
Who Are We? The Social Construction of Organizational Identity Through Sense-Exchanging

Administration & Society
43(4) 417–445
© 2011 SAGE Publications
DOI: 10.1177/0095399711412727
<http://aas.sagepub.com>



Bing Ran¹ and Timothy J. Golden¹

Abstract

Using Pennsylvania State University's responses to an identity threat, this article discusses the social construction of organizational identity as a negotiated outcome between various stakeholders. The authors propose four main characteristics of the social construction of organizational identity—intentional, temporal, relational, and external—that extend Ran and Duimering's demarcation of two identity construction processes: the linguistic and the social construction. The authors also provide some guidance for public institutions, universities, or nonprofit organizations as they construct, maintain, and negotiate a positive identity in the context of threatening changes.

Keywords

organizational identity, social construction, sense-giving, sense-making, sense-exchanging

“Who are we” is a question that organizations are continuously examining and reflecting on, especially during the turmoil of environmental changes that might threaten an organization's central, distinctive, and enduring characteristics that define its identity (Albert & Whetten, 1985). For example, the

¹Pennsylvania State University at Harrisburg, Middletown, USA

Corresponding Author:

Bing Ran, Penn State Harrisburg, W160A Olmsted Bldg.,
777 W. Harrisburg Pike, Middletown, PA 17057, USA
Email: bingran@psu.edu

2008-2009 economic recession placed fiscal stress on public, nonprofit, and private organizations. This unforeseen environmental change, signaled by falling revenues at the local, state, and federal levels, has especially threatened the existence and legitimacy of organizations reliant on government funding, leading these organizations to reexamine and negotiate their identities in relation to their internal and external environments. Situations such as this provide a good opportunity to study how organizations socially construct their identities via negotiations with their stakeholders to influence how external constituents evaluate their legitimacy (Suchman, 1995), which in turn affects the ability of organizations to access needed human and material resources for their survival (Pfeffer & Salancik, 1978). This article will focus on the characteristics of how organizations answer the question of “who are we” and socially construct their identity via negotiations with organizational stakeholders.

In the following sections, we will first review and extend theoretical arguments on the nature of organizational identity and identity construction with the focus on how identity threats impose an urgent need for stakeholders to reexamine the core characteristics of an organization. Next, using an example of how Pennsylvania State University (PSU) responded to an identity threat and negotiated with state and federal governments on its public nature as a central, distinctive, and enduring characteristic, we will discuss the social processes of identity construction and propose a framework to understand the characteristics of this social process. Finally, we will discuss the implications of our findings for public and nonprofit organizations to construct, negotiate, and maintain a positive image or identity in a tumultuous environment.

Organizational Identity: Central, Distinctive, and Enduring Characteristics

The concept of organizational identity was originally proposed in the literature to refer to those features of an organization that are central, distinctive, and enduring (Albert & Whetten, 1985). However, this definition raises theoretical questions related to the particular point of view or perspective from which an organization’s identity is defined. Because different stakeholders perceive, and conceive of, the same organization differently, organizations may be viewed as having multiple identities depending on the perspective taken (Harrison, 2000; Pratt & Foreman, 2000). Based on this observation, later researchers proposed several closely related constructs to account for diverse perceptions and points of view (Porter, 2001; Whetten & Godfrey, 1998). For example, Dutton, Dukerich, and Harquail (1994) distinguished among collective identity, perceived organizational identity, organizational reputation, and construed

external image, whereas Gioia and Thomas (1996) noted that the term identity has generally been used in the literature to refer to the perceptions of internal stakeholders, while reputation and image have been used to refer to the perceptions of outsiders.

As the organizational identity literature expanded, scholars sought to clarify different theoretical understandings and sort through overlapping terminology (Corley et al., 2006; Elstak, 2008; Ravasi & Schultz, 2006; van Rekom, Corley, & Ravasi, 2008; Whetten, 2006). Though identity scholars agree that an organization's identity becomes important when it faces the question "who are we as an organization," there are distinct theoretical differences about how organizations answer that question. Ravasi and Schultz (2006) have identified two camps in the debate over organizational identity: those who see organizational identity as a social construction and those who see organizational identity as an essential characteristic of a social actor—the organization. Corley et al. (2006) acknowledged a similar divide among those who believed organizational identity represents a metaphorical characteristic—that identity is a social construction—and those who see identity as phenomenological—a tangible attribute of a social actor. Whetten (2006) recognized the contributions of the metaphorical treatment of organizational identity but supported the social actor viewpoint. Understanding an organization as a social actor helps define identity claims and identity referent discourse and separates identity from culture, image, and identification (Whetten, 2006). Elstak (2008) recognized the two perspectives—calling them social constructionist and institutionalist—and called for more emphasis on empirical testing through the institutionalist, or social actor, optic.

