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Tina Marie Ramirez-Dominguez  
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Pepperdine University  
Graduate School of Education and Psychology

ORGANIZATIONAL DISSONANCE IN THE CONTEXT OF ORGANIZATIONAL  
DECLINE AND TURNAROUND OF A SECURITY PRINTER: A QUANTITATIVE CASE  
STUDY

A dissertation submitted in partial satisfaction  
of the requirements for the degree of  
Doctor of Education in Organizational Leadership

by

Tina Marie Ramirez-Dominguez

March, 2021

Kent Rhodes, Ed.D. – Dissertation Chairperson

This dissertation, written by

Tina Marie Ramirez-Dominguez

under the guidance of a Faculty Committee and approved by its members, has been submitted to and accepted by the Graduate Faculty in partial fulfillment of the requirements for the degree of

DOCTOR OF EDUCATION

Doctoral Committee:

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Sultan Aldossari, Ed.D.

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## DEDICATION

Paul, David and Lea, my answer to the question.

My husband Paul. Truth be told my life began the day we met.

My mom and dad, Corky and Rico. Because of you both I know what it's like to be loved  
unconditionally.

And Gigi, Lola and Yucca. Siblings extraordinaire.

## ACKNOWLEDGMENTS

I would like to express my deep and sincere gratitude to my staff at Commerce and management team of JDSU for giving me the opportunity to research the attitudes associated with organizational decline and turnaround. I'd like to especially thank Bob Noga for pushing me to explore all the possibilities of what a Quality role can be to an organization. It was a great honor to work for such an inspiring, innovative, and encouraging leader.

Thank you Dr. Rhodes for sticking with me throughout this process. Your timing was always impeccable. Whenever I thought I couldn't write one more word I'd get an encouraging email. You have no idea just how significant those words of encouragement were. And to Dr. Dellaneve and Dr. Sultan, thanks for stepping in and helping me finish strong. Thank you both for always being the calm in the storm that was this dissertation.

I am extremely grateful to my parents for their love, support, and sacrifices, and for teaching me that I can accomplish anything. I am especially thankful to my husband, Paul, for his support and understanding throughout this very expensive and time-consuming process. I promise you; it will be worth it. Just think you can already tell all your friends you're married to a doctor. It is my children, Paul, David, and Lea who I am exceptionally grateful for, for without their unwavering support this research and my entire academic career would not be possible. I love you more than life itself. And to my siblings, Gigi, Lola, and Yucca, this is an accomplishment we all share.

And just because I can, Tanya, Richard, Lorenzo, Joseph, Emmanuel and my Izzy (Elizabelle).

## VITA

TINA MARIE DOMINGUEZ

### *PROFESSIONAL EXPERIENCE*

inlay Technologies – Costa Mesa, CA

*VP of People & Operations*

- Lead the organizational talent assessment and organizational design changes necessary for supporting a \$30 million multi-state Merger and Acquisition
- Lead the acquisition of high-tech SME's which led to acquiring a key contract with a \$30 million nutraceutical company
- Design and implement new organizational structure necessary for launching a \$6 million new product division
- Work directly with Board of Directors on building a multi-state Franchise business model – vetting, performance management, onboarding protocols, policy and process creation

Coloredge – Burbank, CA

*Director of Operations*

- Conducted an organizational assessment that led to the identification of over \$1 million of unaccounted for Finished Goods and Raw Material inventory
- Identified customer online portal design flaws costing the business unit more than \$3 million per year
- Improved operational effectiveness by 50% through organizational restructuring and securing high caliber talent
- Designed and led a team of 12 managers in the implementation of a High Performing-Team Based culture – improving safety by 70%, quality by 22%, productivity by 15%, and COGS by 8%

GEODIS– Rialto, CA

*Sr. Operations Manager*

- Led the Apple Retail Distribution Center, a staff of 180+
- Drove and managed workforce planning and headcount management to align strategies with business priorities resulting in a 100% performance record throughout a year of Standard, Peak and New Product Introduction for Apple
- Led major change management programs – resulting in annual savings of \$78,000+
- Designed Employer Branding and Employee Value Proposition for recruiters – reducing the cost per hire by 50% and reducing turnover by 30%
- Created performance improvement and development plans leading to 12 managers achieving Operation Excellence certifications

Alpert & Alpert Iron & Metal – Los Angeles, CA

*Sr. Manager - Organizational Effectiveness*

- Led the design and implementation of operational changes for a \$600 million commodity trading firm

- Optimized business processes, systems, job roles and organizational restructure – resulting in a 30% increase in contract creation, a \$2 million savings, formal succession plan, High Potential program, and OD program
- Provided change management and Lean consultation and coaching to all 4 directors and 6 executive team members
- Led the cultural change initiative throughout all 6 operational departments - managed communication and conflict to build consensus and mediate diverse opinions – launching the Respect for Humanity philosophy
- Led a \$3 million ERP change initiative of Microsoft Dynamics – system architecture, designed training and system validation models, system functionality and testing criteria

#### *EDUCATION*

- Pepperdine University  
Malibu, CA, Doctor of Organizational Leadership
- Woodbury University  
Burbank, CA, Master of Business Administration
- Woodbury University  
Burbank, CA, Bachelor of Science Degree in Business Administration

#### *CERTIFICATIONS*

PROSCI | Green Belt | cGMP | ISO, RIOS, AS | MBNQA & COE2026 | DI & E

## ABSTRACT

The purpose of this nonexperimental, quantitative study was to examine organizational identity dissonance experienced by an organization's social actors in the context of organizational decline and turnaround utilizing factor structures from five years of pre-existing, employee surveys to determine whether differences in factor scores occurred over the 5-year time frame.

Organizational identity dissonance is the psychological stress or discomfort experienced by an organization's social actors from holding two or more contradictory attitudes, beliefs, or behaviors (McLead, 2008) in relation to the organization's identity. A social actor is an individual participating in a communal environment (Whetten & Mackey, 2002). A communal environment is defined as an organization, firm, or business unit. In this study, the communal environment is the Printing Division of a high-tech optics company. The analysis focuses on existing data collected from 5 years of employee engagement survey data.

## **Chapter 1: The Problem**

### **Background of Study**

Organizational identity establishes the foundation for the collective self as created through shared beliefs held by an organization's members. Considered the cognitive map held collectively by the members, organizational identity represents the collective self-narratives of the organization's enduring and distinctive characteristics (Jeyavelu, 2009). The identity of any organization refers to the characteristics exposed to environmental changes and to internal and external organizational pressures. Organizational decline and turnaround are stresses that weaken or deform the enduring and distinctive characteristics of an organization's identity, which is evident in an examination of cognitive dissonance or identity dissonance that strains an organization's collective self. The effects of decline and stress associated with the turnaround process introduce a level of organizational identity dissonance that has only been studied once before (Jeyavelu, 2009).

Organizations are living entities that develop and create identities all their own, whether by design or organically cultivated. Like individuals, organizations have unique identities that distinguish them from other organizations and may provide the foundation of their competitive advantage. Scholars continuing to build on this work (e.g. Ravasi & Schultz, 2006; Whetten & Mackey, 2002; Whetten, 2006), have emphasized the functional properties of self-definition in satisfying the basic requirements of individuals and organizations as social actors: continuity, coherence, and distinctiveness. These scholars conceive identity as "those things that enable social actors to satisfy their inherent needs to be the same yesterday, today and tomorrow and to be unique actors of entities" (Whetten & Mackey, 2002, p. 396). To the extent that an organization can be characterized as a living entity, it follows a life cycle of birth, growth,

maturity, decline, and death (Greiner, 1972). Evidence of this is further emphasized in the extensive use of the life-cycle metaphor describing organizational changes (Kimberly & Miles, 1984). Several authors writing on this topic have argued that more attention should be given to the non-growth periods of organizational development and evolution (Whetten, 1980; Greenhalgh, 1983; Cameron & Zammuto, 1983) inasmuch as the large majority of life-cycle models only consider patterns of growth and ignore decline.

Research into organizational decline has revealed the existence of a statistical likelihood that an organization will, at some time in its life cycle, encounter a period of decline (Schendel et al., 1976; Trahms et al., 2013), which points out the necessity for researchers and practitioners of business science to examine more thoroughly the dissonance created by such an event (Cameron et al., 1987). Providing a framework for identifying the conditions of decline and associated types of dissonance can aid leadership by offering approaches to dealing with organizational dissonance that may result in effective strategies for overcoming the process. “Organizational identity and strategy as a closed system argues that a strong organizational identity and its complementary strategies is a potent but potentially pernicious form of internalized constraint that often fosters inertia” (Ashforth & Mael, 1996, p. 23). With this being said managers need to reconcile pressures for continuity with pressures for change given the importance of an organization’s soul to its members.

Change introduces stress into organizations as people adapt to a new order. Environmental changes that trigger transformational processes suggest that organizations, like people, are constantly in the process of *becoming* (Ashforth & Mael, 1996) . The change encountered by organizations facing decline, coupled with the difficulties associated with turnaround, warrant more than the prescribed approaches to coping with change. At its core,

organizational dissonance is a symptom of organizational change and transformation that could lead to organizational evolution, where the organization becomes stronger and better able to meet challenges. Organizations are invigorated as they grapple with environmental flux and complexity, gravitating them toward new opportunities and challenges (Ashforth & Mael, 1996). Organizations, like an individual acquire “multiple identities” over time (Thoits, 1983, p. 178), Albert and Whetten (1985) argue that developing organizations tend to acquire more than one identity as success and strategy push organizations to assume other responsibilities. Karp (2005) reported that most top leaders recognize that “their people’s skills and their capacity for change are key factors” (p. 87) of transformational success. Coping with the transactional aspects of change, such as exiting a business or downsizing, represents only a facet of the transformation process; the emotional stress caused by change is another. Leaders and managers who have the capacity to navigate both effectively are better equipped to lead a successful transformation.

Using well-developed mental models to restore and strengthen an organization’s status may be the component necessary for an effective turnaround. Mental models are considered to be representations of reality that individuals use to understand specific phenomena. Mental models are “deeply ingrained assumptions or generalizations that influence how we understand the world and how we take action” (Magzan, 2012, p. 57) . Through the process of socialization, education, and experiences internal images are formed. We use these images or mental models to help us navigate the world. To be an effective leader requires the discipline of mental models which means being able to modify assumptions in order to show the true causes of problems (Magzan, 2012; Senge, 1990).

Well-developed mental models fostered through a combination of developed and learned experiences allow those responsible for leading change to develop the visual problem-solving



road map necessary for leading an organization through a maze of obstacles that hinder the implementation of an effective turnaround strategy. The effectiveness of leaders becomes paramount to an organization in the midst of a crisis, as leaders are key to searching for answers to make sense of what is occurring. According to Peter Senge (1990), managing mental models involves identifying, clarifying, and changing one's mental model and its component assumptions. This process of deconstruction enables a leader to identify new ways of looking at a problem. Trying to make sense in a crisis such as organizational decline is inherently difficult because leaders have to "think and problem solve in the context of a novel and ambiguous situation involving time pressure and stress while interacting with other management throughout the organization" (Combe & Carrington, 2015, p. 307). At this point, leaders develop or pull from a defined mental model or "a mental model describing the causes and consequences of performance with respect to the crisis situation at hand" (Mumford et al., 2007). Leaders draw from these experiences in order to navigate and solve new challenges.

As leaders assess and make sense of the declining situation of an organization, they develop a mental template for the future that becomes a key lever for communicating change initiatives. Mental models determine how an organization thinks, and acts, and since mental models represent the assumptions of both an organizations and its social actors they can also be a barrier for organizational change (Magzan, 2012). This combination affects both decision making and implementation of strategic initiatives. To ensure the success rate of organizational change in the midst of decline, leaders must have the capability to externalize their mental models into representations that an organization can visualize and grasp onto (Karp, 2005). Combe and Carrington (2015) noted that developing a viable prescriptive mental model provides a basis for vision formation in a declining situation. The best opportunity for an effective

turnaround lies in the ability to execute this vision, coupled with the leader's ability to identify and remove challenges introduced by organizational dissonance.

### **Problem Statement**

Organizational decline is a condition that inflicts distress on its host as it erodes an organization's effectiveness (Cameron et al., 1987; Cameron & Whetten, 1981; Maheshwari, 2000). Organizations are statistically likely to encounter a period of decline sometime during their life cycle. Schendel et al. (1976) found that nearly one third of the firms on the S&P 500 index had experienced 4 years of declining profitability. In 2012, the National Bureau of Economic Research published data on the subject that showed nearly half of the S&P 500 index had experienced more than 3 years of decline. Trahms et al. (2013) showed that, in 2010, the nearly 50% of organizations in decline on the S&P 500 index had been experiencing this condition for more than 3 of the previous 5 years, which was resulting in significant financial impacts such as corporate downsizing, organizational restructuring, and economic recessions. The research published by both Schendel and Patton in 1976, and Trahm, Ndofor, and Simon in 2013 was similar to data published by Ilan Mochari (2016) that showed the lifespan of large successful organizations on the S&P 500 was getting progressively shorter. In 1965, the tenure of S&P 500 companies was 33 years. By 1990, it was 20 years. Mochari went on to forecast the tenure would be further reduced to 14 years by 2026, and if projections hold, an estimated 50% of the S&P 500 companies would be replaced by 2026. The percentage of companies on the S&P 500 affected by decline, coupled with the data supporting the shorter lifespan of an organization, warrants concern among organizational leaders. The combined data point to the need for leaders to maintain a heightened awareness of the characteristics that affect organizational decline and those barriers affecting successful interventions that lead to an affective turnaround strategy.

## **Purpose**

The purpose of this nonexperimental, quantitative study was to examine organizational identity dissonance experienced by an organization's social actors in the context of organizational decline and turnaround utilizing factor structures from five years of pre-existing, employee surveys to determine whether differences in factor scores occurred over the 5-year time frame. The findings from the research will provide an understanding of the dynamics presented within the phenomenon of a real-life organizational event. At the core of the research lies a request from the organization's site director to determine the root cause of strategic turnaround obstacles that are affecting change. Leadership may use the root causes identified with systematic approaches to manage these obstacles in a focused and targeted manner. Organizational leaders hire or develop professionals with expertise in handling ambiguous and complex problems such as organizational turnaround. When describing the development of these professionals, Bolman and Deal (2008) noted, "Key in dealing with such events is developing better mental maps to anticipate complicated and unforeseeable problems" (p. 36).

The sample of the study consisted of individuals immediately affected by the conditions of organizational decline and turnaround. They are all members of a customs coating division located in Southern California, specializing in security printing and anti-counterfeiting application solutions. The phenomenon examines a single site.

## **Importance of Study**

Organizational decline, which is limitations to an organizations' resources (human, financial, and or capital) over a set period of time (Edwards et al., 2002), is a life-cycle phase experienced by nearly all organizations. Organizational decline may lead to the reemergence of a stronger and wiser organization or to its demise. It is therefore important for organizational

leaders to understand the relevance and symptoms of decline. Because leaders are key to an effective turnaround, their mental model acuity and deployment strategies have the most significant impact on the organization and its social actors. Leaders and scholars need to study organizational decline and the research that enables these groups to understand the characteristics and the prescriptive approaches used to address it.

### **Definition of Terms**

*Antecedents:* An event, condition, or cause existing before or logically precedes another. Preceding in time or order; previous or preexisting (Merriam-Webster, n.d.).

*Anti-counterfeiting:* Opposed to or used to prevent (Merriam-Webster, n.d.).

*Central, enduring, and distinctive (CED):* Central, enduring, and distinctive (CED) are terms used to describe an organization's identity (Whetten, 2006).

*Central:* Manifestations deemed to be essential aspects of organizational self-definition such as an organization's values, labels, products, services, or practices, etc. (Gioia, et al., 2013).

*Change:* In a business or organizational context, change refers to alterations, modifications, or transformations related to the business environment, business models, technology, customers, competitors, market, social, and political issues (Karp, 2005).

*Cognitive dissonance:* Cognitive dissonance is a type of mental stress or discomfort experienced by an individual who holds two or more contradictory attitudes, beliefs, or behaviors (McLeod, 2014).

*Distinctive:* Characteristics that distinguish an organization from other organizations. The differences that separate someone or something else (Gioia et al., 2013).

*Enduring:* Stability of an organization's identity over time. Having identity continuity over time (Gioia et al., 2013).

*Flexographic:* A printing technology that creates an image through relief printing, using flexible photopolymer printing plates wrapped around rotating cylinders on a web press. The raised negative of the image, which is inked then transferred onto the substrate using pressure (Labelplanet, 2016).

*Mental mode:* Karp (2005) described mental models as

deeply ingrained assumptions, generalizations, or even pictures or images that influence how we understand the world and how we take action. In a business context, a mental model may be: a picture of future customer needs; an understanding of a business model; a set of relationships showing some causality or consequence in the market place; a diagram of critical interdependencies in the value chain; or a mental motion picture of a chain of events in a strategic plan. (p. 89)

*Nonexperimental:* Research that “lacks the manipulation of an independent variable, random assignment of participants to conditions or orders of conditions, or both” (Lee & Kowalczyk, 2020).

*Organization:* A structured and managed community of people designed to meet a need or pursue collective goals and objectives. Organizations have a “management structure that determines relationships between the different activities and the members, and assigns roles, responsibilities, and authority to carry out different tasks” (“Organization,” 2004, para. 1).

*Organizational decline:* Organizational decline refers to a period of stagnation or cutbacks, a decrease in the number of employees, a maladaptation to the environment, or a downturn in organizational performance. Organizational decline in this study refers to organizations with limitations to their resources (human, financial, and or capital) over a set period of time (Edwards et al., 2002).

*Organizational turnaround:* Organizational turnaround is a process by which organizations work to recover resources (human, financial, or capital). Turnarounds are either strategic or operational. Strategic turnarounds address the business, long-term tactical planning,

diversification, vertical integration, divestment, and new market-share initiatives. Operational turnaround focuses on short-term tactics geared toward cost-cutting, asset reduction, and revenue generation (Pandey & Verma, 2005).

*Psychogenic fugue:* Psychogenic fugue is a form of amnesia brought on by stress, depression or a head injury (McKay & Kopelman, 2009).

*Security printer:* A security printer is any individual or organization that prints security features specifically designed to prevent forgery, tampering, or counterfeiting onto a specialized carrier or substrate (“Security Printing”, 2014).

*Security printing:* Security printing is a specialized printing methodology where high-tech equipment and specialized components are combined to print items such as banknotes, checks, passports, tamper-evident labels, product authentication, stock certificates and identity cards. Security printing is aimed at preventing forgery, tampering, or counterfeiting (“Security Printing,” 2014).

*Selective memory:* According to Price and Murnan (2004), selective memory refers to “remembering or not remembering experiences or events that occurred at some point in the past” (p. 67).

*Social actor:* A social actor is an individual participating in a communal environment (Whetten & Mackey, 2002). In this study, communal environments were organizations, firms, or business units.

*Social desirability bias:* The act in which respondents give answers they believe will make them look or appear better in the eyes of others (Tullis & Albert, 2013).

*Telescoping:* Price and Murnan (2004) defined telescoping as “recalling events that occurred at one time as if they occurred at another time” (p. 67).

## **Theoretical Framework**

This study includes a theoretical framework built on the research-based model introduced by Jeyavelu (2009). The model was created to provide diagnostic responses, referred to in the model as propositions, to antecedents of decline. Propositions introduced in the model provide a context in which organizational identity dissonance can be examined. Using this model as a foundation for researching organizational identity dynamics enabled the researcher to study identity dissonance under varying conditions of decline and turnaround. The antecedents associated with each proposition and how social actors are affected are described in greater detail in the following sections.

Organizational death was broadly defined by Sheppard (1994) as an organization that ceases to exist when it can no longer perform its functions, whereas organizational decline is defined as a reduction in resources. Robbins and Pearce (1992) described organizational decline as an involuntary, steady, and substantive decrease in an organization's resource base over a period of at least 2 years. The progression of decline, along with strategic actions to combat it, triggers emotional conflict in an organization's social actors. These conflicts routinely hinder the ability of leaders to change the trajectory of declining organizations. Leaders who are ill-equipped to lead organizations through arduous times do not possess the mental model acuity necessary to lead organizations from one paradigm to another.

The antecedents manifested by the symptoms of decline have a profound impact on an organization's social actors (Jeyavelu, 2009). In the midst of decline, organizational leaders must maneuver through a tapestry of complexity and ambiguity in an effort to stop further resource decay and alter the emotional dilemmas a turnaround strategy may cause. For leaders to be effective at managing the intricacies associated with a turnaround strategy, they must be

equipped with a refined mental model and capable of anticipating and managing a wide array of issues. Refined in this context refers to the education, experience and socialization combined with the ability to deconstruct established mental models and make new meaning of new and existing problems that accompany decline and turnaround initiatives (Senge, 1990).

### **Research Questions and Hypotheses**

The propositions introduced in the theoretical framework provide a snapshot of organizational climate related to the varying facets of decline, such as severity, pace, and duration. Researchers identified these facets of decline in the literature as being critical to the manifestation of a particular proposition.

- RQ1. What is the factor structure for the selected survey items from the 2008–2012 employee surveys?
- H1<sub>0</sub>. The resulting factor structure will not account for at least 60% of the variance in the data set.
- H1<sub>a</sub>. The resulting factor structure will account for at least 60% of the variance in the data set.

