectives to the internal stakeholders. Replacing the word “we” with XYZ Corporation would alter the power of the message. Cheney’s (1983) common ground tactic applies to the CEO’s recognition of stakeholder contribution. Donovan stated the efficiency of the financial markets was directly attributed to the internal stakeholder, which leads to the improvement of society.
The organizational identity attributes begin to emerge within the story and pre-proceeding communication. Donovan selected a story in which the internal stakeholders are the main subject of the narrative. This story also detailed a historical crisis event similar to the first story. The CEO discussed how the actions of the organizational constituents resulted in the continued operations of the financial markets, despite the grim circumstances of the terrorist attack on September 11, 2001. Although the specific actions of the internal stakeholders are not detailed, the CEO mentioned the praise from Bank ABC to convey the importance of their actions. “The Actions of Organizational Members of XYZ Corp. Results in the Sustenance of the Financial Markets and Quality of Living for Society” is the underlying theme embedded within the story. The objective of the story was to emphasize that stakeholder commitment to the organization is required to protect the financial industry.

Although Donovan did not overtly state XYZ was the protector of the financial markets and society, he frequently alluded to the importance of the actions of the internal stakeholders and the organizational as a whole:

that they [Bank ABC] were just so staggered at the dedication and the commitment and the assurance that we were going make sure that the financial markets could keep going; we were going to make sure that what needed to happen was happening and that we were keeping the integrity of the financial markets intact through one of the worst moments that this country has ever gone through.

The praise of internal stakeholders served to construct favorable prototypical attributes of the new organizational identity. Bullis and DiSanza (1999) and Cheney’s (1983) recognized praise as an important element of prompting identity change. It is plausible that emphasizing the importance of change, while praising organization and internal stakeholder prototypical behavior, may assist the forthcoming proposal of the new organizational identity. Hence, prior to
sensebreaking, which calls for a disruption of the former identity, the leader establishes a context that views change as positive. Furthermore, praise acknowledges the importance of stakeholder commitment to the organization that enables a “call to action” for future commitment, specifically pertaining to the new organizational identity. The forthcoming story illustrates how Donovan used this contextual framing and praise as impetus for sensebreaking and sensegiving. The analysis will divulge whether Fiol’s model of identity transformation is applicable.

*Story #3.* The third story also pertained to a historical event, which occurred during the Eisenhower administration called the “Great Technology Project.” The CEO was the subject of the narrative and his experience framed the importance for change and risk. Donovan provided the audience with an account from his childhood during the Thanksgiving holiday. He discussed how members of his family would gather around the radio and occasional updates were provided of the fatality rates from automobile related accidents, due to the amount of people traveling for the holiday. The projected estimates were in the thousands and as the holiday weekend passed the grim figures were provided by the radio broadcaster. The advancement of technology led to the decrease in the fatality rate due to change within the highway infrastructure that reduced risk. In this particular story, the development of the highway medium dramatically reduced the fatalities. Donovan framed the importance of change as means of protecting people from automobile related fatalities:

So, you were driving and there were people driving, coming the other way and there was nothing that separated you . . . so that obviously, when something went wrong . . . You know what happened; now, of course, we know that the technology has to be built that you separate . . . the two lanes of traffic so that you don’t have the head on collisions that again, in the fifties, were . . . happened . . . every . . . obviously, every holiday weekend, with some regularity . . . We invented airbags; we invented seatbelts… We invented… *passive* seat belts, you know, the ones that are attached to the door so you can’t get in without the thing wrapping around you; we invented those horrible buzzers…that prevent
you from starting the car without buckling your seat belt. We invested a lot in managing
the risk of this technology that we had created and we were hugely successful in that risk
mitigation in terms of highway fatality numbers dropping enormously to the point where
you know, it wasn’t newsworthy, right? To the point where they don’t have bulletins as
to how many people are going [to] get killed in traffic accidents on…a given holiday
weekend.

Risk mitigation was the essential component of the change within this story.

The managing director introduced the concept of risk prior to the CEO’s speech. Her
reference to risk pertained to the future of the organization, titled XYZ Corp. 3.0:

which brings us to 3.0 which is our; it’s your future and it’s my future and it’s our
responsibility to manage risk and in order to manage risk, we have to first identify risk,
review risk, analyze risk, mitigate risk and manage risk.