Specifically, the main tenets of the social actor camp focus on what organizations claimed as their central, enduring, and distinctive characteristics (Ravasi & Schultz, 2006). Organizational leadership uses a sensegiving process that identifies for organizational members what characteristics make up the organization's identity. Whetten (2006) outlined three core features he believed would help clarify the social actor viewpoint. First, not all identity claims signify organizational identity. Claims of one characteristic (such as distinctiveness) only relate to identity when they possess the other two characteristics (such as central and enduring). Second, only the identity of an organization matters; identities of members in organizations should be addressed separately. The question of who speaks for an organization is answered by the fact that organizational members assume a different perspective when speaking on behalf of the organization. Third, organizational identity is not organizational image or organizational culture; identity referent discourse only occurs in certain circumstances. Czarniawska (1994) asserted that organizational

identity is analogous to individual identity, based on which organizational narratives and autobiographies constitute organizational identity claims. These narratives are similar to Whetten's identity claims from member agents acting on behalf of the organization. From the social actor perspective, identity claims from leadership and management influence organizational members' understandings of the organization's central, enduring, and distinctive characteristics (Ravasi & Schultz, 2006).

In contrast, the social constructionist perspective believes organizational identity is the result of members' collective perceptions and shared understandings of what characteristics are central, distinctive, and enduring (Ravasi & Schultz, 2006). Internal and external changes lead organizational members to periodically update their perceptions about an organization's identity. During periods of organizational change, members are required to make new sense of an organization's existing identity. These understandings can coincide with management's identity claims, but members form them independently. Dutton and Dukerich's (1991) examination of the Port Authority showed how external changes challenged employees' perceptions of their organization's identity and led them reconsider the organization's identity. Gioia and Thomas (1996) identified management's creation of a future image as a stimulus that destabilized a university's identity to aid them in interpreting events relating to the organization as strategic or political. Alvesson and Empson (2004) also understood organizational identity as a result of broad agreement in the way organizational members perceive key characteristics of the organization. Hatch and Schultz (2008) interpreted organizational identity as a dynamic entity—stakeholders constantly reassess the characteristics of an organization, thereby ensuring the identity of the organization is in flux. From the social constructionist perspective, organizational members use a sensemaking process through their identity claims to collectively construct what characteristics are central, distinctive, and enduring.

Despite these theoretical differences, organizational identity scholarship has called for an integration of these two perspectives to increase organizational identity's utility (van Rekom et al., 2008). In an effort to incorporate both lenses, some scholars have put forth the idea that organizational identity is a result of members' collective interpretations of the identity claims made by the organization as a social actor (Elstak, 2008; Ran & Duimering, 2007; Ravasi & Schultz, 2006). Ravasi and Schultz (2006) understood "organizational identities as dynamically arising from the interplay between identity claims and understandings" (p. 436). Ran and Duimering (2007) theorized that

Organizational identity is related to the way people classify an organization into social or conceptual categories. Some of these categories

may refer to what people perceive as an organization's attributes; other categories refer to the social or organizational groups in which the organization is perceived to be a member. (p. 163)

This relationship represents sensegiving (how organizational leaders construct identity through identity claims), sensemaking (how organizational members interpret what those claims and external events mean regarding identity), and sense-exchanging (how organizational stakeholders' perception and interpretation further construct and contribute to the identity consensus). Clearly, more extensive incorporation of the social actor perspective and the social constructionist perspective across organizational identity literature may allow for more empirical testing (Elstak, 2008). More empirical testing could determine how closely identity claims and member conceptions coincide (Ravasi & Schultz, 2006), which will further strengthen the link between these two perspectives. To frame the connection between theoretical perspectives in terms of identity construction and members' conception of identity claims, or sensegiving, sensemaking, and sense-exchanging, we need to further explore organizational identity construction and identity threat literature, which we turn to next.