The statistical test used to answer RQ1 was principal components factor analysis.

- RQ2. What differences, if any, exist in the factor scores across the 5 years (2008–2012)?
- H2<sub>0</sub>. There will be no significant differences for any of the resulting factor scores across the 5 years (2008–2012).
- H2<sub>a</sub>. There will be significant differences for at least one of the factor scores across the 5 years (2008–2012).



The statistical test used to answer RQ2 was one-way analysis of variance (ANOVA) with Bonferroni post hoc tests and eta coefficients (used as measures of the strength of the relationship).

### **Limitations**

The purpose of this nonexperimental, quantitative study was to examine organizational identity dissonance experienced by an organization's social actors in the context of organizational decline and turnaround utilizing factor structures from five years of pre-existing, employee surveys to determine whether differences in factor scores occurred over the 5-year time frame.

1. Examination of the site will encompass the entire population, including all residing business disciplines: sales and marketing, manufacturing, customer service, engineering, maintenance, finance, warehouse, quality, procurement, environmental health and safety, security, and ink development.
2. The organizational structure is hierarchal with nearly all participants, with the exception of site leadership, as nearly all participants report to department managers located on site. Research responses to questions and feedback from surveys are assumed to be honest and forthright.
3. The participants' responses reflect their personal experience and perception of the events of this one site and not the climate of the organization as a whole.
4. The research is limited to a quantitative review of the phenomenon.
5. Given the approaches used for data collection, there existed a potential for sources to be biased through selective memory, telescoping, attribution, and exaggeration. Biases became apparent when they emerged as incongruent with data from other sources.

6. Time limitation is an aspect of this study. The examination of the study site and its condition is conducted over a 5 year period of time, and a transitory view of conditions occurred during this time.
7. The research study is limited to a single for-profit organization. Prior research studies will form the bases of the literature review and help formulate the understanding of the research problem examined.
8. A substantial amount of research is available on mental models, organizational decline and turnaround, and organizational identity; however, little research is available on organizational dissonance in relation to organizational decline.
9. Survey data format and survey questionnaire configuration.

### **Delimitations**

The organization examined is a subsidiary of a large customs coating firm headquartered in Northern California. The site itself is located in the Greater Los Angeles area, and its primary purpose is to leverage the parent company's proprietary inks and printing technology into printed security and anti-counterfeiting devices. The study will involve the evaluation of organizational identity dissonance in the context of the decline and turnaround of a single security printer: a focused division of a large customs coating firm.

1. Examination of the site encompasses the entire population, including all residing business disciplines: sales and marketing, manufacturing, customer service, engineering, maintenance, finance, warehouse, quality, procurement, environmental health and safety, security, and ink development.
2. The individuals excluded from the study are organizational stakeholders who are physically located and function outside the site under examination, which include

leadership and support staff who actively engage in regular communication with members of the site who are being examined.

3. Any feedback from these individuals is informal; an aspect of general organizational communication; and will not be captured in any engagement survey, focus group, or third party assessment.
4. Research within the organization being studied is bound by human resource legality. Those state and federal laws that govern human resource management and employment issues, as interactions, questions, surveys, and general communication will comply with corporate and legal requirements.
5. Only corporate-approved methods (engagement surveys, corporate-approved third-party assessments, general operational communication, etc.) will be used for gathering data.
6. The organizational problems that will be examined are how the site's leaders manage the complexity and ambiguity of organizational decline.
7. Organizational dissonance among its social actors is potentially a contributing factor that hinder the strategic initiatives designed to improve the organization's financial struggles from being effectively implemented.

### **Assumptions**

In an effort to address concerns related to researcher bias, accurate data interpretation and report findings helped to ensure researcher objectivity throughout the study. The commitment to maintain participant anonymity is intended to foster an environment in which participant's trust the process leading to honest feedback in the data collection process (e.g., annual employee engagement surveys, and employee feedback). The researcher will remain distant and independent of what is being researched and is committed to no interfere, or become part of the

research. Surveys included a cross-sectional and longitudinal study using employee engagement questionnaires for data collection.

1. Participants have answered survey questions in an honest and candid manner.
2. Participants in the study are assured that their feedback would be kept confidential.
3. Participants could decide at any time not to participate in the data collection process.
4. The inclusion criteria of the sample are appropriate and therefore assures that the participants have all experienced the same or similar phenomenon of the study.
5. All participants can access to the survey.
6. Participants have a sincere interest in participating in the research and do not possess other motives, such as impressing their immediate supervisor, or influencing or manipulating current work environments or peer relationships.

### **Organization of Study**

This dissertation is presented in five chapters. The first chapter provided a basic introduction to the study and briefly presented the motivation for the study, its focus, its purpose and significance, the research questions, and the research approach. Chapter 2 provides a context for the research by examining the relevant literature on organizational dissonance. The chapter also presents background on organizational identity, identity dissonance, decline, turnaround, and change. In addition, Chapter 2 includes an introduction of the proposition model and a discussion on the theoretical framework upon which the research was based. Chapter 3 addresses the research method, data collection, and data analysis techniques used in this study. It also describes and historical activities related to the cognitive dissonance introduced by the organization's decline and turnaround processes.

Chapters 4 and 5 present the results of the research. Chapter 4 contains a summation of the primary source materials and documentary evidence such as engagement surveys, and financial reports that form the basis of the research. Chapter 4 presents the story of an organization in decline, and Chapter 5 includes a reflection on the next step in creating an understanding of organizational dissonance. Chapter 5 contains a set of key findings from the study. The proposition model served as a diagnostic instrument for identifying and characterizing factors and forces that affect social actors within the context of organizational decline and turnaround. Chapter 5 also summarizes and further elaborates on the implications of the findings featured in Chapter 4. In addition, Chapter 5 identifies possible ideas for future research related to organizational identity dissonance by presenting a set of working hypotheses.

## **Chapter 2: Review of Relevant Literature**

### **Introduction**

In an ever-changing global economy where, economic success is anything but guaranteed, organizational decline is a persistent threat that necessitates the application of turnaround strategies if an organization hopes to remain relevant and sustainable. Research and further exploration of organizational decline and turnaround is a phenomenon requiring a deeper understanding from both organizational practitioners and scholars. Organizational decline is a condition that occurs without prejudice, as evidence suggests that most, if not all, organizations experience organizational decline. Schendel et al., (1976) found that nearly a third of the firms on the S&P 500 index were experiencing 4 years of declining profitability, while a 2010 examination of the S&P 500 index showed nearly half (49.8%) of the firms on the index experienced more than 3 years of decline within the previous 5 years (Trahms et al., 2013, p. 1278). Given the inevitability that an organization will encounter a period of decline in its life cycle, understanding the impact of the decline on an organization's environment and social actors is vital to organizational turnaround.

Stress induced across an organization is a critical consequence of organizational decline. The cognitive distress or organizational identity dissonance engendered by the decline and turnaround process is a topic that has not received the extensive scholarly attention that other more predominant business-related topics have received. The investigative inquiry of organizational identity dissonance through the organizational decline and turnaround cycle is central to the field of business and organizational behavior and warrants further investigation.

The condition of decline is a state in which an organization's effectiveness is compromised. Factors such as stakeholder morale and support are reduced or lost, there is a

scarcity and loss of redundant resources, and the existence of the organization is under threat (Cameron et al., 1987; Jeyavelu, 2009), which results in a threat to organizational identity. Organizational decline is a condition that occurs over a specified period of time and eventually leads to a decrease in an organization's resources (Cameron et al., 1987). A reduction in resources includes a decline in financial and human resources and negative economic performance, including negative growth in revenue or market share (Jeyavelu, 2009). The stress induced in anticipation of an organizational response to decline might also affect individuals and groups within an organization, which might be costly for those affected (Jeyavelu, 2009). Organizational decline is also normally categorized by stages, dimensions, and pace.

Understanding the dynamics of cognitive distress associated with organizational decline and turnaround has strong implications for both the theory and practice of turnaround management, as managerial cognition is the first aspect of an organizational response to decline. Managerial cognition refers to the ways top management perceives and interprets the factors that cause decline. Effective decision making by top management depends on the accurate perception of the environment and the level of identity dissonance, as well as where the organization is in the decline cycle. Organizational identity dissonance as a result of organization decline and turnaround is a significant issue that needs attention and intervention, as the members of organizations begin to question their collective identity with the questions *who are we* or *who are we as an organization*. Effectively identifying the typology of the decline and its dysfunctions enables managers and others responsible for turnaround to select appropriate responses.

Organizational identity refers to those attributes of an organization that members perceive as being CED (Whetten, 2006). Based on this definition, it stands to reason that organizational

identity is a central factor in how members make sense of their place within an organization. Organizational identity is also what distinguishes one organization from another. Organizations are living entities that develop and create identities all their own, whether they are strategically designed or organically cultivated. In either form of development, organizational identity holds the organizational culture together.

Organizational identity is formed in much the same way an individual's identity is formed, which is through experiences coupled with core values and beliefs. Individuals' identity provides context for "how we define and experience ourselves, and this is at least partly influenced by our activities and beliefs, which are grounded in and interpreted using cultural assumptions and values" (Hatch & Schultz, 1997, p. 25). Organizational identity can be described in the same terms. Based on such profound elements of self-actualization, an organizational or personal identity is strongly guarded, as it protects what it knows to be true of itself. Organizational members, like individuals, protect organizations' collective identity against events and activities that pose a threat or that challenge the formidable essence of its makeup. Threats may steam from internal and or external factors that leave the collective identity trying to revert to a state of equilibrium (Jeyavelu, 2009).

Research into organizational identities indicates that when events that challenge an organization's claims about attributes that are central to an organization's collective self-perspectives and self-categorizations, a threat is imposed (Ravasi & Schultz, 2006). Scholars refer to the events that challenge the identity of an organization as *identity threats*, and the threats can be the cause for alarm, especially if an organization is in a vulnerable state such as decline. The collective identity held by an organization may be in a vulnerable state as it begins to question its existence. Understanding how the decline process affects an organization's



identity is critical to understanding how to identify, intervene, and manage the stress of such an event.

It is crucial for practitioners and researchers of organizational change to understand the topology of decline, especially given that decline, which is the most disruptive type of organization change, is the least understood. Being able to identify the stages and dimensions of decline can help formulate appropriate responses when counseling an organization faced with the symptomatic manifestations of decline. Moreover, proactively addressing the organizational dissonance that may occur at the different stages and dimensions provides a structure for developing effective strategies to overcome decline and to identify stagnation and the effects of the turnaround processes.

### **Theoretical Framework**

The purpose of this nonexperimental, quantitative study was to examine organizational identity dissonance experienced by an organization's social actors in the context of organizational decline and turnaround utilizing factor structures from five years of pre-existing, employee surveys to determine whether differences in factor scores occurred over the 5-year time frame. The only model that integrates dissonance antecedents of decline into the different dimensions of organizational decline and turnaround was developed by Jeyavelu (2009). The antecedent of decline are being experienced by a flexographic security printer specializing in anti-counterfeiting solutions using specialized optic technology and proprietary printing capabilities.

### **Historic Background**

Research on organizational decline has centered on the elements of decline and topics surrounding the consequences of decline. How decline affects the behavior and attitudes of an

organization's social actors is a symptom that develops from what Jeyavelu (2009) referred to as antecedents. These antecedents are introduced into an organization, inadvertently at times, through identity reformation and through the organizational decline and turnaround process.

### ***Organizational Identity and Organizational Identity Dissonance***

In 2009, an amnesia case was published in *Advances in Psychiatric Treatment* in which a 40-year-old woman was found asking for assistance, as she had no recollection of who she was, what she was doing, or how she came to be in the London Underground. Psychogenic fugue, the form of amnesia with which this woman was diagnosed, is a syndrome brought on suddenly and involves the loss of all autobiographical memories, including personal identity. The loss of identity means the loss of those beliefs, activities, values, and cultural assumptions that influence how individuals define themselves (Hatch & Schultz, 2000). For this 40-year-old Jane Doe, the experience must have been frightening, as personal identity is at the essence of self-definition; however, self-definition is not solely reserved for individuals. A human being is not the only entity that makes sense of itself through elements of identity formation. Organizations also establish identities all their own. Organizations, like individuals, have their own unique identities that distinguish them from other organizations, and, if lost or threatened, can have a significant impact on the way organizational social actors define and experience organizational activities and beliefs. The uncertainty of who organizational social actors are as an organization may trigger similar reactions. Like Jane Doe they can become lost and disoriented, and they can experience cognitive dissonance or identity dissonance.

After a year of investigative dead-ends, the London police department received a lead on Jane Doe. Her family had been looking for her after she disappeared from her home in the United States following a marital crisis. According to psychiatric research, psychogenic fugue is

predisposed by three main factors: precipitating stress (relationship or financial problems), depression, or severe head injury (McKay & Kopelman, 2009). For Jane Doe, the loss of an identity symbol, her husband, was the threat to her identity that triggered the decline in her emotional health and ultimately led to her amnesia and identity loss. Perhaps her marital status shaped her identity most significantly, and thus when threatened by the loss, it caused her ultimate breakdown. Research into triggers associated with psychogenic fugue are comparable to those that trigger organizational identity dissonance and thus Jane Doe's stress-induced amnesia parallels organizational identity discord. For example, organizational identity is formed much the same way as personal identity, which is through experiences coupled with core values and beliefs. It is thus plausible that, under stressful periods in an organization's life cycle, its identity could be affected. Organizational decline is the trigger that has the biggest effect on organizational identity, as decline stimulates the greatest need for organizational alterations and thus the greatest amount of discord is introduced into the organization's fiber.

### ***Organizational Identity***

Just as individuals are subject to external influences, so are organizations. The evolution of an organization's identity involves the interaction of "both internal resources and external factors" (Gioia et al., 2013, p. 181). An organization's social actors develop and preserve an organization's unique identity in the context of these internal pressures and external influences (Pendse & Ojha in 2007) thus an organization and its environment implicitly shape collective identity beliefs (Fiol, 1991). The origins of an organization's identity are formed through extensive exchanges of learned and shared experiences passed on from one social actor to another as identity is deeply "embedded and inextricable from organizational routines, practices, knowledge, skill, capabilities" (Gioia et al., 2013, p. 137) and distinctive competencies. Ashforth

and Mael (1996) echo this idea in that through the accumulation of experiences learned through trial and error, imitation, innovation, and chance (Ashforth & Mael, 1996) organizational identity begins to develop. At its core an organization's identity is a collective understanding of its purposeful actions (Dutton & Dukerich, 1991). In essence the conception of identity is compelling in that it attaches meaning to an object, in this case an organization (Ashforth & Mael, 1996). This ultimately leads to the refinement of the organization's mission.

Through the cultivation of its identity an organization begins to develop a definition of what it is and how it differs from other organizations, it establishes an identity all its own. It now begins to behave in accordance with who and what it is. The organization is no longer an empty vessel but an entity with *meaning* and *purpose*. Organizational identity takes on a deeper meaning when applying *meaning* and *purpose* thus a more humanistic definition is given to an entity with a soul. With this organizational identity is defined as the characteristics that an organization's social actors consider central, enduring, and distinctive and are referred to as CEDs (Hatch & Schultz, 1997).

### ***Organizational Identity Dissonance***

Organizational identity dissonance is brought into play when organizational social actors experience stress or discomfort from holding two or more contradictory attitudes, beliefs, or behaviors (McLeod, 2008) in the context of organizational change. Organizational change brings about a level of identity threat to the organization as it is aimed at alerting fundamental characteristics related to one or more of an organization's routines, practices, knowledge, skill, capabilities, or distinctive competencies (Gioia et al., 2013). Theorists such as Cameron et al., (1987) agree that organizational decline impact both the organization and its social actors as internal pressures from such factors as decreased morale, innovativeness, participation, leader

influence, and long-term planning come under question. These activities are characteristics of an organization's identity as they align with its routines, practices, knowledge, skill, capabilities or distinctive competencies (Gioia et al., 2013). Change to these processes that are contradictory to an organization's essence, those attributes that are central, enduring and distinctive cause cognitive dissonance amongst an organization's social actors. External pressures brought on by organizational decline further increases the likelihood that organizational social actors would engage in explicit reflection of identity issues (Albert & Whetten, 1985). Ravasi and Shultz (2006) expand on this further by shifting from the nature of such an event to the interpretation of the event by organizational social actors as a "source of stress demanding substantial alterations in core and distinctive organizational features" (p. 436). Studies have indicated that substantial environmental changes may challenge the sustainability of organizational identity (Bouchikhi & Kimberly, 2003; Brunninge, Nordqvist, & Wiklund, 2007).

Elsbach and Kramer (1996) researched member responses to organizational identity threats and elaborated on the definition by including an organization's core values, culture, modes of performance, and products as attributes that also make up an organization's identity. An organization's social actors would experience dissonance in the event turnaround strategies modify, change or eliminate these processes.

### ***What it Means to be Central, Enduring, and Distinctive Characteristics***

Those identity characteristics that make up an organization's central, enduring and distinctive (CEDs) features are what give it its soul. Ashforth and Mael (1996) proposed that an organization's identity is the "focal or core set of attributes that denote the essence of the organization" (p. 32). This is what it means to be central. Gioia et al. (2013) expanded on what it means to be central by adding the manifestation of "key values, labels, products, services, or

practices deemed essential aspects of an organization's self-definition of who we are (p. 125).

Who an organization is resonates in its mission as it provides a platform for expressing the beliefs, values, and norms that characterize the organization. Ashforth and Mael (1996) summarize the essence of what it is to be central:

Central character refers to a self-contained cosmology, a more or less internally consistent system of pivotal beliefs, values, and norms—typically anchored to the organizational mission—that informs sense-making and action. This character often reflects the needs and preferences of organizational power-holders. (p. 24)

Gioia et al. (2013) characterize enduring as an identity proposition which is “steady over time” (p. 124). Ashforth and Mael (1996) provided a description of enduring that embraces its essence, continuity and stability, and they identified sufficient substance, significance, support, and staying power as the bedrock qualities that warrant an investment of an individual's participation and trust in an organization. Enduring is characterized by Witting (2006) as that which is continuing “regardless of objective and changes in the organization's environment” (p. 1). In practice organizations with enduring identities hold true to its essence and core values and beliefs over a prolonged period of time.

In the context of organizational identity, distinctiveness is the act whereby an organization compares itself to other organizations and is the means by which it distinguishes itself (Ashforth & Mael, 1996). Witting (2006) include the organization's social actors into its definition by adding their perspective, it is the uniqueness seen from their eyes that makes the organization distinctive and therefore unique from other organizations. Ashforth and Mael (1996) pointed out that distinctiveness is both relational and comparative. Comparison is critical to the process, as it identifies the uniqueness that justifies an organization's existence, thus providing a referent for member identification. The literature supports the idea that groups make their identity more attractive by actively seeking positive distinctions between themselves and

other groups, particularly in instances where a group is threatened or otherwise made to feel insecure Ashforth & Mael (1996). In an effort to delineate the difference between *central* and *distinctive*, Ashforth and Mael (1996) provided clarification: “*Central* defines the core attributes of the organization, *distinctiveness* defines the boundaries” (p. 25).

### ***Identity Versus Culture***

An organization’s culture provides a context in which an organization’s identity can flourish and mature. Schein (2010) defined organizational culture as

a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think and feel in relation to those problems. (p. 262)

Ravasi and Schultz (2006) broadly define an organization’s culture as a set of shared “mental assumption that guide interpretation and action in organizations by defining appropriate behavior for various situations” (p. 437). Hatch and Schultz take the relationship between culture and identity a step further in stating that: “culture makes itself known through identity claims” (p. 991)”. Fiol et al. (1998) expands on the idea even further identifying culture as a “system of rules that govern meaning in organizations” (p. 56). It is this meaning by an organization’s social actors that they take an understanding from, it is their social system to which they belong and includes aspects of everyday life (Fiol et al., 1998).

The evaluation of organizational identity through the decline and turnaround process does not take into account the context by which identity has been given credence: an organization’s culture. Because organizational identity dissonance is specifically evaluated in this study, a distinction between organizational culture and organizational identity is necessary. This study does not involve evaluating organizational culture.

## Organizational Decline

Organizational decline is not a topic routinely researched to the extent that other business topics might be (Jeyavelu, 2009), despite the statistical inevitability that an organization will encounter, at some point in its life cycle, a period of decline. Understanding decline and its influence on organizations' social actors thus benefits both practitioners and researchers.

Organizational decline can be an ambiguous term as it leads to independent interpretation because it can be predicated by the various dimensions that make up a declining state. Historic research is used to establish a characterization of the term *decline* that allows for continuity throughout this examination. The term organizational decline is expressed similarly among various researchers, allowing for a more uniform characterization and distinguishing between decline, stagnation, and downsizing.

Researchers have characterized organizational decline in various ways. The term organizational decline describes a state in which an organization is experiencing a decrease in critical financial and human resources. D'Aveni (1989) described the decline of financial resources as including the "decrease in liquidity, profitability, and borrowing capacity due to increasing leverage" (p. 581). D'Aveni's description of the decline of human resources focused on the decline of prestigious managerial resources. The statuses of a firm's top managers enhance its human capital. A firm's human capital therefore decreases in situations in which prestigious top managers (D'Aveni, 1989) are unwilling to jeopardize their credibility in the event of organizational failure and opt to terminate their employment.