This story was the first instance in which the CEO used the word risk. He connected mortality to
the management of risk. Donovan illustrated the importance of risk management and transitions
into the main theme of the story, “Change results in risk mitigation, yet brings about riskier
tendencies.” This story did not attest to an organizational event. Yet, the underlying meaning of
the story pertained to the organization and its members. The objective of the story was not
explicitly stated; however, the connection to the managing director’s initial statements
illuminated the emphasis was on the internal stakeholder’s ability to manage risk. The
proceeding communication conveys this objective explicitly.

The CEO reinforced the theme of risk mitigation within the proceeding communication,
by stating “when you save risk by mitigating it and constraining it, people spend some part of
that savings by doing riskier things.” Donovan transitioned from the example of risk within the
highway system to organizational risk. He praised the risk mitigation efforts previously performed by the organization and its members.

We were hugely successful in mitigating risk in the financial industry; we have been staggeringly successful at mitigating risk in the financially industry, at controlling operational risk, at controlling counter-party risk, at controlling market risk; at controlling all of the risks that our members have been subjected to.

Donovan’s recognition of organizational members already partaking in risk mitigation is an important aspect of inducing the new organizational identity. The CEO’s acknowledgement of previous risk mitigation acts assisted in the transition to a risk oriented identity. Additionally, the word “we” framed a collective approach to risk, in which the rhetor established a common ground (Cheney, 1983). Although, the identity attributes weren’t clearly stated at this point, the new identity revolved around risk mitigation. The CEO established a precursor of prototypical member as a manager of risk. Organizational identity literature pertaining to change often discusses the necessity to deconstruct the previous identity (Ashforth et al, 2008; Fiol, 2002); however, the CEO was constructing the new identity without devaluing the old identity.

Donovan acknowledged XYZ Corp. mitigated risk in the past, yet there is an impending new emphasis on risk that is being constructed within the new organizational identity. According to Chreim (2002), “confluence can be established by reframing the meaning of past experience so it appears consistent with the present and future requirements” (p. 1132). The dissociative tendencies of sensebreaking were not applicable to his speech. Destabilization of the old identity did not occur through negatively framing the previous identity. Analysis of the remaining
communication will reveal sensebreaking occurs through framing an enhancement of the previous identity without explicitly denouncing or negating the previous identity.

*Story #4.* Michael Donovan presented a factual and fictional approach to this story, in which the characters are fictional and the premise of the story was based on a theory espoused by a professor referred to as Minsky. The story represented the 2008 financial crisis, in which the CEO presented a hypothetical scenario of providing loans to different characters. Each character represented risk at different levels due to their ability or inability to possibly pay their mortgages. Additionally, the CEO conveyed risk in the scenario of providing mortgages to the characters who may not have the ability to pay their mortgages. As the financial industry is performing well, riskier behavior is exhibited by the CEO’s character:

I’m going to start to feel a little easier about the kinds of credit decisions that I’m making and I’m going to start to make closer ones, I’m going to start to say well okay, I’ll take this.. Jerald is a good credit, and Matt, hmm, not so sure about. But times are good, I’m getting paid back and I don’t really have a concern about defaults so okay, I’m not as comfortable with him as with Jerald but okay fine, I feel comfortable making a decision, I’m going to lend him money. He performs, times are good, we’re doing well, so that gets positively reinforced, and that pays off. So I’m going to start, okay, I really need to build my business so let me look at other people who may be a little more marginal, right, and how do I handle them.

The risk begins to progress to a point that is defined as Ponzi finance, in which the assumption is that risk is avoidable and money is continually loaned with the assumption that the market will continue to prosper. Ultimately, the “Minsky moment” arrives when the consequences of risk finally are unavoidable and the process crumbles. The culmination of events leads to the Minsky moment, which symbolizes the theme of the story: The risky tendencies in the financial markets require a guardian of risk. The objective of the story was articulated at the end, in which the CEO stated the financial industry would continue to partake in riskier practices regardless of the
risk thwarted by XYZ Corp.; however, XYZ Corp. must continue to protect the financial industry from the devastating consequences such as the events of 2008 financial crisis.