Identity Construction via Identity Claims When Facing Threats

Understanding how organizations respond to identity threats provides strong evidence about how members', management's, and other stakeholders' identity claims interact to construct a consensus of organizational identity. Identity threats are situations in which the organizational characteristics generally understood as central, distinctive, and enduring are challenged, subsequently provoking strong reactions from organizational members (Jacobs, Christe-Zeyse, Keegan, & Polos, 2008). Many theorists have examined sensegiving or sensemaking identity processes that connect top management with organizational members and external stakeholders (Corley & Gioia, 2004; Elsbach & Kramer, 1996; Ginzler, Kramer, & Sutton, 1992), but more research is needed on the sense-exchanging process, whereas different conceptions of organization are negotiated to socially construct the identity of an organization. Organizational identity also comes to the fore when an organization faces difficult "fork-in-the-road choices" (Whetten, 2006, p. 221) whose decisions could fundamentally redirect the organization. Situations such as organizations facing threats to their identity and their continued legitimacy represent these fork-in-the-road choices. Understanding how organizations respond to identity threats via identity claims and how stakeholders perform sensegiving,

sensemaking, and sense-exchanging acts helps create a foundation for combining the social actor and social constructivist perspectives.

For example, Ginzler et al. (1992) explained how organizational leadership negotiated with organizational members regarding the content of organizational identity claims to deal with identity threats. Elsbach and Kramer (1996) looked at how organizational members made sense of identity threats in the form of school rankings. By recategorizing their schools to highlight more favorable characteristics, members focused on different aspects of organizational identity than those highlighted in the rankings. Members neither tried to influence external conceptions nor change internal characteristics—rather they conceived similarities between their organization's identity and positively regarded identity characteristics of other universities.

Ravasi and Schultz (2006) understood identity claims (sensegiving) and member interpretations (sensemaking) as parts of the organizational identity construction process. This represents a new contribution to the relatively sparse organizational identity construction literature (Alvesson & Empson, 2004; Dhalla, 2008; Ran & Duimering, 2007). As a result of this theoretical gap, recent organizational identity literature has attempted to describe how organizations construct their identity. Some researchers have tried to create frameworks for understanding the process of organizational identity construction (Corley & Gioia, 2004; Scott & Lane, 2000). Scott and Lane (2000) proposed that managers and stakeholders have reciprocal relationships in which they interpret organizational activities, create organizational images, and respond to feedback. Corley and Gioia (2004) described the steps an organization goes through as it changes its identity and constructs a new identity. In their study, due to confusing messages from organizational leaders and legally imposed communication restrictions, employees were unable to make sense of, or to clearly perceive, the new organization's identity. This lack of clarity created a climate in which strong identity construction became necessary. Accordingly, leaders reacted to the sensegiving imperative with increased communication about the organization's identity and constructed its identity in a three-step process—identity ambiguity, identity change context, and sensegiving imperative.

One important framework proposed by Ran and Duimering (2007) explicitly focused on identity construction via identity claims. By critically analyzing the essentialist assumptions underlying most identity conceptions, they proposed that rather than assuming the existence of a fixed set of essential properties that constitute an organization's identity independent of stakeholder interest or point of view, it will be more fruitful to study how stakeholders use language to construct identity in accordance with their own interests. Identity

claims, they argued, do much more than simply classify organizations as members of conventional, institutionalized social, or industrial categories. Identity claims establish an idiosyncratic system of value-laden categories; position the organization positively or negatively within these categories; project images of identity movement and transformation; construct past, present, and future identities; and define the organization in terms of categories reflecting its actions and interactions with other individuals or organizations whose identities are also constructed through the identity claims. They proposed two distinctive yet interdependent processes of identity construction, the linguistic construction and the social construction:

Because organizations are social constructions, the attributes deemed to constitute their identities reflect the outcome of a negotiated social process of claims and counterclaims made by diverse organizational stakeholders, potentially resulting in a degree of consensus around a particular version of an organization's identity (Berger & Luckmann, 1966). As an explicit attempt to define an organization's official identity, a mission statement is only one claim among others that may or may not articulate or influence stakeholders' perceptions of the organization. Imaging (the linguistic construction) and the social construction of organizational identity, therefore, reflect interdependent but different processes that function on different timescales and reflect different theoretical units of analysis. (Ran & Duimering, 2007, p. 180)

However, the framework that Ran and Duimering (2007) proposed is exclusively focused on the linguistic construction of organizational identity while leaving social construction unexplained. They called for further studies of social construction processes, the process of sense-exchanging, "to explore the language used to socially construct organizational identity in situations in which various stakeholders with competing points of view disagree on how to categorize an organization" (Ran & Duimering, 2007, p. 181) and to "examine how the identity claims of diverse constituents interact and change as a particular version of an organization's identity becomes institutionalized over time" (Ran & Duimering, 2007, p. 181).