Pearce and Robbins (1993) developed a two-stage process model for turnaround that identified internal and external causes of decline. Stage-one of the model is identified as the *turnaround situation* and is supported by two elements: cause and severity. The foundation for



the model's turnaround process is based on the internal or external causes of decline and is further influenced by the severity (low or high) of the decline. Low levels of severity are associated with declines in sales and income margins, while high severity is associated with imminent bankruptcy. The model characterizes the state of decline as a period of prosperity followed by years of financial deterioration. Additional detail of Pearce and Robbins's two-stage model is reviewed as an aspect of turnaround.

Trahms et al. (2013) built on the two-stage turnaround response model developed by Pearce and Robbins (1993) and proposed a two-part definition of decline that identified internal and external dimensions. Decline refers to an external force that occurs when an organization's adaptation or alignment with its niche or domain deteriorates. Internal factors of decline can include an internal force that occurs when an organization's resources constrict, resulting in the deterioration of performance. This two-part definition (internal and external) takes into account environmental factors that are not fully captured in D'Aveni's (1989) definition.

Weitzel and Jonsson (1989) introduced a linear model of decline characterized by five stages that occur at various points in the process of decline. The first stage is the blinded stage and is characterized by an organization being unable to recognize internal or external changes that may threaten its long-term survival. Inaction, the second stage, is characterized as managerial paralysis in which visible signs of decline such as sliding profits, declining sales, and surplus inventories go unaddressed. At this stage, Weitzel and Jonsson noted that, although the deterioration in performance has not yet reached critical proportions, it can be observed by organizational members. The faulty action stage is third and includes overt indicators associated with an unsuccessful performance. During this stage, tension increases and organizational identity dissonance becomes apparent as dominant coalitions begin to splinter off into subgroups

that position themselves to compete for declining resources. As rumors multiply and morale deteriorates employees begin to experience a high level of uncertainty. When opportunities for advancement and personal growth disappear, some of the more talented members may leave. Those members in peripheral roles who believe their call for change has been ignored may also consider other job opportunities. Leadership is not immune from the third stage, as individual leaders are subjected to increasing stress, and leadership in general is questioned. The fourth stage, crisis, is reached when an organization has unsuccessfully dealt with its problems, which results in the dysfunction Levy referred to as “crisis, chaos, procrastination, efforts to go ‘back to basics’, change and anger” (as cited in Weitzel & Jonsson, 1989, p. 104). The prescription provided for an organization in crisis is to institute a major reorganization and turnaround that include “revolutionary changes in structure, strategy, personnel, and ideology” (Weitzel & Jonsson, 1989, p. 97). This strategy is likely to incite organizational identity dissonance, as it affects the essence of an organization’s core. The fifth stage, dissolution, is considered irreversible. At this stage, the depletion of capital, loss of markets and reputation, and exodus of talented and experienced organizational members have all contributed to the organization’s decline. Organizational members may experience severe stress at the point of imminent death, as it is “human nature to expect continuity of self or organization” (Jeyavelu, 2009, p. 39).

Organizational decline can also be characterized in relation to the economic concepts of supply and demand, in which environmental factors may or may not have an influence. For example, a reduction in consumer demand affects the size of a niche market, while a shift in consumer demand changes the shape of a niche market, which may or may not affect the organization (Cameron et al., 1987; Cameron & Zammuto, 1983). Because the focus of this

examination is on the organization, the economic characterization of decline fails to be an effective definition, as it may or may not affect the organization.

Poor economic performance of an organization brought about by a reduction in financial and human resources (Jeyavelu, 2009) is among the most basic characterizations of organizational decline, but does not take into account the element of time. The characterization used for the purposes of this examination is aligned with that proposed by Jeyavelu (2009), but identifies time as an element of decline and characterizes decline as a “condition in which a substantial, absolute decrease in an organization’s resource base occurs over a specified period of time” (Cameron et al., 1987, p. 224).

The use of this characterization of organization decline is distinguishable between stagnation and downsizing organizational operations. Downsizing is the act of changing organizational size and scope. Such an act may involve limiting sales, selling off fixed assets or subsidiaries, and reducing product-market domains (D’Aveni, 1989). Many leaders of organizations in the midst of decline may downsize their operations, but downsizing and decline do not necessarily occur simultaneously or at the same rate (D’Aveni, 1989). Stagnation can be characterized as the slowdown in growth patterns associated with either growth or decline, but true decline is the absolute reduction in resource levels (D’Aveni, 1989).

The different theoretical models and concepts associated with organizational decline provide a framework for examining stress-induced scenarios that have the potential of affecting an organization’s members. The definition established provides context for the following examination of the research.

## **Organizational Turnaround**

Organizational turnaround, like organizational decline, has an ambiguous definition. It also has the potential to be independently characterized by the various dimensions that make up its degree of recuperation. Research on turnaround has identified various models that address the root causes of decline, and the turnaround process itself has the potential to introduce stress into the organization as senior leaders, managers, and change agents introduce events and activities into the workplace to combat the impetus of decline. To establish a baseline criterion for defining what it means for an organization to turn around, an overview of turnaround research is examined. This review also provides a context for turnaround activities and events that contribute to organizational identity dissonance.

Turnaround models are similar to organizational decline models in that they are routinely structured in stages and often take a linear approach to identifying root causes.

### ***Bibeault's Five-Stage Model***

Bibeault (1982) was the first to introduce a multistage model. Bibeault's linear five-stage approach to organizational turnaround can be applied at any point in the decline cycle. The benefit of the five-stage model is its versatility; it can be used in any order, depending on the unique situation faced by organizational leaders. The five stages are (a) management change, (b) evaluations, (c) emergency, (d) stabilization, and (e) return to normal growth. These stages are designed to address a variety of organizational decline triggers. Bibeault's approach prescriptively addressed decline and highlighted retrenchment, leadership change, and reorganization as an end toward recovery. However, evidence of turnaround success is measured independently by practitioners, who are those implementing and measuring the metrics of turnaround success. Although the goal is to achieve profitability, the model fails to define

success in terms of time. For example, showing a profit for one quarter may not constitute a turnaround. Organizational dissonance has the potential to be introduced at any of the five stages that require organizational alterations that have the potential to conflict with an organization's identity.

### ***McKinley, Latham, and Braun Four-Scenario Model***

Another example of a linear approach is the four-scenario model proposed by McKinley et al., (2014), which features two turnaround scenarios: turnaround through innovation and turnaround through risk avoidance. McKinley et al. (2014) explained that turnaround through innovation involves revitalizing an organization's lackluster performance by introducing innovative products and processes that will "realign the organization with its external environment" (p. 88). McKinley et al. (2018) cautioned that innovation of the wrong kind could instead drain resources and push an organization further into decline. In contrast, turnaround through rigidity involves initiatives focused on efficiencies, tighter budgets, cost cutting, and increased accountability (McKinley et al., 2014). Initiatives that increase rigidity traditionally constrain innovation and thus limit the introduction of new products and services. However, depending on the root cause of the decline, rigidity might be an effective method of risk avoidance that discourages managers from instituting innovations that may fail to generate revenue and entail high costs. Understanding the root cause of decline is critical because turnaround through rigidity will fail to be effective if the decline stems from missteps in organizational strategy. The four-scenario model provides an outline that expresses the different approaches to turnaround through innovation and rigidity but fails to define turnaround criteria. Its stress-induced activities introduced through its structured approach to stemming decline are also discernible.

### ***Arogyaswamy, Baker, and Yasai-Ardekani Two-Stage Model***

Arogyaswamy et al., (1995) introduced a two-stage model that provides context, as its design is geared toward organizational structures that compete in one or several related lines of business. The turnaround covered in this simplistic, low-diversity model fits the single business unit structure in which “turnaround does not occur through restructuring a portfolio or selling off unrelated divisions . . . [but] must occur through reversing the decline of existing operations” (Arogyaswamy et al., 1995, p. 497). Adopting a decline-stemming strategy that halts or reverses the dysfunctional consequences of decline is Stage 1. This stage is designed to address two key factors and provides a foundation for the second stage. Stage 1 considers both internal and external influences. Internal, decline-stemming strategies focus on the efficiency and stabilization of the firm’s internal environment. External strategies are aimed at ending the “erosion of stakeholder support . . . [and] renewing their confidence in the firm’s top managers” (Arogyaswamy et al., 1995, p. 498).

Garnering stakeholder support ensures continued sponsorship of the decline-stemming strategies imposed by the firm’s top managers. By using such strategies, the firm’s top managers are seeking increased external stakeholder support that will guarantee that the strategy can continue on course. Improving efficiency enables the firm’s management to better use their assets and cost structure, thus potentially stabilizing the competitive position of the firm by lowering costs and improving cash flow. Strategies that increase efficiencies may include retrenchment, increased sales, and downsizing (Arogyaswamy et al., 1995). Further stabilization occurs through internal climate control and is expressed in several ways. Arogyaswamy et al. (1995) proposed that it is possible for top management to reverse or even avoid a firm’s internal

deterioration by emphasizing decentralization, experimentation, and the free flow of communication.

The second stage in Arogyaswamy et al.'s (1995) model is the recovery stage and is dependent on the successful implementation of Stage 1. Arogyaswamy et al. emphasized that, without accomplishing both internal and external tasks, the firm's leadership will be unable to "stem the outflow of the firm's resources . . . [or] to garner the continued support of important stakeholders" (Arogyaswamy et al., 1995, p. 498). Prescriptive recovery strategies posed by Arogyaswamy et al. in the model support firms inflicted with a decline in a set construct such as a strong or weak competitive position. The four-squared representation of the model details the causes of decline caused by either an industry contraction (when an industry shrinks) or a firm-based maladaptation. The prescription for turnaround presented in the model provides a tactical approach but does not address the identification or management of attitudes and behaviors of a firm's social actors as they work through the challenges associated with the reorientation brought about by the process. Arogyaswamy et al. provided criteria for defining turnaround. For example, when a firm is able to provide a satisfactory rate of return to its owners and sustain its profitability over a long term, it is thought to have turned around its once-threatened economic performance (Arogyaswamy et al., 1995).

### ***Pearce and Robbins Two-Stage Model***

Pearce and Robbins (1993) introduced a two-stage contingent process model that features two core elements: turnaround situation and turnaround response. The model illustrates the interrelationships between the causes and severity of the turnaround situation and between the retrenchment and recovery stages of turnaround response. Perce and Robbins identified a period of prosperity followed by multiple years of declining financial performance as being

likely to kindle a turnaround situation. Pearce and Robbins describe the root cause as being a combination of internal and external factors that are further categorized by their level of severity. Low severity is usually aligned with declining sales or margins, while high levels of severity are associated with imminent bankruptcy. This turnaround situation leads to turnaround responses, which is Stage 2 of the model.

The turnaround response stage features two discrete phases: retrenchment and recovery. The makeup of the retrenchment phase is a combination of cost-cutting and asset-reducing activities that guide the organization toward stability and recovery. The recovery phase of the model emphasizes efficiency maintenance as a prescriptive approach to operational recovery. The degree to which efficiency maintenance, or retrenchment, is implemented is determined by the severity of decline. The severity element takes into account the financial health of an organization and is the “governing factor in estimating the speed with which the retrenchment response will be formulated and activated” (Pearce & Robbins, 1993, p. 625). A proactively structured retrenchment plan that results in the stabilization of an organization’s finances is an appropriate tactic in either case. The model further emphasizes a successful turnaround lies in the effective and efficient management of these retrenchment activities (Pearce & Robbins, 1993).

The entrepreneurial reconfiguration phase is a strategy used for external causes of decline, such as gradual slowdowns or eroding margins (Pearce & Robbins, 1993). When external factors are the cause of decline, “entrepreneurially driven reconfiguration of business assets” (p. 614) can serve as a strategy for turnaround (Pearce & Robbins, 1993). The introduction of original products and processes that realign an organization with its external environment are entrepreneurial reconfigurations that make up the strategic aspects of recovery related to external factors (McKinley et al., 2014). Introducing new products and processes might



require altering an organization's identity to adapt to what could be a transformational change aimed at recovery.

Recovery is the culmination of the different stages that make up the model and is ultimately the goal of the firm. The success of the turnaround is evident when a firm's economic measures are regained to levels associated with the predecline period of performance (Pearce & Robbins, 1993, p. 624). This description was used in this study as a means of establishing a criterion for turnaround, as it provides a context by which recovery can be measured.

### **Organizational Identity Under Threat: Decline and Turnaround**

The long-term high-impact decisions that organizational members experience collectively are made of the collective self-defined construct of an organization's identity (Jeyavelu, 2009). These experiences trigger the collective answer to the question *who are we* or *who are we as an organization* (Gioia, 1998; Whetten, 2006). Although the threat to an organization's identity may stem from a variety of root causes, its ultimate effect is on the social actors that experience the cognitive dissonance or organizational identity dissonance. The dysfunctional manifestations of cognitive dissonance or organizational identity dissonance require direct managerial responses in an effort to slow or stop the rapid decline of an organization's collective self-esteem.

Jeyavelu (2009, p. 37) identified the following situations in which organizational members, who are an organization's social actors, experience a threat to their organization's identity:

- When organizational strategic actions are in strict contrast to the organization's identity attributes.
- When the organization suddenly loses its social significance such as corporate group affiliation, withdrawal from an industry/market, or loss of brand/name.

- A profound discontinuity of CED characteristics.
- When the organizational identity and image held by external stakeholders are incompatible.
- When the organization loses an identity symbol, such as its founder or key person who has shaped the identity substantially.
- When the organization is faced with identity ambiguity, a lack of clarity or identity attributes.
- When the value of the organization's CED attributes are questioned.
- When perceived organizational status is threatened.
- When the organization's construed external image is challenged.

These threats present themselves in the various manifestations of decline and turnaround processes and activities. Research has shown that organizations leave themselves exposed to identity dissonance through their attempt to mitigate or eliminate its different manifestations from both internal and external challenges. Research on decline and turnaround scenarios provides further insight and alignment between decline symptoms and prescribed turnaround activities and processes outlined by various models and theories.

### ***Organizational Strategic Action and Organizational Identity Attributes***

Aspects of a strategic plan can induce emotions or behaviors that hinder the progress of the turnaround process and activities. The actions stemming from the strategic plan could result in the manifestations associated with the incongruence between the strategic actions and the organization's identity attributes widening. During the early stages of decline, a commodities trading firm hired a new industry-leading president in the hope that he would implement a strategy and structure that would establish financial security for the next generation of

ownership. The first presidential dictate was to implement metrics and data collection methodologies that would measure the organization's effectiveness and overall performance. This dictate involved reporting the data to the organization and being transparent about the company's performance and state of the industry. This family-owned firm preferred confidentiality and agreed to share only the most basic information (e.g., safety incidents and general human-resources-related announcements). Data conveying performance, especially that which could be interpreted as financial, would remain confidential, and thus the health of the organization would remain a mystery to the employees.

The longstanding identity attributes held by owners need to be remolded to better support the strategic initiatives necessary for organizational transformation. Goss et al., (1998) noted, "Managers looking for a more fundamental shift in their organizations' capabilities do not need to improve themselves; they need to reinvent themselves" (p. 99). The need to be transparent with their employees has induced emotions that resulted in behaviors that hindered the progress of a firm's turnaround process. The incompatibility of strategic actions and an organization's identity attributes will continue to widen if owners fail to reinvent themselves. The new president and the owners will need to construct identity attributes that honor the past but provide a foundation for the future.

### ***Sudden Loss of Social Significance***

In Stage 2 of a four-stage theory of organizational turnaround, Chowdhury & Lang (1996) theorized that, as decline intensifies, major shifts in strategic posturing involving product/market refocusing are necessary. This stage involves two contrasting approaches. The first is the planned withdrawal from unprofitable products, services, and market segments. The second is the expansion of profitable businesses, through either development or acquisition.

Organizational identity dissonance begins to manifest itself as an organization starts to withdraw from a market segment that is socially significant to the organization. The market segment, product, or service may be the very attribute that defines and formulates a CED. According to Jeyavelu (2009), any change in CEDs will induce organizational identity dissonance.

A precision flexographic printer and subsidiary of a high-technology optical pigment manufacturer strategically exited the commercial printing market after nearly 60 years of servicing the greater Los Angeles area. The strategic objective for exiting the business was aligned with the prescriptive approach presented in Chowdhury's (1996) theory of organizational turnaround. Withdrawing from unprofitable legacy products contributed to the organization's struggle with organizational identity dissonance, as its commercial business represented a significant part of its CEDs. Redefining who the organization would become after the relationships ended would challenge their future state.

### ***Profound Discontinuity of CED Characteristics***

Given the statistical likelihood of a third-generation family-owned business failing (Stalk & Foley, 2012), one family owned and operating commodity trading firm sought to hire a seasoned Fortune 500 president from the outside with hopes the veteran would alter the usual trajectory. Remodeling an organization with an 85-year history has challenges, with entrenched CEDs being the primary challenge. In an effort to move the firm forward, the new president introduced objectives by which to drive quantitative decision making. The discontinuity became apparent when the data resulted in a decision that conflicted with the status quo.

The firm was developed on building relationships with suppliers and customers, but new questions arose when data revealed the financial impact of some relationships. Relationships meant everything to this firm, so during a period of decline due to poor market conditions, the

president of the firm questioned the desire of the family to change. The family opted to stay the course they had been on for years and rely on their intuition rather than on the data gathered. The relationships built over time had become a key dimension of this firm's identity and at the same time it was one of the causes of its declining performance. The firm's existence was threatened by its very essence thus its members experienced extreme organizational dissonance (Jeyavelu, 2009). The president and company parted ways after only 34 months, and the company continued to decline, hoping for the market to strengthen.

### ***Image Incompatibility Between Internal and External Stakeholders***

Identity dissonance may be caused by incompatibility between the image organizational members hold versus the image external stakeholders hold, especially in circumstances of decline (Jeyavelu, 2009). A mid-sized contract manufacture specializing in electromechanical box builds and complex cable assemblies evolved from a parent company that was a global leader in electronic distribution. The product market refocusing plan (Khandwalla, 1991) at its inception was intended for the manufacturer to provide value-added services to much larger manufacturers and maximize the distribution business. Over time, as the service became more popular and increasingly cost competitive, the value-added service started to raise concerns among other manufacturers and distribution customers. Even when organizations pursue strategic change by announcing and acknowledging a shift in identity, the change may not materialize (Gioia et al., 2013) as incompatibility between internal and external stakeholders compete for sustainability. After several years, the manufacturing arm grew from approximately 50 employees to nearly 300, and the service occupied two sites. Executive leadership began to develop business strategies that supported both sides of the business (distribution and manufacturing) until 2002, when the entire organization started to feel the effects of an economic

downturn. At this point in time the organization was holding two conflicting identities at the same time (Albert & Whetten, 1985). As the economy became more constrained, so did strategic partnerships between the parent company and other contract manufacturers. The rifts grew worse as contract manufacturing in general became increasingly competitive. In manufacturing, being able to leverage volume is an advantage, and large manufacturers began to leverage their buying power with the distribution arm, which highlighted the potential conflict. The perception was that the distribution business would favor its manufacturing arm with price and availability, thereby causing an unfair advantage.

Although there were financial ramifications with staying in or exiting the manufacturing business, corporate leadership only had to ask *who are we* and *are we distributors or are we manufacturers?* The image of the manufacturing sites held by internal stakeholders was in stark contrast to the image held by external stakeholders or those supporting distribution. The attributes of the organization's CED's now become the focal point of external stakeholder's feedback on the organization's action and achievements (Gioia et al., 2000). The social actors of the manufacturing arm of the business saw themselves as manufacturers who added value to the supply chain of their distribution customers. This image differed greatly from that held by external stakeholders, who saw the manufacturing sites as a vehicle for promoting their distribution offerings.

A dilemma existed regarding whether corporate management would promote a strategy that would further entrench manufacturing, and thereby risk the partnerships with other much larger manufacturers, or keep to its distribution roots. Unraveling the complexity of the question meant asking a simple question: Does pursuing a manufacturing focus fit the mission of being a global provider of electronic components and enterprise computing solutions. Corporate leaders

determined that the manufacturing side of the business did not align with their mission. The closure of the manufacturing sites minimized the impact of the economic downturn and became the event that rerooted its image and cemented its mission, vision and values through the reaffirming of its identity (Ashforth & Mael, 1996).

### ***Loss of an Identity Symbol***

Any of the different factors noted in the various decline and turnaround models has the potential to initiate one or more of the threats mentioned by Jeyavelu (2009). Arogyaswamy et al. (1995) reported that past researchers had ascertained that the chief executive officer (CEO) or top managers of declining firms are frequently removed in an effort to initiate the turnaround strategy. Bibeault (1982) prescribed management change as a prerequisite to an effective turnaround strategy. Weitzel and Jonsson (1989) supported this strategy and proposed that replacing top management is required as a way to “introduce new ideas and eliminate ingrown cognitive biases and old consensus” (p. 105). Weitzel and Jonsson also suggested the benefit of replacing groups of top managers, which serves as a representation of the need for major change and provides scapegoats in an effort to relieve organizational tension. Trahms et al. (2013) provided additional detail on this sort of an approach and pointed to evidence that supports a top management change in instances when a declining firm is in a growth industry. In contrast, Trahms et al. pointed to a study by Winn (1997) in which successful turnaround originated not from top management changes but from successful management of asset productivity declines. Winn contended that organizations that failed to turn around from asset productivity decline replaced management 21.5% of the time. Taken as a whole, organizational identity dissonance is being interjected, as a CED is being adversely affected through these tactical turnaround approaches that research has identified as occurring necessarily. When a CEO or member of top

management shapes a firm's identity, an identity threat is imposed on the organization if the identity figure leaves the organization (Jeyavelu, 2009). Dissonance is thereby introduced, as organizational members could perceive these structural alterations as an identity threat.