Donovan’s analogy of risk came to fruition within the preceding communication. XYZ Corp. managed risk for the financial industry; however, the risk savings were now being “spent” in riskier tendencies. The CEO’s use of the verbiage “have to” was significant, because it was a call to action. The organizational members “have to” mitigate the financial industry’s riskier practices, which are their clients (members). Donovan previously emphasized the importance of XYZ Corp. to society and to the industry, and now explicitly stated the stakeholder responsibility of managing risks. The internal stakeholders “have to” manage this risk to protect society and the financial industry. How do the organizational members manage this risk? Donovan stated organizational members must be proactive in their approach to risk, meaning internal stakeholders must think about and devise ways to thwart risk before it occurs:

We have to really focus on what does this mean in terms of how we need to improve our ability to manage and mitigate the risks that this organization has and this organization is responsible for. And we’re taking I think a very broad ranging view of that question, it’s not just gee, should we raise margin? It’s not just gee should we increase haircuts on the collateral that we use in the depository. Right? It also is, what are we doing that has risk inherently baked into it and how can we improve that, can we better manage that risk, how can we, if we can, eliminate that risk.

The prototypical identity characteristics emerge in Michael Donovan’s call to action; hence, XYZ Corp. 3.0 requires the internal stakeholders to abide by such identity attributes to protect the financial industry and society. The CEO frames an ideal organization with the appropriate organizational behavior for XYZ Corp. 3.0. The sensegiving of XYZ Corporation identity risk attributes serves as an impetus for internal stakeholders to make sense of the organizational identity, in which the future state of organizational behavior is cognitively enacted by the
constituents (Bridwell-Mitchell & Mezias, 2012; Fiol, 2002). Fiol (2002) advocated such a rhetorical strategy within phase 2 of the identity transformation process, which builds strong ties to the new organizational identity.

Donovan’s preceding communication revealed that focusing on risk was a new endeavor. He presented a new way of thinking, in which internal stakeholders now reflect on their current operation practices to thwart risk:

How do we understand what’s coming at us, and the risk implications of what’s coming at us because we need to be able to handle those things and we need to be proactive in thinking about that is that we have answers before those things start to create the problems that we all know inevitably they’re going to create. That’s an insight that I think is a very important insight that we have relatively recently sort of really focused on and pierced together.

XYZ Corp. was successful in the past at mitigating risk; however, the previous organizational identity was not characterized with a primary focus on risk:

But the fact is we are taking a risk and that’s a very reasonable risk for us to take, we’ve been doing it for fourteen years as we all know, and it has validated over that period of time that it’s been a reasonable risk for us to take, but it is we think, I think, John thinks, many others think, it’s no longer a risk that we need to be taking, we have done as much or all of the work that you have done in improving that process has brought that risk to a point where it’s kind of why are we doing this? Why are we sticking our neck out like that anymore, right, because it is a risk, and at the end of the day why should we be taking that risk, why should be doing that?

I know our integrity and commitment to this organization motivates us to do that, and that’s really what this risk transformation is all about.

Framing a new organizational identity as an improvement of the previous organizational identity is a rhetorical strategy (Bridwell-Mitchell & Mezias, 2012).

Cheney’s (1983) common ground tactic of espousing membership benefits to influence identity is applicable to the societal benefit of managing risk:

[XYZ Corporation Communications] felt to summarize XYZ Corporation [within the new mission statement], [was] the brand idea . . . that they thought summarized is
“relentlessly protecting tomorrow.” When I heard that that’s sort of like a jolt of my spine, right. I’m a pushover, because that is who we are, and the tomorrows that we are protecting you know, we all know who those tomorrows are being protected for, we’re protecting them for ourselves because all of our retirement money is sitting in the vaults behind you, we’re protecting our children, we’re protecting the people of the world by doing what it is what we can do to ensure that the financial system remains safe and sound. And that’s a responsibility that obviously is a very weighty one, it’s a responsibility that we have lived up to, decade out and now the challenge is how do we figure out how to respond to that in the coming years with all of the issues that we learned about in the financial crisis and all of the things we’re going to find out about as we respond to those crises.

Inducement of organizational identity was also achieved through antithesis; however, Cheney (1983) referred to a common enemy that is an entity. Cheney’s (1983) strategy can be extended to a conceptual enemy such as risk. The organizational members are uniting in a common cause to manage and thwart risk on behalf of the organizational identity. Michael Donovan references the approach to risk as a new focus and means of acting.