### ***CED Attributes are Questioned***

An external threat to an organization's identity could lead to a change in CED characteristics that results in organizational identity dissonance. Identity dissonance can lead to questions about the value of a CED attribute. Ravasi and Schultz (2006) presented an example of such an event in a Bang & Olufsen (B&O) case study. Ravasi and Schultz outlined nearly 26 years of the company's identity challenges beginning in 1972 when the value of B&O's distinctiveness was first questioned. The designs of the audiovisual equipment produced by the company distinguished B&O from the competition. Their designs were so artistically valued that several of their pieces are showcased as permanent displays in the Museum of Modern Art. Their product was also considered a prestige symbol associated with exclusivity. B&O's essence all came into question when their dealers started asking for alterations in their design as a result of Japanese companies entering European markets with a low-price, high-volume strategy. B&O needed to conform to Japanese design and performance standards. Additionally, the new competition raised questions about the sustainability of the expensive niche strategy B&O had longed pursued.

B&O's distinctiveness was related to its designs, and when faced with an identity threat such as changing their designs, the company chose to instead reinforce their distinctiveness. The CEO instructed the management team to reflect on the company's unique design philosophy and further distinguish their company from the Japanese. The leadership team created and published the Seven Corporate Identity Components that laid out their CED characteristics for members to



reflect on and share. Their desire to stay true to their CED characteristics was evident in this strategy. Jeyavelu (2009) pointed out that external causes of decline stemming from similar factors to what B&O experienced, such as aggressive competition, substitutes, and shrinking markets, could change a CED attribute. This differs from the approach taken by B&O, as they chose to react to identity dissonance within the boundaries of their CED characteristics. The threat to B&O's identity was therefore minimized, as the leadership team controlled organizational identity dissonance through strategic initiatives.

### ***Organizational Status is Threatened***

As an organization continues to decline toward its end of life, and as the threat of imminent collapse increases, identity dissonance begins to manifest in a variety of ways. Cameron and Zammuto (1983) described manifestations of organizational collapse through member behavior. The context in which the research describes collapse is the time when an organization's niche shape is suddenly and extensively altered over a very short time. The event causes confusion over what is the best course of action to take, which increases levels of conflict. Chaos and disorder ensue as managerial relationships with subordinates begin to fracture. Jeyavelu (2009) proposed that the faster the onset of severe decline, the higher the organizational identity dissonance. Cameron and Zammuto explained that communication turmoil occurs during such conditions. Because of the constricting time frames under which an organization must operate, information validity and its reliability become more difficult to determine, which spurs once-decisive leadership to be replaced by turmoil. A sudden decline of an organization can be traumatic, as it is natural to expect continuity of self and organizations.

### ***Identity Ambiguity, a Lack of Clarity or Identity Attributes***

The strategy for combating organizational decline can lead to complex organizational restructuring that results in major transformation. In circumstances in which major organizational transformation is required, identity change is inevitable. Merging organizations is a complex turnaround strategy, as it involves blending and re-forming multiple identities. If the process is not managed with surgical precision, identity ambiguity and lack of clarity or identity attributes can hijack the process, thereby deeming tactical activities and structural realignment ineffective as identity dissonance intensifies.

Clark et al., (2010) conducted research on the identity challenges occurring from the merger activities of two hospitals. The proximity of the two hospitals, which were only 3 miles apart, had led to a rivalry that had existed for nearly a century. When both hospitals began facing declining revenues, merger talks began between senior leaders of both hospitals. The benefits of a merger became clear, and while the legalities and independent objections to the proposed merger neared finalization, the planning process forged ahead. In the beginning, the executives from both hospitals found themselves in a self-described state of schizophrenia. The sense of disorientation stemmed from the mental conflict associated with making decisions that could backfire on the individual hospital if the merger failed. Each executive team labored over the decision to support its own medical staff or try to move them to a future state assuming the merger would succeed.

Early in the merger process, prior to obtaining approval from the attorney general, the executives from the two hospitals faced conflicting mental models regarding whether they should act as competitors or assume a unified front (Clark et al., 2010). It was during this period that identity ambiguity and lack of clarity caused significant dissonance. Clark et al. (2010) presented evidence of mounting frustration by executives brought about by identity confusion. The

confusion stemmed from executive teams that felt forced to behave as competitors even though they hoped for a successful merger that depended on cooperation among the leadership teams. This difficult situation resulted in “colossal communication problems” (Clark et al., 2010, p. 418). Clark et al. (2010) recorded excerpts from executive interviews that illustrated the identity dissonance. One executive said he felt as if he had to wear “two different hats, neither of which fits, and feeling a need to switch between them” (Clark et al., 2010, p. 420). There was a consensus among executive staff members that if they had to split their loyalties and attention between their old identities and their intended future identity. One executive asked, “With the merger, the essential question becomes, who are we?” and “Who will we become as an organization?” (Clark et al., 2010, p. 431). Another concern from senior leaders was the lack of clarity about the form the eventual partnership would take, especially whether one organization would dominate the other. Clark et al. (2010) noted that these manifestations resulted in identity ambiguity, confusion, and destabilization as the merger process continued to develop.

Jeyavelu (2009) proposed that turnaround actions should address change in CED characteristics first, especially because an extensive turnaround strategy of this extent is likely to be in conflict with organizational identities. The conflict imposed by large scale strategic activities such as mergers and acquisitions should be closely controlled by top management, as sense-making processes lead to organizational change. Additionally, improvement in performance is likely to occur when turnaround actions align with an organization’s identity, as member commitment is greater, which results in more effective turnaround efforts. Decline and dissonance are likely to accelerate when identity attributes continue to be undefined and misaligned with a future state trajectory.

### ***Challenged External Image***

Every 2 years since 1988, *Business Week* has published the top 20 U.S. business schools, but a change in the survey led to the 1992 published rankings threatening many school members' perception of their institution's central and distinctive attributes (i.e., their identity). The new survey imposed standardization for evaluating all U.S. business schools through an objective and uniform metric. The new survey methodology dramatically disrupted the status quo long enjoyed by top-ranking schools. The survey itself challenged images held by members of top business schools. Elsbach and Kramer (1996) examined this phenomenon and described how organizational members responded to such an identity-threatening event.

Organizational members are prone to identity dissonance during events that call into question their organization's CED attributes. Threats originating from external occurrences have the potential to arise at any point in the organizational life cycle. Elsbach and Kramer (1996) found evidence of identity dissonance that suggested the *Business Week* rankings threatened business school members' preexisting perceptions of the schools' identities. Elsbach and Kramer viewed cognitive distress about the rankings as evidence of identity threats manifested among all of the respondents in their sample. Interviews captured verbal communicative exchanges of dissonance, such as "it is a travesty" or "doesn't reflect true rank" (Elsbach & Kramer, 1996, p. 455). The level of identity dissonance increased as the degree of the threat became more severe (school rankings fell). Elsbach and Kramer concluded that identity dissonance was evident and was directly related to the disparity or inconsistency between members' perceptions of their organization's identity and the *Business Week* survey results.

Jeyavelu (2006) proposed that the change in CED characteristics would induce organizational identity dissonance. In the previous example, changes in CED characteristics were brought to the surface by the *Business Week* rankings survey. The survey measured the

satisfaction of past Master of Business Administration graduates with the school in comparison with the satisfaction levels of recent graduates of the school. The results identified conflicting perceptions of what are CED attributes between the two differing groups.

### ***Change is at the Essence***

At the essence, the condition of decline is change in which the symptomatic result is caused by changes that weaken the economic stability of the organization. Such an episode in an organization's life cycle has the potential to have lasting consequences. However, if the situation is dealt with swiftly and with strategic aptitude, the change has the potential to result in long-term advantages. Bolman and Deal (2008) introduced an organizational reframing concept that featured an approach to understanding and assembling information into coherent patterns. The four mental models—structural, human, political, and symbolic—are at the core of the concept. A frame in this context is a set of ideas and assumptions that an individual uses to understand and negotiate a particular “territory” (Bolman & Deal, 2008, p. 23). Each frame has a unique characteristic that defines its construction and significance. Those who possess good frames have an easier time knowing the challenges they face, and they ultimately come to a resolution more quickly, which saves valuable time. Bolman and Deal proposed that the “primary cause of managerial failure is faulty thinking rooted in inadequate ideas” (p. 111). If a high degree of strategic aptitude is necessary for an effective turnaround, it is critical that management at all levels has developed mental models by which to navigate through the complexity of organizational transformation. Bolman and Deal described the importance of well-formed frames as follows:

Learning multiple perspectives, or frames, is a defense against thrashing around without a clue about what you are doing or why. Frames serve multiple functions. They are filters for sorting essence from trivia, maps that aid navigation, and tools for solving problems and getting things done. (p. 21)

## *Structure*

The first frame, which is structural, provides the scaffolding required for establishing formal roles, responsibilities, and clearly understood goals that are essential for organizational performance. The structural frame is the perspective by which tasks need to be differentiated and other tasks may need to be integrated. Structure outlined in this context maximizes people's performance as officially sanctioned expectations, and the exchanges produced provide a blueprint for an organization struggling to make sense of its situation. The six assumptions Bolman and Deal (2008, p. 47) made about this frame are as follows:

1. Organizations exist to achieve established goals and objectives.
2. Organizations increase efficiency and enhance performance through specialization and appropriate division of labor.
3. Suitable forms of coordination and control ensure the diverse efforts of individuals and units mesh.
4. Organizations work best when rationality prevails over personal agendas and extraneous pressures.
5. Structures must be designed to fit an organization's current circumstances (including its goals, technology, workforce, and environment).
6. Problems arise and performance suffers from structural deficiencies, which can be remedied through analysis and restructuring.

In an organizational environment in which decline is occurring, management's responsibility is to determine what structure provides the best chance for recovery. Bolman and Deal (2008) discussed both formal and informal structures, and they noted that formal structures enhance morale and aid in the accomplishment of work. However, Bolman and Deal also noted

that formal structure can be the source of negativity if the structure is bureaucratic and controlling. Bolman and Deal recommended management examine structural design carefully, as structural design can be constructed in a way that de-skills work or designed to leverage users' skills. The keystone of structure is embedded in the division of labor or allocation of the tasks that comprise the activities of the business. Management who uses restructuring as a strategy for combating decline needs to take into account the "desired ends, the nature of the environment, the talents of the workforce, and the available resources (such as time, budget, and other contingencies)" (Bolman and Deal, 2008, p. 89). Management who employs an effective mental model can significantly minimize the restructuring struggle. Those learning from experiences can quickly identify constraints and implement corrections to their new experience.

### ***Human resource***

The human resource frame emphasizes the importance of the relationship between people and the organization. Bolman and Deal (2008) used Maslow's hierarchy of needs to fundamentally convey this connection. The frame illustrates this linkage through the assumption that organizations need people and people need organizations. Organizations need people for their talents, efforts, and energy, while people need organizations for the intrinsic and extrinsic rewards provided to them through the institution (Bolman & Deal, 2008).

The term "it's just not a fit" originates from the basic misalignment between the needs of the individual and those of the organization. When a poor fit exists between an individual and an organization, one or both suffer. Bolman and Deal (2008) elaborated on this by concluding that "individuals may feel neglected or oppressed" (p. 119), which can cause an organization to sputter as the individuals withdraw their efforts or work against organizational purposes. The opposite scenario occurs when the fit is mutually beneficial, in which case the individual finds

work meaningful and satisfying, and the organization gets the talent and energy needed to achieve success.

Bolman and Deal (2008) proposed that the challenges associated with a global competitive economy to the enduring organizational dilemma of whether it is better to operate lean and mean or invest in people. Investing in people through time or money is a luxury that companies in the midst of decline rarely have. Turnaround strategies for companies in decline often employ downsizing as a method for reducing cost. The use of this kind of tactic exposes the organization to risks that include a loss of talent and loyalty, which leads to organizational mediocrity and a loss of flexibility. Organizational leaders must pull from their developed mental models when constructing a turnaround strategy that takes into account these types of human resource challenges.

### ***Political frame***

The political frame “views organizations as roiling arenas hosting ongoing contests of individual and group interests” (Bolman & Deal, 2008, p. 190). The following five propositions introduced by Bolman and Deal (2008, p. 194) summarize the political frame perspective:

1. Organizations are coalitions of assorted individuals and interest groups.
2. Coalition members have enduring differences in values, beliefs, information, interests, and perceptions of reality.
3. Most important decisions involve allocating scarce resources.
4. Scarce resources and enduring differences put conflict at the center of day-to-day dynamics and make power the most important asset.
5. Goals and decisions emerge from bargaining and negotiation among competing stakeholders jockeying for their own interests.



The driving force behind Bolman and Deal's (2008) political frame is the political activity that results from interdependence, divergent interests, scarcity, and power relations. Because politics is a natural aspect of business, a by-product of decline, and a turnaround strategy, managers, especially those responsible for change, must become adept at maneuvering among political agendas. An effective political agenda must include a vision that balances the long-term interests of key parties and the achievement of the turnaround strategy. Management cannot minimize the importance of this fundamental fact while facing decline and implementing change. The leaders responsible for turnaround need to acknowledge, understand, and manage these political dynamics rather than shy away from them. Differences and scarce resources, which are often aspects of decline, make power a key resource, as power is the capacity to make things happen, which becomes paramount in organizational transformation. Bolman and Deal (2008, p. 203) identified nine sources of power:

1. Position power: Positions of authority confer a certain level of legitimate authority.
2. Control of rewards: The ability to deliver jobs, money, political support, or other rewards brings power.
3. Coercive power: Rests on the ability to constrain, block, interfere, or punish.
4. Information and expertise: Power flows to those with the information and know-how to solve important problems.
5. Reputation: Reputation builds expertise. Opportunities and influence flow to people with strong reputations.
6. Personal power: Individuals who are attractive and socially adept because of charisma, energy, stamina, political smarts, gift of gab, vision, or some other characteristic.

7. Alliances and networks: Getting things done in an organization involves working through a complex network of individuals and groups.
8. Access and control of agendas: A by-product of networks and alliances is access to decision arenas.
9. Framing: Control of meaning and symbols. Elites and opinion leaders often have the ability to shape meaning and articulate myths that express identity, beliefs, and values.

Political success is not a guarantee simply by virtue of the power associated with an authoritative position. A manager with a developed political mental model understands that it is often necessary to draw on other power sources. Being able to identify who exercises power is an important quality of a developed mental model. Bolman and Deal (2008) expressed through this frame that managers with this experience will find their ability to navigate and negotiate through transformation with more agility. Identifying power sources is the first step to wielding it. The combination of knowing the source of political power and how to use it equips the manager with a political mental model capable of weaving through the political agendas that frequent transformation change initiatives.

### ***Symbolic***

An organization's culture is built over time as members develop beliefs, values, practices, and artifacts that work for them and the organization. These, like stories, are passed down to new recruits, which strengthens the culture that in turn builds a formidable identity and sense of an organization's self. Bolman and Deal (2008) proposed that the symbolic frame highlights "the tribal aspect of contemporary organizations . . . [and] centers on complexity and ambiguity and emphasizes the idea that symbols mediate the meaning of work" (p. 256). Symbolic actions and

activities have the ability to affect an organization's culture dramatically. The symbolic mental model may be more subtle, but its impact on change should not be undervalued.

Characteristics of an organization's symbolic meaning can be found in its vision, values, and stories that instill its purpose and resolve. Stories are a way for organizational members to pass on history and values that reinforce the organizational identity. Values are reinforced through organizational rituals and ceremonies that are meant to lift the spirits of organizational groups as they provide "direction, faith and hope" (Bolman & Deal, 2008, p. 399).

Managers working through the type of transformational change necessary for a successful turnaround need to have a developed symbolic mental model. The longer organizational symbolism goes unaltered, the harder change will be. Symbolism left over from the past leaves DNA remnants from what should be an extinct existence. These become anchors that keep the organization's culture entrenched. These cultural elements need to change at the same pace and in alignment with the strategic changes designed in the turnaround plan. Managers with a mature symbolic mental model know to create new stories that reinforce the new vision and values that support change.

## **Chapter 3: Methodology and Procedure**

### **Introduction**

The purpose of this nonexperimental, quantitative study was to examine organizational identity dissonance experienced by an organization's social actors in the context of organizational decline and turnaround utilizing factor structures from five years of pre-existing, employee surveys to determine whether differences in factor scores occurred over the 5-year time frame. In an effort to understand identity dissonance experienced by an organization's social actors in this context, the researcher explored a single high-technology security printer in the midst of such a transformational event. How the organization's social actors identified with this phenomenon was examined with regard to the circumstances threatening the organization's identity.

This chapter includes a review of the study methodology and research design, as well as the selection and appropriateness of a quantitative paradigm for the study and the case study methodology. This chapter also presents the subject organization and population, as well as the methods used for data collection and analysis. The issues addressing trustworthiness and credibility are also included in this chapter, along with a discussion of the methodological limitations of the study.

The overall aim of the study was to address the four core research questions:

RQ1. What is the factor structure for the selected survey items from the 2008–2012 employee surveys?

H1<sub>0</sub>. The resulting factor structure will not account for at least 60% of the variance in the data set.

H1<sub>a</sub>. The resulting factor structure will account for at least 60% of the variance in the data set.

The statistical test used to answer RQ1 was principal components factor analysis.

RQ2. What differences, if any, exist in the factor scores across the 5 years (2008–2012)?

H2<sub>0</sub>. There will be no significant differences for any of the resulting factor scores across the 5 years (2008–2012).

H2<sub>a</sub>. There will be significant differences for at least one of the factor scores across the 5 years (2008–2012).

Data from the engagement surveys were only available to the researcher through excel. The statistical test used to answer the research questions were based on the format of the data, configuration of survey questions and research questions unique design. Taking these limitations into consideration the most appropriate analytical tools used were one-way analysis of variance (ANOVA) with Bonferroni post hoc tests and eta coefficients which were used to measure the strength of the relationships between factors. The one-way analysis of variance (ANOVA) were used to determine whether there were any statistically significant differences between the means of the multiple independent factor groups.

### **Research Methodology, Rationale, and Data Collection**

Creswell (2013) defined a case study research design as the “study of a case within a real-life, contemporary context or setting” (p. 97) and characterized by several common themes. Creswell noted that the first key characteristic of a case study research design is for the researcher to identify a case that can be bounded or described within the parameters of place and time. The case examined in this study was bound by both these factors, as the study involved

examined the symptomatic manifestations of a single-site security printer in a state of decline and turnaround over a period of 8 years.

The second characteristic common in case study design is the intrinsic or instrumental case. The intrinsic case is a “case that has unusual interest in and of itself and needs to be described and detailed” (Creswell, 2013, p. 98). An instrumental case is intended to aid in understanding a specific issue, problem, or concern. Because the purpose of this research was to understand organizational dissonance more effectively in the context of organization decline and turnaround, this case study fit the definition of an instrumental case.

According to Creswell (2013), a hallmark of a good quantitative case study is that it presents an in-depth understanding of the case. A key component of this characteristic is the researcher’s ability to gather as many types of qualitative data as possible. In this case study, the researcher analyzed data from existing employee engagement survey responses. Case study data analysis can be multidimensional, as it may include multiple facets within a case or report on an entire case. Researchers who use the case study analysis characteristic have the option to choose to analyze and compare multiple cases or analyze a single case. In this study, the researcher exercised the option to analyze and report on the facets of a single case, that of a security printer. To provide a clearer understanding and context, a complete background section of the case has been included in this chapter. A request, to study the phenomena, came by way of the site director to the researcher. The researcher used this onsite invitation to begin the research process. The case study is culminated in a findings section in which the researcher reveals the themes and issues of the case study.

The quantitative research method provided a framework conducive for examining the objective measurements associated with the phenomenon of organizational decline and

turnaround, it also provided the researcher with a clear vantage point from which to evaluate the manifestations of the events. Creswell (2009) noted the appropriateness of this methodology and indicated that “a quantitative study provides an explanation or prediction about the relationship among variables in the study” (p. 69). The advantages to using this methodology was it provided an unobstructed view and allowed the researcher to (a) identify factors that influence an outcome, (b) ensure the utility of an intervention, or (c) understand the best predictors of outcomes (Creswell, 2009).

Unlike qualitative research, where the interpretive nature of inquiry takes into account the researcher’s presence, the aim of quantitative research is determining the relationship between one thing (an independent variable) and another (a dependent or outcome variable; Creswell, 2009). Nenty (2009) described three key characteristics associated with quantitative research: data collection, data analysis, and interpretation of entire analysis. This structure was used as the analytical framework for determining and testing the phenomena under study. Data collection refers to the method by which researchers collect data. Quantitative data may be captured in a number of ways, such as experiments or clinical trials. In this research study, data was collected via an electronic survey, which is another standard data collection vehicle. As opposed to divergent reasoning, which is typical of qualitative research, quantitative research includes numbers, logic, and an objective stance. The reason for using quantitative research in this study was to “classify features, count them, and construct statistical models in an attempt to explain the phenomenon” (Nenty, 2009, p. 27), and thus is more narrowly aligned with defining the research questions presented in this study.

To add clarity to the research methodology the research design is nonexperimental as there was no attempt to manipulate an independent variable, random assignment of participants

to conditions or orders of conditions or both (Lee & Kowalczyk, 2020). Therefore, nonexperimental research was appropriate and necessary for this study and was based on statistical interpretation of existing data to come to a conclusion. The design definition of this nonexperimental, case study, meant the researcher would rely on correlations from the 5 years of existing survey data. Nonexperimental research can be generalized to a larger population due to its high level of external validity. Generalizations that can be extended to a larger population will be discussed in chapter 5.

Data analysis is a “means of determining and testing for the extent of convergence, commonality or divergence among data collection during the study, and hence the relationship among variable with these data represent” (Nenty, 2009, p. 29). At its core, the definition of data analysis outlined by Nenty (2009) begs the question, “To what extent does the data collected from several subjects and through different sources converge to support the existence of a significant influence or relationship between or among the research variables” (p. 29).

Interpretation of the convergence of data, is the transformation of statistical data into a written explanation of the analysis presented neutrally, without discussion or comments (Nenty, 2009). The presentation of the interpretation is meant to convey, in common language, what the results of the data analysis mean. Nenty pointed to four reporting steps of an interpretation:

1. State the statistical version of the hypothesis.
2. Present and describe exactly what was done, in terms of data analysis procedures, to test the hypothesis.
3. Present the tables referred to in the analysis.
4. Explain what the finding means.



## **Setting and Population**

The organization examined, was at the time of the study, a wholly owned subsidiary of a publicly traded, high-technology precision optics firm. The entire firm consists of several specialized business units located primarily in Northern California. The organization under review, referred to in this study as Commerce, was located in Southern California and is the printing arm of the precision optics division of JDSU. The activities of the site are used as a conduit for integrating specialized optical pigment into transferable security and identity images, most often in the form of a label. The integration of proprietary pigment into high-technology applications and substrates is at the core of the parent company's business. Until late 2012, the Commerce site also printed general-purpose labels that incorporated none of the specialized pigment produced by the parent company. This commercial market is a remnant of the firm's original purchase of Commerce, then LA Label, in 2000. The pedestrian commercial market products did not require the support of a mature and highly specialized technical staff such as that found at Commerce since the purchase by the parent company. These products are far less sophisticated and fall outside the core business defined by the corporate model, as the products required none of the proprietary pigments or high-technology equipment to produce. In addition, the competitive nature of the market and low margins are aspects of a business model that are contradictory to the parent company's overall business strategy of differentiation. In the following years, Commerce continued to struggle with organizational culture and identity transformation as it worked to establish its place within a new organization and business environment.

Early in the acquisition process, 2005 thru 2007, Commerce was focused on acclimating to corporate America, working through politics, processes, systems, and policies. However, by

2008, the strains associated with meeting Wall Street expectations became apparent. In the same year, Commerce began experiencing symptoms of decline as a result of the economic downturn, sluggish sales, and the high cost structure of the site, contributed to a decline in financial performance that continued into 2009. The decline ultimately led to a period of downsizing and austerity that lasted until early 2010, when executive leadership determined that stagnation was no longer an acceptable business strategy. By this time, executive leadership had instituted a formal restructure of the Commerce facility that involved the creation of a new division with a narrow focus on innovative security applications. This focus would leverage the parent company's flagship optical pigment technology and proprietary printing methodologies. The goal was to increase market share through strategic partnerships, acquire new customers through innovative applications, and achieve organic growth with established customers. The plan was to give a new leadership team the opportunity to turn things around, increase revenue to profits, and align Commerce with corporate objectives by providing strategic guidance for meeting these goals.

The formation of a new division comprised of Commerce and a newly acquired holographic business located in New Jersey was the result of a restructuring strategy put together by senior leadership. The newly formed group was led by a new senior leadership team devoted to making the new authentication solutions division successful. The newly formed division, Authentication Solutions Group (ASG), had 2 years to prove itself and show it could turn a corporate-acceptable profit. However, the strategy failed to improve the economic situation for either site.

The ASG leadership team's unfamiliarity with the complexity of the security label market resulted in a shotgun approach to finding opportunities. The marketing approach strategy

targeted such diverse markets, industries, and solutions that resources struggled with direction and focus, which caused inefficiencies throughout the development process and cost money. The struggle became more difficult due to the casual commitment from corporate leadership. Attracting a security customer in a desired market was difficult, which left sales and marketing looking for low-hanging fruit. Senior leadership exhausted resources on ambiguous product developments targeted toward undefined markets, which became economically disastrous. Profits and revenue continued to deteriorate, and customers were not receptive to the new concepts or the effectiveness of the applications. As a result, strategic misguidance soon manifested through symptoms of decline and turbulence such as conflict, scarcity, rigidity, scapegoating, and centralization (Cameron et al., 1987).

As the division's strategic footing continued to slip, the teams began to unravel and lose sight of the goal. As the leadership team got closer to their 2-year deadline, traction could not be retained, which ultimately led to the termination of ASG 24 months after its formation. Commerce was again vulnerable, and a decision regarding its continued existence was made after the sale of the holographic site was finalized.

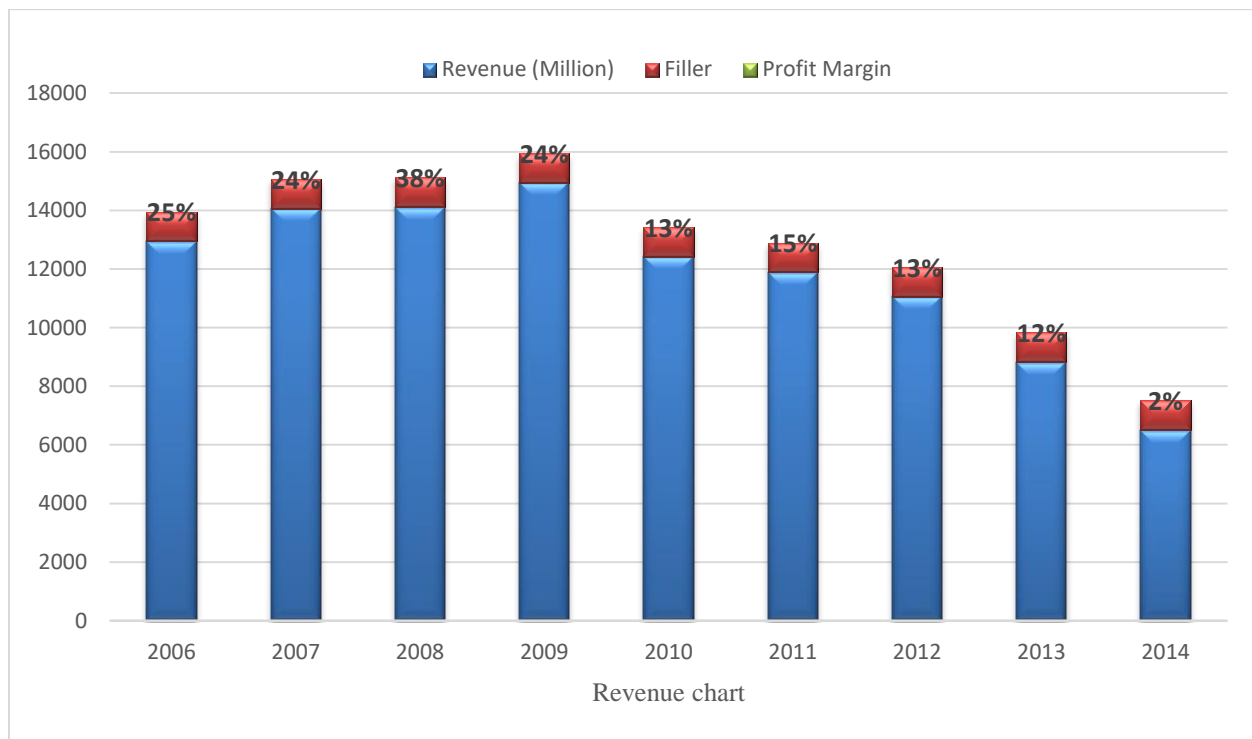
By late 2012, after 2 years of continued decline under the ASG umbrella, the firm's corporate executive staff accepted a turnaround plan presented by Commerce site leaders as an alternative to a plant closure. The plan involved a more strategic approach with a focus on exiting the commoditized commercial label business and applying a renewed focus on the more specialized and profitable security printing products. Commerce leveraged the firm's technology, relationships, and proprietary printing processes to gain traction in the security printing market with several key customers. The new Commerce business strategy aligned more effectively with the high-technology, high-margin business model of the corporate firm. The change in strategy

was not free of casualties. The plant was downsized by nearly one third once the commercial business was dropped, which left the business unit in a vulnerable situation, as it could not function efficiently, employees faced more overtime, and processes experienced more errors due to insufficient staffing and a lack of qualified staff. Hiring was approved when the site regained an acceptable level of profitability, which was accomplished through a combination of lower overhead costs and increased sales promised by the firm's corporate sales and marketing team. Executive leadership supported the plan financially through a committed quarterly sales volume (\$1.8 million), operational support (two program managers), and dedicated research and development resources (one ink chemist and one technician). These positions were key to supporting the market-driven initiatives outlined in the turnaround plan.

Management was officially turned over to the Commerce leadership team in January 2013, but after nearly 13 months of instituting the transactional activities of the turnaround plan, Commerce was again in a precarious situation. The strategy and organizational structure had been built on an unsuccessful financial model. The revenue from sales continued to fall from a quarterly average of \$1.65 million in 2012 to a quarterly average of \$1.25 million in 2013, which resulted in key financial goals not being met. As a result, gross and contribution margins suffered, which represented the overall health of the plant. Sales continued to decline in 2014, and resources began to be taken away. Program manager positions were cut, as well as both research and development positions, which made it difficult to implement new development. It became apparent to the workforce that the situation was not improving. Figure 1 captures the steady decline of both revenue and margin.

**Figure 1**

*Year Over Year Changes in Revenue and Profit Margin*



*Note.* Revenue versus profit margin, year over year. Profit margin along with revenue starts to erode year over year starting in 2010.

In January 2013, Commerce had undergone several organization-altering events that included significant management changes and layoffs in an effort to halt the decline process. The state of decline had an effect on the collective self-esteem of the organization and put a great deal of stress on its members. Organizational identity threats brought about by varying factors, such as exiting the commercial printing business, financial struggles, and interventions associated with the turnaround activities created identity dissonance. These symptoms of decline affected the organizational identity of Commerce, which may have further compromised the strategic initiatives of the turnaround plan. Commerce was in an identity reformation mode, consciously or unconsciously, for nearly 7 years, in which leaders continuously tried to make

sense of the business while progressing through the natural life-cycle challenges of an organization. The stress resulting from the declining economic situation triggered an organizational identity threat that may have hindered turnaround initiatives. The site was caught in a continuous loop.

The challenges faced by Commerce were the basis for this case study on the examination of organizational identity dissonance in organizational decline and turnaround. This study involved the exploration of the leaderships' mental model capacity for addressing the complex nature of such a transformation.

### **Population, Sample, and Sampling Procedures**

Although the entire population of the corporation participated in the yearly engagement surveys only the represented group from Commerce are an aspect of the research sample. All Commerce employees were invited to participate in annual employee engagement surveys beginning in 2007. Employee composition included exempt and nonexempt, frontline employees, administration, and management. All employees had experienced the phenomena under examination and were encouraged to share their feedback on an ongoing basis via the survey. The annual voluntary employee engagement survey, administered through Price Waterhouse Coopers, was the springboard for the evaluation of the phenomena. The survey was regularly administered under consistently regulated policies and procedures. Action items were formulated from the results, supported by the organization's executive leadership team, and included as part of the organization's corporate-wide strategy to increase employee engagement.

The director responsible for the performance of Commerce requested an evaluation of the site. With the request came authorization from corporate human resources to conduct this research as a way of receiving greater insight into the organization and its unique challenges. As

the person responsible for heading the inquiry, the researcher was given full access to survey data, which covered the period between 2008 and 2014.

### **Human Subject Consideration**

The subjects of this research were active participants in an engagement survey study administered by Price Waterhouse Coopers on behalf of JDSU. The annual survey was part of the corporation's strategic initiative and involved all subsidiaries, divisions, and satellite locations. The research involved in this study only used the survey results from the annual Price Waterhouse Coopers engagement survey designed for JDSU. The participants were not minors and were, at the time of the survey, all active employees of JDSU. The questionnaire did not present a need for personal identification but provided the option for participants to identify their gender, position, reporting relationship, and years of service.

Through the use of stringent Price Waterhouse Coopers and JDSU's human resources personal information protocols the information obtained will be recorded and archived in such a manner that participants cannot be identified, directly or through identifiers linked to the completed survey. This methodology extends confidentiality and ensures anonymity. The questionnaire design did not place the participant at any risk of criminal or civil liability and is not damaging to their financial standing, employability, or reputation. As a corporate policy, engagement survey findings are first screened by Price Waterhouse Coopers then reviewed by human resources personnel. Only after tertiary screening is complete did JDUS's human resource team share findings with executive management; an abridged, site specific version was then shared with local site management.

## **Instrumentation**

Recognizing an increased need to protect against unwanted attrition, safeguard productivity, and ensure strategic initiatives are successfully executed, JDSU's executive leadership had a longtime partnership with Price Waterhouse Coopers Saratoga in the design and administration of an annual employee engagement survey. Using workforce data, Shah and Tate (2004) noted, "When workforce data is interpreted and applied wisely, it can provide indicators of the greatest barriers of workforce productivity" (p. 41). Although Price Waterhouse Coopers Saratoga builds upon a number of modern research theories, the theoretical framework that supported the architectural design of the annual surveys was employee engagement theory, which is related to outcomes impacting the following:

- Employee performance
- Employee turnover
- Job satisfaction
- Organizational commitment
- Job climate
- Innovation
- Organizational citizenship behavior
- Empowerment
- Procedural and distributive justice

Engagement member theory "focuses on how the psychological experiences of work and work contexts shape the process of people presenting and absenting themselves during task performances" (Luthans & Peterson, 2002, p. 378). Kahn (199) suggested in his research of engagement member theory that engagement is multidimensional. Employees can be



emotionally, cognitively, or physically engaged (Kahn, 1990), and emotional and cognitive engagement are the major factors affecting psychological engagement and organizational behaviors (Luthans & Peterson, 2002). To be emotionally engaged is to form meaningful connections to others (e.g., coworkers and managers) and to experience empathy and concern for others' feelings. In contrast, being cognitively engaged refers to those who are actually aware of their mission and role in their work environment. Further research has indicated that organizational members who are personally engaged are more satisfied and more productive. These members are self-motivated to provide discretionary levels of effort in their day-to-day work, willing to help drive business to achieve its goals, provide exceptional service, and drive operational excellence. These characteristics of engagement lead organizational leadership to focus on survey results as an indicator of future success, as research suggests that organizations with engaged and satisfied employee populations achieve measurable superior financial performance (Shah & Tate, 2004).

The survey, specifically tailored by the consulting firm Price Waterhouse Coopers Saratoga for JDSU, was designed to capture and identify the level of employee engagement throughout the corporation, which included the Commerce site. Price Waterhouse Coopers invited each employee to the survey site via a secure link, as the questionnaire was administered electronically. Electronic delivery of the survey was meant to reduce administrative burden and increased response rates. Invitations were e-mailed to each employee's JDSU e-mail account. All responses were measured on a Likert-type scale (*strongly disagree, disagree, neutral, agree, strongly agree*) to measure the strength of employee attitudes and were anonymous.

Participants were free to answer one or all questions. The survey architecture allowed the participants to skip over questions they choose not to answer. Participants were also free to exit

the survey at any time but answered questions would not be saved until the responses are formally submitted by the participant, this is done once the participant pushes the submit button at the end of the survey. The survey consists of 36–67 independent questions, depending on the year administered, and took approximately 20–30 minutes to complete. The questions were randomized to reduce response bias that may develop from the categorization of questions. Survey data could be further segmented to measure the attitudes of different groups and create targeted retention and engagement strategies by collecting information regarding gender, position, reporting relationship, and years of service.

Respondents were free to provide feedback in the comments section at the end of the survey. Feedback responses were also voluntary, and any personal identifiers were removed by the Price Waterhouse Coopers analysis team and JDSU's human resources team. If the responses had included any inflammatory comments or allegations associated with inappropriate behavior, such as sexual harassment or discrimination, these would have been discussed between the Price Waterhouse Coopers consulting team and senior-level human resources representatives. These comments would then have been investigated and dealt with through the appropriate human resource channels. Comments, if any, were not an aspect of the research data. Only data collected through the Likert scale was part of the data provided to the researcher.

Engagement levels were categorized through four profiles each with a set of characteristics (see Figure 2). Standardized questions designed to identify pivotal employees' engagement levels and commitment to stay simultaneously were defined as follows:

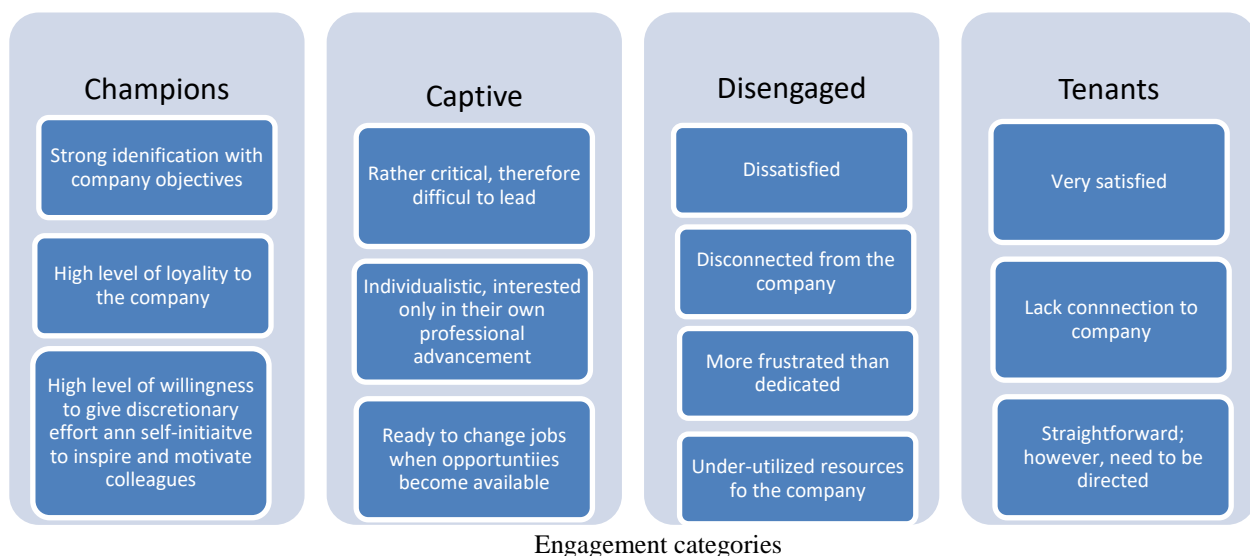
1. My work goals are in alignment with JDSU's business direction.
2. Employees at JDSU are passionate about providing exceptional internal and external customer experiences.

3. I would recommend JDSU to friends and family as a great place to work.
4. I intend to be working for JDSU 12 months from now.
5. My colleagues are willing to go beyond what is expected for the success of JDSU.
6. I am proud to tell others I work for JDSU.

Throughout the data collection process there exists attrition, some organic and others by design. Between 2010 through 2012 the site experienced 100% participation in the survey with 57 participants. The decline in participation in 2013, to 36, is the direct result of a reduction in the workforce. A consequence of strategic initiatives associated with exiting the commercial business. Participation in 2013 and 2014 remained above the corporate average for survey responses at 90%.

**Figure 2**

*Employee Engagement Landscape Identifies the Four Types of Engagement*



*Note.* Profiles used to categorize engagement levels. Employees who are more engaged produce higher quality work and are less likely to be absent or quit the organization.

## **Instrument Validity**

Price Waterhouse Coopers Saratoga's question database bank holds in excess of 300 items. Exploratory and confirmatory factor analyses are conducted frequently and alpha coefficients computed for the data and subscales used in their ongoing research and client projects. Price Waterhouse Coopers Saratoga's continued research into the psychometric properties of their items has consistently shown that, for most populations, the items fall into distinct categories (factor), with alpha coefficients on these categories typically greater than 0.6. The Price Waterhouse Coopers Saratoga research team avoids using items found to have compound loadings in a large number of applications.

Representatives of Price Waterhouse Coopers Saratoga do sometimes rephrase items to meet specific client needs. This was the case with a question related to work-life balance phrased in 2008–2012 as "I am generally able to balance my job and personal life" versus the 2013 version phrased as "Most of the time I am able to balance my job and personal life." On a project-by-project basis, Price Waterhouse Coopers Saratoga looked at convergent validity by inspecting correlations between various organizational constructs typically thought to closely align with engagement. These correlations were usually in the .5–.7 range, although the exact nature of the relationship between a given construct and engagement was situationally specific, which is why a one-size-fits-all approach to improving engagement is not prescribed.