The old identity was enhanced to a new vigilant organization with a focus on risk, which is a form of sensebreaking and sensegiving. Donovan used a positive framework. This rhetorical strategy contrasts with Fiol’s (2002) negative rhetorical strategy for destabilizing a previous identity. The CEO exhibited confluence in his rhetorical strategy of continuing to foster an aspect of a previous identity. Stakeholders are familiar with certain aspects of risk mitigation within their previous identity as mentioned by Donovan; hence, confluence allows the stakeholder to cognitively experience the new identity. Donovan advocated a new way of approaching risk and managing risk within the organization.

The story reinforced the risk defender attribute of XYZ Corp. by alluding to the consequences resulting from the risky behavior of the financial industry, both in the factual and fictional accounts. Internal stakeholders are responsible for managing the risk imposed by these same financial institutions which they protect. The construction of the organizational identity is a
process built by sensebreaking and sensegiving. Hence, the prior communication aids this story in “giving” sense of the importance of the risk defender identity. The communication that follows the story ties in the sensegiving process and a clearly labeled organizational identity is established.

An in depth articulation of XYZ Corp. 3.0 emerges within the proceeding communication. The organizational identity goes beyond the managing, preventing, and rethinking risk operationally. Donovan evoked the guardianship role for the organization and its members. He provided the mission statement in which XYZ Corp. is deemed the protector of the financial industry that provides stability to the capital markets, which builds upon the theme of the importance of mitigating risk to protect society.

The closing communication labels XYZ Corp. as a “protector of the financial industry and society” represents sensegiving, in which XYZ Corp.’s identity no longer views risk mitigation as a byproduct of its business; rather, risk mitigation is the core of the identity. According to Cheney (1983) well-crafted trademarks or sayings such as relentlessly protecting tomorrow, exemplified a strategy that prompts identification through symbolic unifying means. This “brand idea” is representative of this guardianship identity. Donovan praised the operations staff in a manner that deemed the transition to the new identity as natural with his statement “know our integrity and commitment to this organization motivates us to do that, and that’s really what this risk transformation is all about.” Once again, Donovan used praise to justify the transition to the new identity. The identity attributes of XYZ Corp. 3.0 were now evident; however, the sensebreaking and sensegiving dynamics emerged because of construction of the identity by posing change in a positive context.
Discussion

Organizational identity change is fraught with ambiguity in terms of the future sustenance of the organization, the impact on stakeholders, and organizational meaning. Leadership is responsible for guiding the organization through times of change and most importantly conveying what the change entails for the constituents. Hence, clarifying a new organizational identity assists in the transition of change. Yet, merely stating what the new organization identity is does not guarantee its adoption by internal stakeholders. An organization that does not succeed in this endeavor will mostly likely find its existence challenged. Leaders are tasked with providing “sense” of the organizational new reality, in which the member cognitively constructs the new organizational reality to understand and ultimately adopt the organizational identity. This is not performed by merely presenting facts and information with the anticipation members will grasp the new identity. Rather, communication should be strategically crafted to prompt the construction of this identity within the internal stakeholder. The storytelling event is an exceptional means of inducing identity within stakeholders, because it allows the stakeholder to experience the new organizational identity.

The examined storytelling event illuminates the dynamics of sensemaking, specifically sensebreaking and sensegiving. Fiol’s (2002) identity transformation process model was applicable to this storytelling event; however, disidentification was not the product of attaching negative value to the previous identity organization. The conceptual detachment of the previous identity was performed by using positive framing. The old identity was not devalued; rather, it was improved to address change. The second phase of Fiol’s model, situated identification, calls for an experimental setting, which allows members to enact the new identity. Additionally, it
calls for rhetoric that is inclusive. The CEO provided a mental schema of how members should approach risk and manage risk by looking at their current processes and proactively seeking ways to thwart risk in the day-to-day operations. Donovan also used rhetoric that is inclusive such as “we” and “us”. Cheney (1983) suggested quantifying the inclusive referents “we and “us” to provide further evidence of rhetoric that prompts identity change. There are 136 instances of the word “we”, within Donovan’s speech, and 9 instances of the word “us”. Lastly, Donovan’s communication adhered to the final phase of Fiol’s (2002) model, in which “focus is on consensus building around a broad vision of why we [organization] exist and what we [organization] value as a collective.”; rather than, “organizational attributes that later become outdated, [in which] dysfunctional core rigidities are likely to result”(pp. 661– m 662).