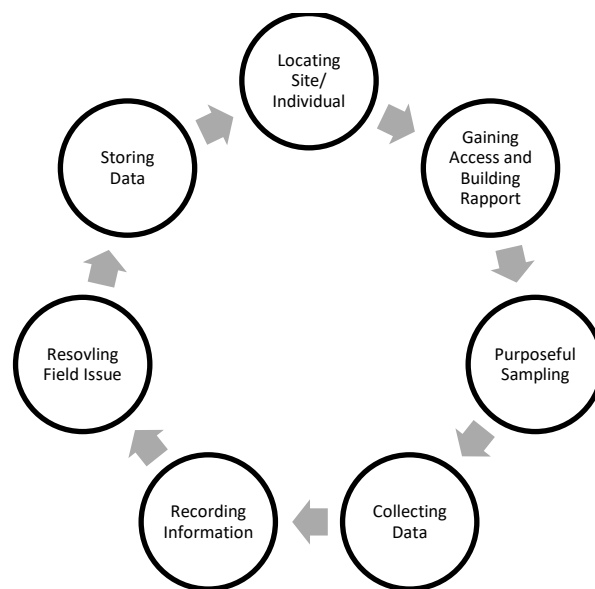
Additional analytical techniques performed on survey specific data included regression analysis, correlation analysis, confidence intervals, covariant analysis, and factor analysis. The results from these analyses will be one aspect of the final engagement report to JDSU.

## Data Collection Procedures

The data collection circle featured in Figure 3 provided the appropriate structure for this case study, as it addresses the key collection activities implemented throughout the data collection process (Creswell, 2013). Taking the data collection approach from the top, with the selection of site or individual, the case phenomena examined in this research occurred through the lens of a group of individuals (social actors) working for a single site, which was a security printer and subsidiary of a high-technology optical firm. A case study traditionally examines a “bound system such as a process an activity, and event, a program, or multiple individuals” (Creswell, 2013, p. 148). Creswell’s traditional case study definition of what is examined was applied to this research, as the event associated with organizational decline and turnaround, the associated activities, and how the organization’s social actors react to such events is the contextual environment under examination.

**Figure 3**

*Creswell’s Data Collection Circle*



*Note.* From *Qualitative Inquiry & Research Design* (p. 146), by J. Creswell, 2013, Thousand Oaks, CA: Sage. Copyright 2013 by Sage.

Creswell (2013) noted that, when selecting a site to study, researchers should find one that is accessible, willing to provide information, and distinctive for its accomplishments and ordinariness or that could shed light on a specific phenomenon. To this end, JDSU's executive team agreed to allow the researcher to study the phenomena related to the Commerce site's decline and subsequent turnaround.

The processes of gaining access and building rapport for this research were different from most studies, as access was granted through a request from the site director to the researcher directly. Witnessing a variety of dysfunctional behaviors such as an increase in conflict, scarcity of resources, decrease in morale, and lack of innovativeness led to questions on the root cause. The site director hoped to gain a strategy for combating the symptoms of dissonance from the research. The ultimate goal is to reverse the dissonance that was thought to be the obstacle getting in the way of change.

JDSU's executive human resource team provided the raw, non-identifiable data necessary for the research. The researcher followed strict retrieval protocols outlined by JDSU's human resource team. Raw, non-identifiable, data was made available to the researcher only through manual reentry. The researcher was allowed to transfer the data from the protected server to the researchers excel database located on the corporate protected server. The survey data extends over 5 years, from 2010 through 2014, and represents the feedback of Commerce employees over the same period. Participants voluntarily provided anonymous feedback to the questionnaire each year, with an average response rate of over 90%. Between 2010 and 2012, the response rate to the annual engagement survey reached 100%.

Collecting data and recording survey feedback were complementary tasks when working with the electronic survey data, as they both took place simultaneously. At the time that survey

questionnaires were submitted using the submit button at the end of the survey, the data was encrypted and pushed to a secured data repository located on a Price Waterhouse Coopers server. The data responses were then automatically uploaded to Price Waterhouse Coopers' secure database where they were automatically formatted in a way that allowed them to be further analyzed and reviewed.

Due to JDSU's propriety technology and security applications a high-level of IT security is placed on the exchange of data, corporate policy dictated that the data exchange not be done electronically; thus, the researcher received permission to transfer the raw data manually from the survey database to an appropriate Excel database. Survey data was entered for each year, with the identifying Likert-type scale value of 1–5 assigned to each corresponding answer as answered by the participants. This was done for all years, 2008–2012.

Creswell (2013) warned new researchers how time consuming data collection can be. Manually entering the data for each question for each participant required 19 hours of data entry. The researcher also verified each participant's overall score and the overall average for each question across all participants. This was the process followed in order to validate the data entry against typographical errors. Data management was critical to the integrity of the research, and the data were managed with that in mind. All sensitive data remained in segregated electronic folders that were password protected on the corporate server. Research data resided on corporate hardware and are thus protected by corporate information technologist specialists. Given the site was NASPO (North American Security Products Organization) certified, its confidential information, which included the rights and permissions to sensitive data, was protected at the highest level.

## Chapter 4: Results

### Introduction

The purpose of this nonexperimental, quantitative study was to examine organizational identity dissonance experienced by an organization's social actors in the context of organizational decline and turnaround using factor structures from 5 years of preexisting employee surveys to determine whether differences in factor scores occurred over the 5-year time frame. In this study, 292 preexisting, anonymous survey responses were analyzed. Table 1 displays the frequency of respondents each year. Table 2 displays the descriptive statistics sorted by the highest mean for the 39 employee survey items used in this study. Table 3 displays the principal components factor analysis summary table to answer RQ1. Tables 4–8 are the one-way ANOVA tables created to assist in answering RQ2. Table 9 displays the Spearman correlations between the study year (2008–2012) and each of the 39 employee survey items to determine whether there were linear trends in the employee responses across the 5 years.

### Descriptive Statistics

Table 1 contains the frequency counts for the number of respondents in each year for which data were collected over the course of the study. The highest number of participants was in 2008 ( $n = 61$ , 20.9%), followed by 2009 ( $n = 60$ , 20.5%), while 2010, 2011, and 2012 each had 57 participants (19.5%).

**Table 1**

*Frequency Counts for the Number of Respondents Each Year*

Year	<i>n</i>	%
2008	61	20.9
2009	60	20.5
2010	57	19.5
2011	57	19.5
2012	57	19.5

*Note.*  $N = 292$ .



Table 2 contains the ratings for the 39 items sorted by highest mean rating. These ratings were given using a 5-point metric ranging from 1 = *strongly disagree* to 5 = *strongly agree*. The highest levels of agreement were for Item 8, “I am proud to tell others I work for JDSU” ( $M = 4.48$ ), Item 12, “I expect to be working for JDSU 12 months from now” ( $M = 4.45$ ), and Item 11, “I consider my work to be valuable and worth doing” ( $M = 4.32$ ). The lowest levels of agreement were for Item 3, “Departments within JDSU communicate effectively with one another” ( $M = 3.52$ ), and Item 9, “I am rewarded according to my responsibilities and job performance” ( $M = 3.53$ ).

**Table 2**

*Ratings of Items Sorted by Highest Mean*

Item	<i>M</i>	<i>SD</i>
8. I am proud to tell others I work for JDSU	4.48	0.62
12. I expect to be working for JDSU 12 months from now	4.45	0.64
11. I consider my work to be valuable and worth doing	4.32	0.71
34. Overall, I am satisfied with my role at JDSU	4.31	0.61
19. I would recommend JDSU to friends and family as a great place to work	4.30	0.68
29. My role makes good use of my skills and abilities	4.30	0.64
30. My work goals are in alignment with JDSU’s business direction	4.23	0.60
39. Working for JDSU provides me opportunities to learn new skills and develop myself	4.20	0.61
7. I am generally able to balance my job and personal life	4.10	0.63
6. I am aware of the benefits programs available to me through JDSU	4.07	0.63
32. Overall, I am satisfied with my career development opportunities at JDSU	4.07	0.72
15. I have a sufficiently challenging role at JDSU	4.07	0.69
10. I can find the information I need on benefits programs that are offered by JDSU	4.05	0.62
35. Overall, I am satisfied with my work environment at JDSU	4.05	0.69
20. In my workgroup we are focused on working more efficiently to improve productivity	4.03	0.71
13. I feel comfortable reporting violations of JDSU’s Code of Business Conduct without fear of retaliation	4.02	0.73
23. My immediate supervisor clearly communicates the expectations (i.e. goals, objectives and behaviors) that he/she has of me	4.02	0.83
31. Overall, I am satisfied with [Business Segment / Corporate Group Name] leadership	4.01	0.63
38. We are informed of significant changes in time to prepare and plan to handle them	4.00	0.72
37. There is effective two-way communication with my immediate supervisor	4.00	0.84
1. At JDSU we treat all employees with dignity and respect	3.99	0.71
26. My immediate supervisor provides valuable feedback that helps me improve my performance	3.96	0.81
33. Overall, I am satisfied with my immediate supervisor	3.95	0.79
27. My immediate supervisor supports my ability to balance my work life and personal life	3.94	0.78
14. I feel that my career goals can be met at JDSU	3.93	0.68
5. Employees in my immediate workgroup work well together	3.92	0.79

Item	<i>M</i>	<i>SD</i>
22. My colleagues are willing to go beyond what is expected for the success of JDSU	3.90	0.77
17. I have the opportunity to attend regularly scheduled staff meetings	3.89	0.77
21. My career development is important to my immediate supervisor	3.89	0.74
28. My performance reviews and development plans have helped me grow and improve	3.88	0.78
4. Employees at JDSU are passionate about providing exceptional internal and external customer experiences	3.88	0.78
16. I have access to tools and resources to successfully complete my work	3.86	0.79
25. My immediate supervisor is responsive to work issues (i.e. conflict, barriers, etc.) brought to his/her attention.	3.79	0.89
24. My immediate supervisor evenly distributes the workload amongst our team	3.66	0.82
18. I receive appropriate recognition from my immediate supervisor for my accomplishments	3.65	1.01
36. The training I receive from my immediate supervisor and co-workers (i.e., on the job) sufficiently prepares me for my job	3.63	0.73
2. At JDSU you can speak your mind without fear of retaliation or retribution	3.62	0.86
9. I am rewarded according to my responsibilities and job performance	3.53	0.76
3. Departments within JDSU communicate effectively with one another	3.52	0.84

*Note.* *N* = 292. Ratings based on a 5-point metric ranging from 1 = *strongly disagree* to 5 = *strongly agree*.

Table 3 contains the eigenvalue and percentage of variance for 28 components. Of the 28 components, a 17-component solution accounted for 62.89% of the variance in the data set. The eigenvalue of the 17 components ranged from 2.94 to 1.01. No significant component emerged from the analysis.

**Table 3**

*Principal Components Factor Analysis Summary Table*

Component	Eigenvalue	Percentage of variance
1	2.94	7.54
2	1.96	5.03
3	1.78	4.56
4	1.68	4.29
5	1.56	3.99
6	1.50	3.84
7	1.43	3.67
8	1.39	3.57
9	1.35	3.46
10	1.25	3.22
11	1.19	3.04
12	1.15	2.94
13	1.14	2.92
14	1.11	2.84
15	1.07	2.74
16	1.03	2.65
17	1.01	2.58
18	0.96	2.46
19	0.92	2.37
20	0.90	2.31

Component	Eigenvalue	Percentage of variance
21	0.84	2.17
22	0.83	2.14
23	0.81	2.07
24	0.77	1.98
25	0.75	1.92
26	0.70	1.80
27	0.69	1.77
28	0.65	1.67
29	0.64	1.65
30	0.63	1.61
31	0.59	1.50
32	0.55	1.42
33	0.54	1.39
34	0.50	1.29
35	0.48	1.24
36	0.46	1.18
37	0.44	1.13
38	0.41	1.06
39	0.39	1.01

Note.  $N = 292$ .

Table 4 contains the results of the one-way ANOVA test for Item 8, “I am proud to tell others I work for JDSU,” based on year. Bonferroni post hoc tests found significant differences in the ratings for Item 8 for two pairs of years. Specifically, the mean ratings for Item 8 in 2010 and 2011 were significantly higher than the ratings for 2009 ( $p < .05$ ). Additionally, Figure 4 includes a graph of the mean ratings for the responses to Item 8 from 2008 to 2012.

**Table 4**

*One-Way ANOVA Test for Item 8 Based on Year*

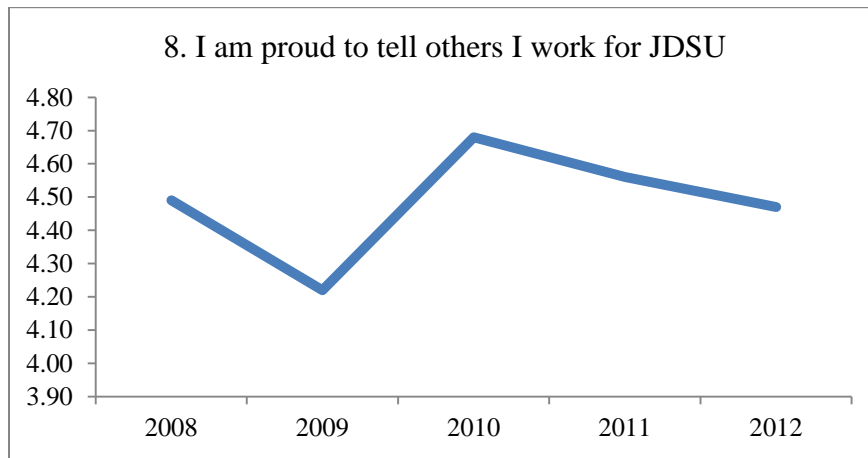
Item	$n$	$M$	$SD$	$\eta$	$F$	$p$
8. I am proud to tell others I work for JDSU <sup>a</sup>				.25	4.69	.001
2008	61	4.49	0.57			
2009	60	4.22	0.69			
2010	57	4.68	0.54			
2011	57	4.56	0.57			
2012	57	4.47	0.66			

Note.  $N = 292$ . Ratings based on a 5-point metric ranging from 1 = *strongly disagree* to 5 = *strongly agree*.

<sup>a</sup> Bonferroni post hoc tests: 2010, 2011 > 2009 ( $p < .05$ ); no other pair of means was significantly different.

**Figure 4**

*Year Over Year Likert Rating for Engagement Survey, Item 8*



*Note.* Graph of mean ratings for Item 8 from 2008 to 2012 ( $N = 292$ ). Ratings based on a 5-point metric ranging from 1 = *strongly disagree* to 5 = *strongly agree*.

Table 5 contained the results of the one-way ANOVA test for Item 11, “I consider my work to be valuable and worth doing,” based on year. Bonferroni post hoc tests found significant differences in the ratings for Item 11 for five pairs of years. Specifically, the mean ratings for Item 11 in 2008 and 2009 were significantly higher than the ratings for 2010 and 2011 ( $p < .05$ ), and the mean ratings in 2012 were significantly higher than those for 2010 ( $p < .05$ ).

Additionally, Figure 5 includes a graph of the mean ratings for the responses to Item 11 from 2008 to 2012.

**Table 5**

*One-Way ANOVA Test for Item 11 Based on Year*

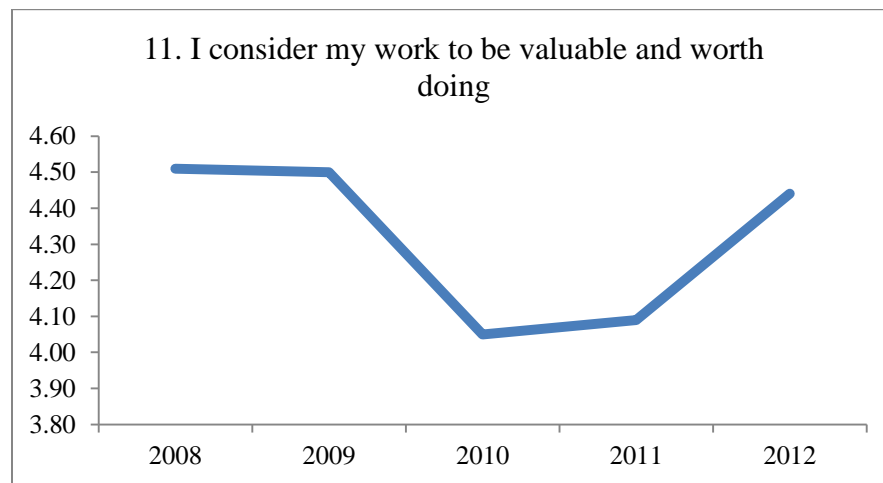
Item	<i>n</i>	<i>M</i>	<i>SD</i>	$\eta$	<i>F</i>	<i>p</i>
11. I consider my work to be valuable and worth doing <sup>a</sup>				.29	6.38	.001
2008	61	4.51	0.60			
2009	60	4.50	0.60			
2010	57	4.05	0.85			
2011	57	4.09	0.69			
2012	57	4.44	0.68			

*Note.*  $N = 292$ . Ratings based on a 5-point metric ranging from 1 = *strongly disagree* to 5 = *strongly agree*.

<sup>a</sup> Bonferroni post hoc tests: 2008, 2009 > 2010, 2011 ( $p < .05$ ); 2012 > 2010 ( $p < .05$ ); no other pair of means was significantly different.

**Figure 5**

*Year Over Year Likert Rating for Engagement Survey, Item 11*



*Note.* Graph of mean ratings for Item 11 from 2008 to 2012 ( $N = 292$ ). Ratings based on a 5-point metric ranging from 1 = *strongly disagree* to 5 = *strongly agree*.

Table 6 contains the results of the one-way ANOVA test for Item 12, “I expect to be working for JDSU 12 months from now,” based on year. Bonferroni post hoc tests found significant differences in the ratings for Item 12 for four pairs of years. Specifically, the mean ratings for Item 12 in 2010, 2011, and 2012 were significantly higher than the ratings for 2009 ( $p < .005$ ), and the mean ratings in 2010 were significantly higher than those for 2008 ( $p < .05$ ). Figure 3 includes a graph of the mean ratings for the responses to Item 12 from 2008 to 2012.

**Table 6**

*One-Way ANOVA Test for Item 12 Based on Year*

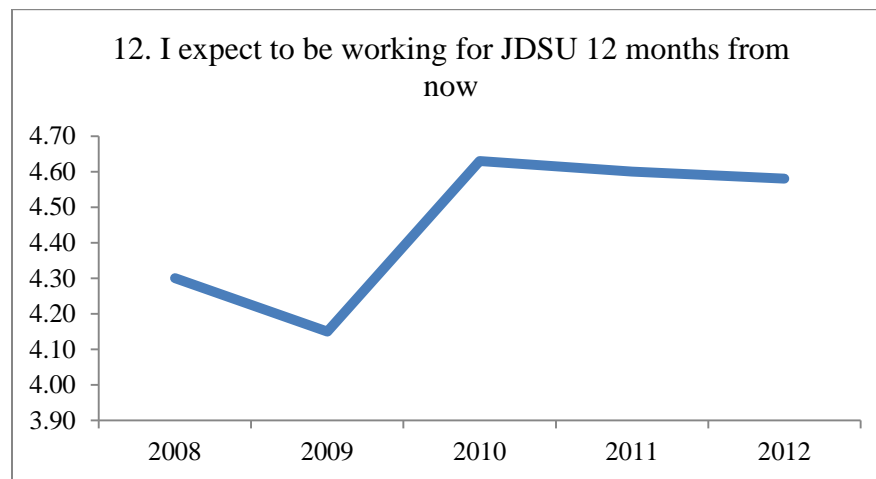
Item	<i>n</i>	<i>M</i>	<i>SD</i>	$\eta$	<i>F</i>	<i>p</i>
12. I expect to be working for JDSU 12 months from now <sup>a</sup>				.30	7.17	.001
2008	61	4.30	0.74			
2009	60	4.15	0.69			
2010	57	4.63	0.56			
2011	57	4.60	0.50			
2012	57	4.58	0.57			

*Note.*  $N = 292$ . Ratings based on a 5-point metric ranging from 1 = *strongly disagree* to 5 = *strongly agree*.

<sup>a</sup> Bonferroni post hoc tests: 2008, 2009 > 2010, 2011 ( $p < .05$ ); 2012 > 2010 ( $p < .05$ ); no other pair of means was significantly different.

**Figure 6**

*Year Over Year Likert Rating for Engagement Survey, Item 12*



*Note.* Graph of mean ratings for Item 12 from 2008 to 2012 ( $N = 292$ ). Ratings based on a 5-point metric ranging from 1 = *strongly disagree* to 5 = *strongly agree*.

Table 7 contains the results of the one-way ANOVA test for Item 16, “I have access to tools and resources to successfully complete my work,” based on year. Bonferroni post hoc tests found significant differences in the ratings for Item 16 for six pairs of years. Specifically, the mean ratings for Item 16 in 2008 and 2009 were significantly higher than the ratings for 2010, 2011, and 2012 ( $p < .05$ ). Additionally, Figure 7 includes a graph of the mean ratings for the responses to Item 16 from 2008 to 2012.