The new identity was provided in a high-level manner to strengthen the internal stakeholder identification with the identity values, yet allowing for the flexibility of changing the identity in the future (i.e., identity attributes of risk changed to positive identity characteristics). Although there are aspects of the storytelling event that adhered to the dynamics within Fiols (2002) model, there were several rhetorical techniques involved within the CEO’s storytelling event not related to it.

Ashforth et al. (2008), Chittipeddi and Gioia (1991), and Pratt (2000) espoused that old identities required the deconstruction of a previous identity, mostly through devaluation of the previous identity; however, literature that analyzed sensebreaking and sensegiving lacked discussions of leadership framing the context of change in a positive manner prior to the introduction of a new identity. Such a rhetorical strategy may ease the process of internal stakeholders embracing the new identity. Donovan constructed the new identity through framing
the context of change positively preliminary to sensebreaking. Additionally, a thematic construction within the stories assisted the leader in prompting identity change.

Donovan’s used a thematic process within the sequence of the stories. The importance of change and stakeholder contribution was espoused within the themes (Figure 1). The thematic structure tied together the multiple stories; furthermore, it assisted constructing the organizational identity, XYZ Corp. 3.0. The themes evolved through the narrative and preceding communication within the storytelling event.

Figure 1

<table>
<thead>
<tr>
<th>Themes</th>
<th>Story</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Change is not bad</td>
<td>Paperwork Crises</td>
</tr>
<tr>
<td>2) The Actions of organizational members of XYZ Corp. results in the sustenance of the financial markets and quality of living for society</td>
<td>September 11</td>
</tr>
<tr>
<td>3) Change results in risk mitigation, yet brings about riskier tendencies</td>
<td>Thanksgiving: The Great Technology Project</td>
</tr>
<tr>
<td>4) The risky tendencies of the in the financial industry require a guardian of risk to protect the financial markets</td>
<td>Minsky Moment</td>
</tr>
</tbody>
</table>
XYZ Corp. is the protector of the financial markets and society—XYZ Corp is the manager of risk.

Symbolic Slogan: “Relentlessly Protecting Tomorrow”

Figure 2

Identity Inducement Change Model

<table>
<thead>
<tr>
<th>Change Context</th>
<th>Sensebreaking</th>
<th>Sensegiving</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Frame change as positive to provide foundation for Sensebreaking & sensegiving

Sensemaking

In addition to the thematic construction that gradually assists the sensebreaking and sensegiving of the organizational identity, Donovan established confluence in which an aspect of the old identity is embedded within the new identity. In this particular storytelling event, the small role risk played within the previous identity is now the major facet of XYZ Corp. 3.0. Confluence was further evidenced in the praise of employees’ past actions that were attached to risk mitigation, which is now embedded in the new organizational identity. This rhetorical technique allows for an easier transition to the new organizational identity; rather than an outright negation of the previous identity.

Ashforth’s model of identification, the portion depicting the organizational level of sensebreaking and sensegiving (described in chapter 2) is best suited for this particular context; however, the findings of this study warrant slight modification (figure 2). Donovan thematic communication structure prepares a foundation for the framing of the new organizational identity. Sensebreaking and sensegiving are evidenced in Donovan’s communication, in which
he used confluence to destabilize the previous identity and explicitly described the prototypical risk attributes of XYZ Corp. 3.0 detailed at the end of the storytelling event
CHAPTER 5: SUMMARIES AND CONCLUSIONS

Limitations

This thesis reveals a structured dynamic of identity change rhetoric; however, there are limitations to this methodology. The amount of data examined was limited due to time and resource constraints. Studying multiple storytelling events across different organizations may provide further insight into the sensebreaking and sensegiving dynamics. Furthermore, the coding of the research was performed by one researcher. Corder reliability was thus not tested. An additional researcher may help reveal other themes embedded within the storytelling event.

Recommendations

There are many divergent ways of approaching the sensebreaking and sensegiving process, such as studying nonverbal communication, environmental factors, and leadership characteristics (integrity and charisma); however, the focus of this study was the language used to frame the new organizational identity. Further study of the language during leadership storytelling events during organizational identity change will contribute to the existing sensemaking literature. Researchers may build from this study to further examine whether destabilizing former organizational identities are performed via sensebreaking that do not involve the devaluing of the former identity or using Fiol’s (2002) and Chreim’s (2002) comparative/devaluing rhetorical techniques. Hence, such a study would compare multiple storytelling events to determine whether confluence or negation was used to prompt organizational identity change.

This study illuminated how Donovan gradually constructed the new organizational identity. Organizational communication literature has often discussed the new identity attributes without an emphasis of how the identity is rhetorically developed. The leader is tasked with
articulating the identity, yet the critical aspect of such is constructing this identity and framing it in a manner that will enable sensemaking. DiSanzi and Bullis (1999) were cognizant of the importance of themes within identity inducement, yet their study did not contemplate the use of themes to construct an identity via sensemaking. If a researcher has the available time and resources to conduct research that analyzes the leadership discourse along with the internal stakeholder perception of such a speech, then the researcher can provide a description of the leadership framing and the stakeholder’s cognitive consequences of such framing.

Another useful study would be to examine the continued use of a rhetor’s storytelling event to influence identification. The organization disseminated Donovan’s speech to the operations staff via email several days later. Additionally, the researcher, as a member of the organization, experienced the continual “reinforcement” of the leader’s storytelling event. Fragments of Donovan’s communication were referenced within internal publications. Sensemaking is a process that occurs over a period of time; hence, an examination focusing on the continued “reinforcement” of a new organizational identity provides better in-depth understanding of how an organization answers the question “Who are we as an organization?”; and, most importantly, how it strategically frames the organizational identity.

**Conclusion**

In the context of organizational identity, sensemaking theory is a reciprocal process that involves sensebreaking, sensegiving, and sensemaking of an organizational identity (Pratt, 2000). It is a process that occurs over time; however, examining how a leader frames the communication to convey organizational identity change provides insight into the process that “spurs” making sense. This particular study shows how the construction of the identity is performed through a storytelling event. Leadership narratives are popular objects of study in
organizational communication literature; however, the stories that are studied are often void of the communication that preceded or followed. Such an approach detracts from the connection that the pre-/proceeding communication has with a story. The entire communication within the storytelling event plays a role in prompting identification. Organizational identity change provides apprehension among internal stakeholders due to the vagueness of the new identity meaning and the effects it may have on the roles within the organization. A leader may capitalize on the concept of change and strategically use rhetoric that frames change as a positive. Furthermore, such positivity can apply to the recognition of internal stakeholder contributions during times of change and how it affects the organization. Such a “feel good” rhetorical technique provides the foundation for the sensebreaking and sensegiving process, in which the new identity is introduced.

Building on such positivity can extend into the sensebreaking and sensegiving process. Although negating the old identity is a viable means of transitioning into a new organizational identity, it is not a necessity under certain circumstances, such as the XYZ Corp. Fiol (2002), and Pratt (2000) advocated rhetoric that involves devaluing previous organizational identities, yet Donovan’s storytelling event was an example of how a leader can frame the new identity as a positive evolution in which certain traits of the old organizational identity are found within the new. This rhetorical strategy of confluence is applicable to different means of communication, yet the storytelling event provides internal stakeholders with a way to cognitively enact these positive features of the new identity. The storytelling prompts the internal stakeholder to conceptualize why “change is not bad.” Furthermore, the sequential nature of Donovan’s stories assisted the stakeholders to construct the identity attributes ultimately culminating into XYZ Corp. 3.0, the “protector of the financial industry”.
Language is an important aspect of creating and maintaining identity. The framing of an organizational identity is contingent upon the meaning produced by language. Leadership behavior and other aspects influence sensemaking; however, language is the driving force of identity construction. An organization undergoing identity change faces the challenge of articulating the attributes of the new identity. Donovan faced such a challenge and used the power of language to frame identity change and describe XYZ Corp. 3.0. Internal stakeholders make sense of reality through cognitively enacting the story. Donovan shaped the importance of XYZ Corp.’s identity attributes through the use of the multiple narratives. Alternative means of conveying the new organizational reality were possible, such as bullet power-points and literature. The findings within this paper illustrate that stories are powerful means of inducing organizational identity.
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