**Table 7**

*One-Way ANOVA Test for Item 16 Based on Year*

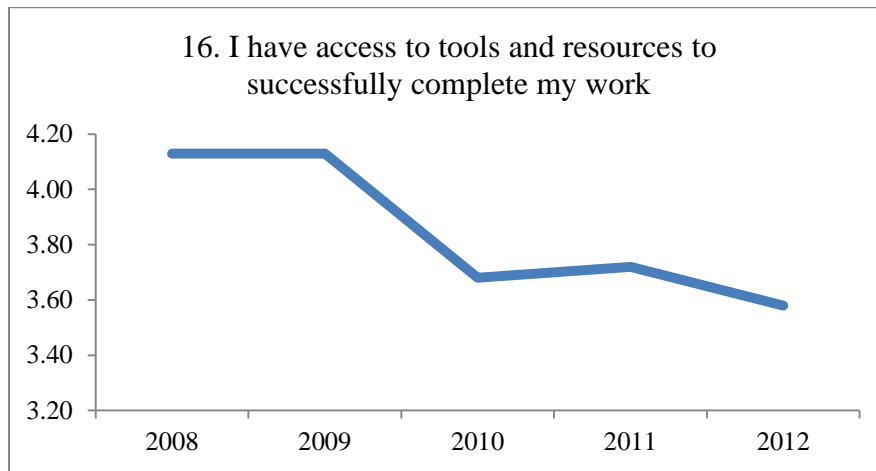
Item	<i>n</i>	<i>M</i>	<i>SD</i>	$\eta$	<i>F</i>	<i>p</i>
16. I have access to tools and resources to successfully complete my work <sup>a</sup>				.30	7.09	.001
2008	61	4.13	0.70			
2009	60	4.13	0.70			
2010	57	3.68	0.74			
2011	57	3.72	0.75			
2012	57	3.58	0.91			

*Note.*  $N = 292$ . Ratings based on a 5-point metric ranging from 1 = *strongly disagree* to 5 = *strongly agree*.

<sup>a</sup> Bonferroni post hoc tests: 2008, 2009 > 2010, 2011, 2012 ( $p < .05$ ); no other pair of means was significantly different.

**Figure 7**

*Year Over Year Likert Rating for Engagement Survey, Item 16*



*Note.* Graph of mean ratings for Item 16 from 2008 to 2012 ( $N = 292$ ). Ratings based on a 5-point metric ranging from 1 = *strongly disagree* to 5 = *strongly agree*.

Table 8 contains the results of the one-way ANOVA test for Item 30, “My work goals are in alignment with JDSU’s business direction,” based on year. Bonferroni post hoc tests found significant differences in the ratings for Item 30 for four pairs of years. Specifically, the mean ratings for Item 30 in 2008, 2010, 2011, and 2012 were significantly higher than the ratings for 2009 ( $p < .05$ ). Additionally, Figure 8 includes a graph of the mean ratings for the responses to Item 30 from 2008 to 2012.

**Table 8**

*One-Way ANOVA Test for Item 30 Based on Year*

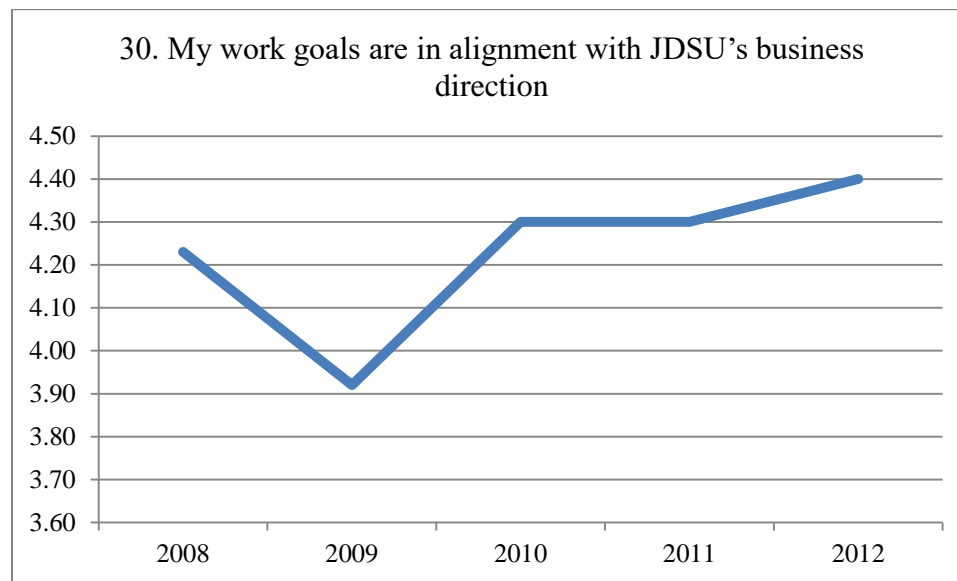
Item	<i>n</i>	<i>M</i>	<i>SD</i>	$\eta$	<i>F</i>	<i>p</i>
30. My work goals are in alignment with JDSU’s business direction <sup>a</sup>				.28	6.02	.001
2008	61	4.23	0.50			
2009	60	3.92	0.59			
2010	57	4.30	0.68			
2011	57	4.30	0.46			
2012	57	4.40	0.65			

*Note.*  $N = 292$ . Ratings based on a 5-point metric ranging from 1 = *strongly disagree* to 5 = *strongly agree*.

<sup>a</sup> Bonferroni post hoc tests: 2008, 2010, 2011, 2012 > 2009 ( $p < .05$ ); no other pair of means was significantly different.

**Figure 8**

*Year Over Year Likert Rating for Engagement Survey, Item 30*



*Note.* Graph of mean ratings for Item 30 from 2008 to 2012 ( $N = 292$ ). Ratings based on a 5-point metric: 1 = *strongly disagree* to 5 = *strongly agree*.

Table 9 contains the results of the Spearman correlations for the 39 items from 2008 to 2012. Spearman correlations were used instead of the more common Pearson correlations due to the Likert-type scale ratings for the 39 items (1 = *strongly disagree* to 5 = *strongly agree*).

**Table 9**

*Spearman Correlations for Items With Year*

Variable	Year
1. At JDSU we treat all employees with dignity and respect	.02
2. At JDSU you can speak your mind without fear of retaliation or retribution	.09
3. Departments within JDSU communicate effectively with one another	.06
4. Employees at JDSU are passionate about providing exceptional internal and external customer experiences	-.01
5. Employees in my immediate workgroup work well together	-.04
6. I am aware of the benefits programs available to me through JDSU	.09
7. I am generally able to balance my job and personal life	-.02
8. I am proud to tell others I work for JDSU	.08
9. I am rewarded according to my responsibilities and job performance	.05
10. I can find the information I need on benefits programs that are offered by JDSU	-.02
11. I consider my work to be valuable and worth doing	-.12*
12. I expect to be working for JDSU 12 months from now	.21***



Variable	Year
13. I feel comfortable reporting violations of JDSU's Code of Business Conduct without fear of retaliation	.00
14. I feel that my career goals can be met at JDSU	-.01
15. I have a sufficiently challenging role at JDSU	.00
16. I have access to tools and resources to successfully complete my work	-.28***
17. I have the opportunity to attend regularly scheduled staff meetings	.06
18. I receive appropriate recognition from my immediate supervisor for my accomplishments	.08
19. I would recommend JDSU to friends and family as a great place to work	.13*
20. In my workgroup we are focused on working more efficiently to improve productivity	-.11
21. My career development is important to my immediate supervisor	-.03
22. My colleagues are willing to go beyond what is expected for the success of JDSU	-.02
23. My immediate supervisor clearly communicates the expectations (i.e. goals, objectives and behaviors) that he/she has of me	-.02
24. My immediate supervisor evenly distributes the workload amongst our team	-.07
25. My immediate supervisor is responsive to work issues (i.e. conflict, barriers, etc.) brought to his/her attention.	-.06
26. My immediate supervisor provides valuable feedback that helps me improve my performance	.06
27. My immediate supervisor supports my ability to balance my work life and personal life	-.06
28. My performance reviews and development plans have helped me grow and improve	-.02
29. My role makes good use of my skills and abilities	-.03
30. My work goals are in alignment with JDSU's business direction	.18**
31. Overall, I am satisfied with [Business Segment / Corporate Group Name] leadership	.00
32. Overall, I am satisfied with my career development opportunities at JDSU	-.07
33. Overall, I am satisfied with my immediate supervisor	-.10
34. Overall, I am satisfied with my role at JDSU	.00
35. Overall, I am satisfied with my work environment at JDSU	.01
36. The training I receive from my immediate supervisor and co-workers (i.e., on the job) sufficiently prepares me for my job	-.03
37. There is effective two-way communication with my immediate supervisor	.00
38. We are informed of significant changes in time to prepare and plan to handle them	-.11
39. Working for JDSU provides me opportunities to learn new skills and develop myself	-.04

\*  $p < .05$ . \*\*  $p < .005$ . \*\*\*  $p < .001$ .

## Answering the Research Questions

RQ1 was as follows: What is the factor structure for the selected survey items from the 2008–2012 employee surveys? The related null hypothesis was the following: The resulting factor structure will not account for at least 60% of the variance in the data set. To answer RQ1, a principal component factor analysis was performed retaining all factors that had an eigenvalue greater than 1. The resulting structure was then subjected to the varimax rotation procedure to finalize the solution. The resulting 17-component solution accounted for 62.89% of the variance in the data set. No large general component emerged from the analysis. The largest component

had an eigenvalue equal to 2.94, and the smallest retained component had an eigenvalue of 1.01 (see Table 3). This combination of findings provided support to reject  $H_{10}$ .

RQ2 was as follows: What differences, if any, exist in the factor scores across the 5 years (2008–2012)? The related null hypothesis was the following: There will be no significant differences for any of the resulting factor scores across the 5 years (2008–2012). As mentioned above, the resulting factor structure retained 17 factors, with no factor having an eigenvalue of 3 or greater. Given that no small cluster of meaningful components emerged from the analysis in RQ1, a decision was made to answer RQ2 using the 39 individual survey items because the meaning or intent of those individual items was more readily interpretable to the reader.

The results of the 39 one-way ANOVA tests revealed seven of the 39 tests were significant at the  $p < .05$  level. However, given that the large number of ANOVA tests would increase the likelihood of Type I errors, a decision was made to only report the five ANOVA results that were significant at the  $p < .001$  level (see Tables 4–8).

### **Additional Findings**

Table 9 included the Spearman correlations for the 39 items from 2008 to 2012. Spearman correlations were used instead of the more common Pearson correlations due to the Likert-type scale ratings for the 39 items (1 = *strongly disagree* to 5 = *strongly agree*). In addition, Spearman correlations were used to determine whether there were significant linear trends over the 5 years of time that would not be readily captured based on treating year as a categorical variable, as was done in the one-way ANOVA tests.

There were significant correlations over time for five of the 39 variables at the  $p < .05$  level. Item 11, “I consider my work to be valuable and worth doing,” had a significant negative trend over time ( $r_s = -.12, p = .05$ ). Item 12, “I expect to be working for JDSU 12 months from

now,” had a significant positive trend over time ( $r_s = .21, p < .001$ ). Item 16, “I have access to tools and resources to successfully complete my work,” had a significant negative trend over time ( $r_s = -.28, p < .001$ ). Item 19, “I would recommend JDSU to friends and family as a great place to work,” had a significant positive trend over time ( $r_s = .13, p = .02$ ). Item 30, “My work goals are in alignment with JDSU’s business direction,” had a significant positive trend over time ( $r_s = .18, p = .002$ ).

### **Summary**

In summary, this quantitative study used 292 survey responses to examine the factor structure of selected survey items from five longitudinal employee surveys and then to determine whether differences in those resulting factor scores occurred over 5 years. H1<sub>a</sub> (factor structure is greater than 60%) was supported (see Table 3). H2<sub>a</sub> (significant differences in ratings across years) was also supported (see Tables 4–8). In the final chapter, these findings will be compared to the literature, conclusions and implications will be drawn, and a series of recommendations will be suggested.

## **Chapter 5: Discussion**

### **Introduction**

Studying decline could be useful to organizations and individuals interested in predicting and foreseeing those factors that may lead organizations on such a path (Whetten, 1980). Critical to this understanding are the obstacles that keep organizations from rebounding from such an event. Is it the organizational identity dissonance that contributes to its demise or is it an organization's strong sense of self, its identity, that enables it to rebound? Organizational identity dissonance experienced by an organization's social actors in the context of organizational decline and turnaround is an important construct in the field of organizational identity (Jeyavelu, 2009). Is it an organization's strong sense of who and what it is that motivates these organizations' social actors to align with turnaround strategies more effectively? Are those organizations in the midst of organizational identity dissonance more prone to miss strategic turnaround objectives, thus sealing their own fate? In either circumstance, how do leaders maneuver through the ambiguity to ensure a successful turnaround and further strengthen an organization's identity and financial fortitude?

At the core of this study was the analytical examination of 5 years of preexisting employee engagement survey data. The preexisting survey data captured a variety of organizational factors that was used to determine the correlational relationship between engaged social actors and an organization's ability to implement strategic initiatives. The purpose of this nonexperimental, quantitative study was to examine organizational identity dissonance experienced by an organization's social actors in the context of organizational decline and turnaround using factor structures from 5 years of preexisting employee surveys to determine

whether differences in factor scores occurred over the 5-year time frame. This research design was constructed to address the two research questions.

RQ1. What is the factor structure for the selected survey items from the 2008–2012 employee surveys?

H1<sub>0</sub>. The resulting factor structure will not account for at least 60% of the variance in the data set.

H1<sub>a</sub>. The resulting factor structure will account for at least 60% of the variance in the data set.

RQ2. What differences, if any, exist in the factor scores across the 5 years (2008–2012)?

H2<sub>0</sub>. There will be no significant differences for any of the resulting factor scores across the 5 years (2008–2012).

H2<sub>a</sub>. There will be significant differences for at least one of the factor scores across the 5 years (2008–2012).

The statistical test used to answer RQ1 was principal components factor analysis, whereas the statistical test used to answer RQ2 was one-way ANOVA with Bonferroni post hoc tests and eta coefficients (used as measures of the strength of the relationship). Chapter 5 presents a discussion of key findings that resulted from the data analyses guided by RQ1 and RQ2. The chapter includes a reflection on the next step in creating an understanding of organizational dissonance. The proposition model served as a diagnostic instrument for identifying and characterizing factors and forces that affect social actors within the context of organizational decline and turnaround. Chapter 5 also summarizes and further elaborates on the implications of the findings featured in Chapter 4. In addition, Chapter 5 identifies ideas for future research related to organizational identity dissonance through a set of working hypotheses.

## **Discussion of Key Findings**

### ***Research Question 1, Finding 1***

Engagement survey questions were structured and grouped categorically to allow for a level of relevance. To be relevant, employee measures must be tied to a company's business objectives, metrics, and strategy (Ashforth & Mael, 1996). Measures need to be tailored to a business's strategy and to its employee value proposition (Shah & Tate, 2004) and have a statistically acceptable level of redundancy. Survey questions and architecture configured in this manner provide a platform for expressing the beliefs, values, and norms that characterize an organization (Shah & Tate, 2004). With this in mind, the discussion moves to RQ1: What is the factor structure for the selected survey items from 2008–2012 employee surveys? Principal components factor analysis used to answer RQ1 failed to identify a clear set of patterns that statistically support a common theme. Instead, 17 component factors were identified, with a 62.89% variance in the data set. The resulting factor structure accounted for at least 60% of the variance in the data set, which is not aligned with standard engagement survey factor groupings. Survey questions did not correlate with a survey dimension designed to effectively capture segmented engagement levels, and the survey architecture failed to have the redundancy necessary to statistically correlate a grouping, or theme, of survey answers with business objectives, metrics, or strategy.

Each component factor presented in each survey was selected to gain insight into the perceived importance, legitimacy, and feasibility of activities that supported the organization's strategy and mission. The analytical results of the factor structure were aligned with Ashforth and Mael's (1996) concept of cognition—noticing and interpreting—where issues couched in the familiar terms of the mission, values, and strategies are more likely to be seen as appropriate or

legitimate for the organization to handle. This is contradictory to the research assumption that survey participants will respond honestly and candidly.

### ***Research Question 1, Finding 2***

The human resource frame emphasizes the importance of the relationship between an organization's social actors and the organization (Bolman & Deal, 2008). Thus, component factors where the mean value fell below an acceptable threshold triggered leadership to take appropriate action to realign social actors and regain buy-in. This is critical to note during a time of decline, as coalition members have enduring differences in values, beliefs, information, interests, and perceptions of reality (Bolman & Deal, 2008). To this end, the data indicated that there was statistical evidence of social desirability bias in 2011 and 2012, in that social actors answered survey questions in a socially acceptable way in an effort to serve their own interest. Participants may not have wanted to participate in actions to improve a given score or had become indifferent to the cause, thus inflating their responses, which would result in no action. Jeyavelu (2009) expanded on indifference phenomena, noting that when "decline drags on for an extended period of time, apathy sets in the organization whereby the decline is seemingly ignored internally and internal stakeholders become indifferent" (p. 34).

An organization's identity and strategy establish the parameters for behavior (Ashforth & Mael, 1996), which includes indifference. Fulfilling strategic initiatives becomes difficult if social actors become indifferent, as social actors who become indifferent carry out an organization's activities without using their talent or creativity. Indifference threatens to destroy the encouragement of social actors, reducing their effort and acceptance of responsibilities (Tabaeian, 2001). The ability for leadership to realign becomes difficult and potentially ineffective as they chase phantom challenges or take no action of pinned issues. Understanding

the climate in which social actors participate is critical to garnering their support, as their support ensures continued sponsorship of the turnaround strategies imposed by leadership. Leadership uses this support to increase external stakeholder support to ensure the strategy will continue on course (Bolman & Deal, 2008). Acquiring an accurate perception of the environment and the level of identity dissonance enables effective decision making by leadership, which is dependent in large part on accurate employee engagement feedback.

### ***Research Question 2, Finding 1***

Ashforth and Mael (1996) concluded in their research that “organizational identity speaks to the fundamental question of what a given organization is—the nature of its defining attributes—whereas strategy speaks to the question of how the organization realizes them” (p. 53). With this in mind, the discussion moves to RQ2: What differences, if any, exist in the factor scores across the 5 years (2008–2012)? RQ2 was answered using one-way ANOVA with Bonferroni post hoc tests and eta coefficients using a measure of the strength of the relationships. The resulting analysis captured significant differences in five of the 39 variables (see Table 10).

**Table 10**

*Variables for Which Data Analysis Demonstrated Significant Differences Existed*

Variable	Item	Questions
1	8	“I am proud to tell others I work for JDSU”
2	11	“I consider my work to be valuable and worth doing”
3	12	“I expect to be working for JDSU 12 months from now”
4	16	“I have access tools and resources to successfully complete my work”
5	30	“My work goals are aligned with JDSU’s business direction”

The most significant change occurred between 2009 and 2010 across all five factors, though not all five trended in the same direction. Item 8, “I am proud to tell others I work for JDSU,” showed an increase from 4.22 in 2009 to its peak score of 4.68 in 2010. Throughout the 5 years of continued financial decline, the mean of this item remained above 4.22. JDSU–



Commerce social actors consistently agreed with the statement that they continued to be proud to work for JDSU–Commerce, even as conditions worsened. It is worth noting that the peak score of 4.68 occurred during a time when profit margin dipped by 11%, which was the single biggest decline in profit margin during the 5 years.

Item 8, “I am proud to tell others I work for JDSU,” measured the emotional commitment (Finney, 2008) of a social actor. This is of particular interest, as the emotional commitment of social actors is critical to an effective implementation of strategic turnaround initiatives. The pride felt by JDSU–Commerce social actors “transcends the paycheck, occupation, relations with coworkers, or quality of management—it is inherent in what it means to be a member of that particular organization” (Ashforth, & Mael, 1996, p. 20). It is evident that social actors had a positive attitude toward this factor, no self-doubts about the collective or lowered collective self-esteem (Jeyavelu, 2009), and no evidence of identity dissonance. A mean score above 4.00 reveals the site’s social actors were largely engaged, satisfied, committed, and likely to stay and recommend JDSU as an employer to others (Katcher, 2013). There was no reason to believe that organizational pride and commitment were considered obstacles to achieving the site’s strategic objectives.

### ***Research Question 2, Finding 2***

Item 11, “I consider my work to be valuable and worth doing,” fell significantly from 4.50 in 2009 to 4.05 in 2010. Item 11 measured the social actors’ discretionary effort (Croswell, 2018) and determined whether JDSU, and the Commerce site specifically, was motivating its social actors to do their best. Although the mean score remained relatively high throughout the 5-year span, the significant dip in 2010 indicates the first sign of identity dissonance.

Commerce took pride in its reputation for being a global leader in precision printing, and it held this capability as central, enduring, and distinctive (Jeyavelu, 2009). The significant dip in score suggests the sites' social actors collectively felt what they did and how they did it had lost its significance. The decline in the score of Item 11 was not significant enough to warrant concern, as the score remained above 4.00 for 5 consecutive years. The score overall indicates the site's social actors felt connected to the JDSU–Commerce mission, felt enabled to get things done, and were willing to put in the extra effort necessary to achieve results (Croswell, 2018). Evidence of this emerged in 2011, as both profit margin and the mean score for this item improved. Still, the significant dip was a warning that should have been further investigated. Although it had not captured the attention of human resources, executive leadership, or site leadership, the significant dip was a clear indicator of a threat to sites' CED characteristics.

### ***Research Question 2, Finding 3***

Item 12, "I expect to be working for JDSU 12 months from now," measures not only the level of retention (Croswell, 2018) of a social actor but the emotional commitment and affiliation social actors have toward the mission (Finney, 2008) held by JDSU–Commerce. It is worth noting that Item 12 is a complementary factor to Item 8 and tracks in the same direction (Croswell, 2018), as the questions are an aspect of the same themed category. Responses to Item 12 showed an increase from 4.15 in 2009 to its peak score of 4.63 in 2010. There existed a strong correlation between Item 8 and Item 12, as the scores paralleled one another, trending in the same direction over the same period of time.

Weitzel and Jonsson (1998) identified the fifth stage of decline as dissolution, occurring when there is an exodus of talented and experienced social actors. Item 12 would have identified an exodus and flagged it as a concern and therefore as the onset of identity dissonance.

Conversely, a mean score above 4.00 indicated a strong sense of alignment between social actors and JDSU–Commerce’s mission. The high level of alignment showed that commitment and retention were not obstacles to enacting operational initiatives and achieving strategic objectives.

#### ***Research Question 2, Finding 4***

Item 16, “I have access to tools and resources to successfully complete my work,” measures the level of enablement (Croswell, 2018) social actors felt they had. The measurement is indicative of the perceived access to resources social actors had during a period when operational resources were stretched. Item 16 fell significantly from 4.13 in 2009 to 3.68 in 2010. The fall in score is aligned with the 2007 recession and the start of the 5-year period of decline. Retrenchment, imposed by site leadership in response to the recession and declining performance, would have resulted in a reduction in resources. There is reason to be concerned with the fall in the score for Item 16, as resource scarcity compromises the effectiveness of the site and its ability to achieve its strategic objectives (Edwards et al., 2002). It is in Item 16 that leadership could identify a threat to the site’s identity as morale and support of social actors are lost or reduced, and slack resources are exhausted (Jeyavelu, 2009). It is also the point when identity dissonance begins to increase. Albert and Whetten (1985) noted, “It is generally easier to acquire a new identity during growth than to divest an identity during a time of retrenchment” (p. 277). The turnaround action of retrenchment is a trigger for identity changes (Jeyavelu, 2009) and must be given appropriate oversight. Scarcity invokes a strong sense of anxiety in social actors, as it threatens to constrict the lifeline of an organization, which is its resources.

#### ***Research Question 2, Finding 5***

Item 30, “My work goals are in alignment with JDSU’s business direction,” showed an increase from 3.92 in 2009 to 4.30 in 2010. A score above 4.00 is significant, as it identifies

strong alignment and understanding on the part of JDSU–Commerce social actors regarding what actions are required to achieve strategic objectives (Croswell, 2018). From 2010 through 2012, the mean score remained at 4.30. There is reason for leadership to be particularly interested in this response, as the first thing social actors need in order to be in alignment with JDSU–Commerce is to know what they need to do to be personally successful. Knowing the tactical assignments needed for personal success is critical to achieving strategic objectives; otherwise, they are unable to move forward. Organizational social actors should share at least some common ground on what an organization represents (Ashforth & Mael, 1996). This basic level of understanding needs to be in place for social actors to further develop their alignment with the site (Croswell, 2018). Given the high level of alignment, leadership would have no reason to believe that goal alignment is an obstacle to achieving its strategic objectives. The mean score shows clear buy-in on the part of JDSU–Commerce social actors; thus, there is no evidence of identity dissonance in response to this item.

## **Conclusions**

Organizational decline has a time component (Cameron & Zammuto, 1983; D’Aveni, 1989; Jeyavelu, 2009; Weitzel & Jonsson, 1989) associated with it and thus an associated level of identity dissonance (Jeyavelu, 2009). The Commerce site experienced a slow decline that lingered without an immediate fear of bankruptcy or closer. The site’s parent company, JDSU, provided a parachute that ensured its existence until it would not. D’Aveni (1989) characterized an organization in such a condition as “distinguishable from firms that decline but do not linger because the lingers are in more favorable environments or have size related attributes that contribute to their temporary survival” (p. 583). Decline led to the implementation of an austerity program, retrenchment, which is a common turnaround tactic that involved cost cutting and asset

reduction to attain stability. The organization captured the identity dissonance brought on by these events in its engagement survey.

In Finding 2 of RQ1, the hidden emotional state of the Commerce site's social actors is captured. On the surface, the high level of engagement identified in the overall score for the site would indicate a largely engaged workforce and therefore give corporate or site leadership no reason to respond with a request for corrective action. No corrective action would be initiated, as there was no score warranting an intervention. However, the inflated score captured a level of organizational identity dissonance in the form of indifference. Stakeholder apathy is a root cause for contributing to ineffective strategic initiatives when decline continues to linger (Sheppard & Chowdhury, 2005). Moreover, the analysis identified social desirability bias as the root of the site's overall high engagement levels. The analysis indicates that social actors answered survey questions in a socially acceptable way to serve their own interests. Social desirability bias, with regards to Commerce, extends beyond this single belief.

The analysis identified social desirability bias on behalf of Commerce social actors. This bias served two benefits, including no additional action or effort needed to address unacceptable scores, as there were none. For 1 year, the site's social actors did not have to participate in any engagement score improvement activities. The second, and perhaps unintended, benefit was the external portrayal of a highly engaged site. External stakeholders, executive leadership particularly, find favor in a highly engaged site and therefore are more likely to stay the course with regard to the site's turnaround strategy. Indifference on the part of the site's social actors had a bonus effect when viewed by external stakeholders and therefore benefited these social actors in two ways. Through indifference, Commerce social actors were able to control the

incongruence between the site's identity and the image held by external stakeholders (Jeyavelu, 2009).

As RQ1 failed to identify a clear set of patterns that statistically support a common theme, it is unclear whether the high engagement score was the result of a communal effort to portray an exaggerated image of the site to external stakeholders. The only confirmation that the data can provide is the presence of social desirability bias on behalf of Commerce social actors and the fact that no action for improvement came from these scores. The engagement survey was an aspect of JDSU's corporate strategy and therefore would have been a reflection of the success of the strategy, as the high scores would have satisfied internal and external stakeholder expectations. No data were captured by JDSU to measure the attitude of corporate executives toward Commerce engagement scores.

RQ2 and its five identified variables all experienced significant changes to their mean score, but none of the five variables led to any intervention, as their mean scores all remained among the highest mean scores of all variables throughout the 5 years. JDSU's policy was to address only the three lowest mean scores from each annual survey. This directive was designed to route managerial resources to the issues potentially leading to the greatest degree of disengagement or concern. The progress of the initiative was formally measured the following year when the survey was re-administered. Of the five variables, only two captured identity dissonance, and of these two, only one, Item 16, showed this consistently. Item 16 made no recovery in the following years. The mean score of this item continued to fall and reached its lowest mean score of 3.58 in 2012, whereas Item 11 improved slightly the following year (4.05) and by 2012 was at 4.44, which was slightly less than its peak in 2008 at 4.51. Although they

both independently identified identity dissonance, only Item 16 would have been strong enough to warrant intervention. Identity dissonance was most apparent in this item year over year.

Organizational social actor's experience a threat to their organization's identity when the value of their CED attributes are questioned (Jeyavelu, 2009). This is key to identifying identity dissonance, as the site was forced to do more with less. The declining mean score of Item 16 captured the emotional strain of the site's social actors as they began to question if their knowledge, skill, capabilities, and distinctive competencies were still valued. The lingering decline and continued retrenchment took its toll as resources became increasingly scarce. With resource assistance from JDSU corporate becoming more infrequent, Commerce social actors began to experience an inconsistency between their collective self-definition and the image their corporate stakeholders held of them and the site, which is a situation that aligns with Jeyavelu (2009) antecedents of organizational identity dissonance.

Social desirability bias coupled with the conditions associated with retrenchment captured in the data is evidence of a troubled working environment where symptoms begin to become more noticeable. To an astute leader, these mild symptoms are worrisome and are identified as a concern needing immediate attention. The Commerce site director witnessed this riptide as a disconnection between the engagement survey responses and the reality of the environment he was experiencing. Engagement data indicated no immediate need for concern but the site director, pulling from his mental models, knew differently and reacted appropriately. Thus, he extended an invitation to the researcher to investigate. In the end, triggers of organizational identity dissonance can be observed by leadership whose mental models are keen to the sensitivities of their environment, and data that fail to correlate with this environment warrant a second look.

## **Researcher Thoughts**

Although the identification of organizational identity dissonance was statistically marginal due to the survey architecture and design, the social interactions within the organization proved to be a better barometer of dissonance. The social conditions coupled with the organization's performance led senior leadership to examination of the issue more closely. The researcher who was studying the phenomenon while also being an active participant in the environment made observations that added insight into organizational identity dissonance not captured in the surveys and only hinted at in the statistical analysis.

Had the personal observations of the researcher been processed through varying research methodologies, the research may have provided a deeper understanding of the phenomenon. For example, there were no overt warning signs of organizational identity dissonance, such as excessive absenteeism, that one might expect with a disengaged workforce or a workforce experiencing organizational identity dissonance. There was no mass exodus of leadership or highly skilled individuals (engineers, chemists, or printers). There did not exist any safety or quality issues usually associated with a disengaged or conflicted workforce. The symptoms of identity dissonance were more subtle and more identifiable in the overall mood of the social actors and not their actions. Social actors routinely submitted anonymous recommendations and complaints via the employee suggestion box. This type of feedback was not part of the research study but was an activity the researcher observed regularly, as leadership responded to these comments publicly during weekly all-hands meetings and published the responses via employee information boards.

What did exist was varying degrees of conflict between internal departments. A symptom of the retrenchment was departments competing for resources or departmental leaders jockeying



for position. The power struggle was not captured in the engagement survey but was evident in the environment. For example, Business Development's frequent introduction of new products stretched operational capabilities, which further taxed resources. Social actors frequently questioned the site's product realization abilities, which is a core CED attribute. The dissonance was evident in management meetings, project meetings, and Gate reviews. What was considered strategic realignment tactics paralleled organizational identity dissonance at the leadership level. The struggle to meet new expectations under increasingly constricting conditions only exacerbated the level of dissonance. Dissonance at the site's senior leadership level was being inadvertently communicated through nonverbal cues to other internal social actors, which could have fueled the fire; alternatively, internal social actors might have already been feeling the effects through other operational processes. The source could not be pinpointed, but the symptoms of dissonance were emerging in daily activities and in cross-departmental communication. Communication challenges were simply viewed as an area of teamwork that needed to be addressed, when in retrospect they were a sign of the evolution of organizational identity dissonance gaining traction.

### **Survey Limitations**

The findings of this study should be seen in light of some additional limitations. The ineffectiveness of the engagement survey instrument was an unexpected finding, and the in-depth statistical analysis of the survey's reliability highlighted deficiencies in its architecture that led to its own limitations in providing effective results. Both the survey design and its implementation were flawed, as neither had a means for combating social desirability bias. Survey best practices such as using a social desirability bias scale and the random model approach, include protocols for addressing, identifying, and combating social desirability bias

(Larson, 2018). These best practices were either overlooked or not considered by those heading the engagement survey program, which weakened the credibility of engagement survey results and left the data open to added scrutiny in the context of the research study.

Moreover, the survey findings failed to go through any form of a litmus test, there were no secondary verifications done to validate the survey findings. Had those spearheading the engagement survey project conducted interviews to gain insight into social actors' attitudes about the environment, they would have been able to make a judgment about whether the social actors or the environment were as favorable as the survey suggested. Instead, the survey data were taken at face value without a secondary audit of the data. The data was not scrutinized by those responsible for conveying the survey results and therefore were not disseminated to all levels of leadership. Interpreting the data from the surveys required an extensive understanding of data collection and how the data correlated with the site's performance data and employee feedback through other feedback channels. These additional limitations lend to the need for new and or different concepts and research methodologies necessary for strengthening future research on organizational identity dissonance.

## **Implications**

Organizations in various stages of their life cycle often look toward employee engagement as a measurable indicator of their social actors' emotional commitment. This research analyzed the results of the engagement survey of a company looking to take such an approach. Organizations in decline may look deeper into these measurements to help identify causes or symptoms associated with their declining state. Engaged social actors are more likely to be emotionally committed and therefore more motivated to work harder, as they value their work and strive to help their organization reach its goals (Croswell, 2018). Engaged social actors

also have a better understanding of their role and how it aligns with organizational goals and objectives (Osborne & Hammoud, 2017). A highly engaged workforce is therefore crucial for the financial health of an organization and can provide benefits such as increased productivity, higher customer satisfaction, higher motivation, increased sales, higher profits, and higher shareholder returns (Osborne & Hammoud, 2017). The measurement of this emotional commitment can be critical to the success of an organization's turnaround strategy.

The first implication from the research is that the empirical data supported the need to have a statistically acceptable level of redundancy in survey variables, which better supports the measurement of themed categories throughout an employee engagement survey and provides leadership a higher likelihood for identifying misalignment and strategic obstacles, specifically those stemming from identity dissonance. The data indicated that survey architecture designed to capture too many themes can fail to provide enough variables to accurately capture the climate presented in any one theme. Therefore, an engagement survey trying to capture everything may capture nothing and therefore leaves leadership relying on vague data. Business science practitioners should take this into consideration, as a more concise survey design aligned with a focused strategy will yield more accurate survey results and allow for more effective interventions.

The second implication highlights the realization of social desirability bias as a survey outcome. Organizations administering employee engagement surveys need to take environmental conditions into consideration when analyzing the results of these surveys, as indifference may be misinterpreted. The statistical analysis of the study determined the presence of social desirability bias as a reason for the inflated overall engagement scores. Considering the lingering state of decline and deteriorating resources, a secondary examination into the scores is warranted.

Drawing parallels between disengaged characteristics such as absenteeism, lack of initiative to improve, decline in quantity or quality, exhaustion, cynicism, and inefficiency (Petitta & Vecchione, 2011) and the reality of the site offers further insight into the given scores.

Operational data either supporting or opposing social desirability bias are a viable remedy to validate engagement score outliers. The reality that social actors can manipulate the use of engagement surveys to benefit their cause is apparent. For this reason, secondary validation protocols are necessary.

The third implication looks at the stress of retrenchment. Retrenchment is a prescriptive approach in turnaround strategies (Bruton et al., 2001; Khandwalla, 1993; Pearce & Robbins, 1993), and thus practitioners of business science need to be aware of how, by making this decision, organizational identity is changed, conflicting strategy can lead to performance improvement, or decline and dissonance can cause further deterioration (Jeyavelu, 2009).

Therefore, weighting the level of retrenchment against an organization's tolerance to change is critical. As Albert and Whetten (1985) noted, "It is generally easier to acquire a new identity during growth than to divest an identity during a time of retrenchment" (p. 277). Thus, a strong organizational identity may "induce organizational social actors to resist change that external stakeholders would regard as patently advantageous" (Ashforth & Mael, 1996, p. 52).

Turnaround strategies based on congruency between turnaround actions and identity add to the existing research as "congruency in turnaround actions has the potential to generate better typologies and provide managers with more effective choices" (Jeyavelu, 2006, p. 42).

Findings from the study indicate that, in order to comprehend the processes that unfold in situations of perceived organizational identity dissonance, researchers need to simultaneously recognize the internally and externally directed dynamics of identity dissonance with an

indifference component. Practitioners of business science are unable to rely on engagement survey results entirely when trying to isolate identity dissonance during periods of organizational decline and turnaround. This primarily is due to social actors' need to maintain those things that enable them to "satisfy their inherent needs to be the same yesterday, today and tomorrow" (Whetten & Mackey, 2002, p. 396).

### **Recommendations for Further Research**

A single survey may be unsuccessful in capturing the essence of what it means to have experienced organizational decline, as it is "a special case of high emotionality, complex interactions among stakeholders, managers and employees, strong contingent effects, path dependency, and choice making" (Jeyavelu, 2009, p. 42). For this reason, the study would have benefited from face-to-face interviews with social actors, including decision makers, throughout the period of decline. A dual approach, both qualitative and quantitative, would add to the depth of what it means to experience organizational identity dissonance during a period of decline and turnaround. A review of the anonymous comments from the engagement surveys would have provided a deeper sense of identity dissonance and further revealed its origin and cause. Comparing written comments against their survey responses could also be of value in isolating the origins of identity dissonance.

A more disciplined approach to survey design is essential to capturing the real emotional state of social actors. This is more likely through the use of survey design best practices and is essential to ensuring data responses are void of social desirability bias to the extent possible. Through the implementation of a social desirability bias scale such as the Marlowe-Crowne approach, researchers can effectively measure the responses of participants and distinguish the true from false (Larson, 2018). This approach can be complemented with the randomized

response model also used to prevent social desirability bias (De Jong et al., 2010). Future researchers should take into consideration varying methods for identifying and combating social desirability bias in surveys, as it poses the highest risk for data manipulation as survey participants are “highly concerned with self-presentation and will underreport socially undesirable conditions and over report socially desirable ones” (Krumpal, 2011, p. 470). Survey designs that have appropriate data collection strategies that reduce respondents’ discomfort when answering questions could generate more valid data (Krumpal, 2011) and thereby strengthen confidence in the results.

Indifference in social actors’ behaviors as identified through the data led to an unexpected characterization of organizational identity dissonance. Garnering a better understanding of how indifference infiltrates the collective identity of an organization could be of particular interest to leaders as they tackle motivational obstacles that are getting in the way of turnaround activities and operational objectives. Indifference needs to be addressed, as highlighted by Cummings and Worley (1993), who noted, “What is good for the individual is good for the organization as well” (p. 263). Therefore, eliminating indifference will benefit an organization as a whole, and it is in the organization’s best interest that its social actors are engaged if not devoted. Eliminating indifference can only be addressed after it has been identified; thus, the research could have benefited from insight into the social actors’ motivation or needs. A heightened attention to indifference would have provided a different lens through which to investigate.

Employee commitment and performance determine organizational success (Shahid & Azhar, 2013), but these elements of success are not enough if they exist in a silo. Organizational identity dissonance is being triggered from activities such as organizational decline and

turnaround. Researchers capturing the input and output effects of these triggers are better able to establish root cause and apply more effective intervention plans.

## **Summary**

The main aim of this research was to examine the organizational identity dissonance experienced by an organization's social actors in the context of organizational decline and turnaround. This was done by examining the factor structure of selected survey items from five longitudinal employee surveys during a period of decline and turnaround and then determining whether differences in those resulting factor scores occurred over 5 years. The findings identified organizational identity dissonance captured through the differences in resulting factor scores and the identification of social desirability bias.

For the Commerce site, the decline was slow and lingering as the sickness caused by decline deepened, availability of internal resources was reduced, and external resources became scarcer, which led to its inevitable sale. Many of the same social actors remain part of the new business and continue to cultivate their new identity.

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## APPENDIX



Pepperdine University  
24255 Pacific Coast Highway  
Malibu, CA 90263  
TEL: 310-506-4000

### NOTICE OF APPROVAL FOR HUMAN RESEARCH

Date: July 06, 2020

Protocol Investigator Name: Tina Dominguez

Protocol #: 20-05-1356

Project Title: ORGANIZATIONAL DISSONANCE IN THE CONTEXT OF ORGANIZATIONAL DECLINE AND TURNAROUND A QUALITATIVE CASE STUDY

School: Graduate School of Education and Psychology

Dear Tina Dominguez:

Thank you for submitting your application for exempt review to Pepperdine University's Institutional Review Board (IRB). We appreciate the work you have done on your proposal. The IRB has reviewed your submitted IRB application and all ancillary materials. Upon review, the IRB has determined that the above entitled project meets the requirements for exemption under the federal regulations 45 CFR 46.101 that govern the protections of human subjects.

Your research must be conducted according to the proposal that was submitted to the IRB. If changes to the approved protocol occur, a revised protocol must be reviewed and approved by the IRB before implementation. For any proposed changes in your research protocol, please submit an amendment to the IRB. Since your study falls under exemption, there is no requirement for continuing IRB review of your project. Please be aware that changes to your protocol may prevent the research from qualifying for exemption from 45 CFR 46.101 and require submission of a new IRB application or other materials to the IRB.

A goal of the IRB is to prevent negative occurrences during any research study. However, despite the best intent, unforeseen circumstances or events may arise during the research. If an unexpected situation or adverse event happens during your investigation, please notify the IRB as soon as possible. We will ask for a complete written explanation of the event and your written response. Other actions also may be required depending on the nature of the event. Details regarding the timeframe in which adverse events must be reported to the IRB and documenting the adverse event can be found in the *Pepperdine University Protection of Human Participants in Research: Policies and Procedures Manual* at [community.pepperdine.edu/irb](http://community.pepperdine.edu/irb).

Please refer to the protocol number denoted above in all communication or correspondence related to your application and this approval. Should you have additional questions or require clarification of the contents of this letter, please contact the IRB Office. On behalf of the IRB, I wish you success in this scholarly pursuit.

Sincerely,

Judy Ho, Ph.D., IRB Chair

cc: Mrs. Katy Carr, Assistant Provost for Research