Corresponding to Ran and Duimering's (2007) call for more study on the social construction of organizational identity, Dhalla (2008) proposed multiple factors that organizations could manipulate or control during identity construction (e.g., media, awards, rankings, and communications, board, managers, and human resource management practices). Similarly, Alvesson and Empson (2004) identified four substantive qualities targeted during the construction of

an organizational identity. These qualities—an organization's knowledge, management and members, personal orientation of members, and external interface—help an organization construct its identity as it changes over time. Although these studies laid a solid foundation toward a better understanding of the factors that influence the social construction of organizational identity, scholars are still not as clear about the processes of social construction as compared with linguistic construction. What are the characteristics of the social construction of organizational identity? How are identities socially constructed? Building on the current knowledge of identity construction, this article explicitly studies the characteristics of the social construction of organizational identity via identity claims when an organization is facing an identity threat.

In this article, we longitudinally examine PSU's response to an identity threat when PSU's state appropriation for 2010 was drastically reduced and Pennsylvania's governor made claims about PSU's identity as nonpublic university. Identity claims from key external stakeholders (the state government) forced PSU to interrogate whether a public character was really part of PSU's organizational identity. University leadership and organizational members, from students to concerned Pennsylvanians, responded to the threat with their identity claims and identity conceptions about who PSU is as a university. Through this lens, we propose four characteristics of this social construction when identities are dynamically constructed in response to threats through the sense-exchanging process of identity claims and counterclaims.

A Narrative History of PSU's Identity Negotiation

PSU has 24 campuses with more than 92,000 students, 77% of whom are from the state (PSU, 2009c). PSU's unique history is a result of both its independence from and reliance on Pennsylvania's state government. A special act of the Pennsylvania legislature in 1855 described PSU as "the instrumentality of the Commonwealth to perform the essential governmental functions of education" (PSU, 2002, p. C-1). In 1863, Pennsylvania selected PSU as the state's only Land-Grant university and established a source of revenue that went directly and only to PSU (PSU, 2009a). PSU, in turn, agreed to keep tuition affordable for average citizens and to provide benefits for the state through teaching, research, and public outreach (PSU, 2009b). However, in the last half of the 20th century, as the cost of higher education increased, PSU began relying on tuition and fees as its main revenue source while state appropriations decreased to just 25% of PSU's general budget (Spanier, 2004). Because of this changing financial relationship with the state, PSU

began identifying itself with “state-related universities” like the University of Pittsburgh and Temple University. At the same time, state appropriations began to favor 14 state-owned universities, rather than PSU. State-owned universities are in the Pennsylvania State System of Higher Education (PASSHE). Their trustees are appointed by the governor and their budgets are wholly controlled by the state government (PASSHE, 2009).

The 2008-2009 recession forced Pennsylvania’s government to make drastic budget reductions to balance the state’s budgets for fiscal years 2009 (FY2009) and 2010 (FY2010). In December of 2008, Pennsylvania’s government eliminated US\$500 million in FY2009 appropriations to close its budget gap (Governor’s Budget Office, 2008). In response to fears of revenue shortfalls in February of 2009, Governor Rendell demanded US\$500 million further cuts in FY2010 budget. Although FY2010 began on July 1, 2009, political battles over these extra funding cuts delayed passage of the state’s budget and forced Pennsylvania to operate without a FY2010 budget for 101 days. Finally, on October 9, 2009, the legislature passed, and Governor Rendell signed the state’s FY2010 budget (Governor’s Budget Office, 2009a). Despite passing the budget, the legislature only finalized PSU’s state appropriation on December 17, 2009 (Penn State Live, 2009d), 172 days late. During this budget dilemma, actions and statements from Governor Rendell’s administration created questions about the status of PSU’s state funding and the nature of PSU’s identity as a public institution, forcing various PSU stakeholders to continually construct and negotiate PSU’s identity in response to the identity threats.

We collected and analyzed the representative identity claims authored and initiated by all major stakeholders of PSU during this period. Data included PSU’s official publications (statements and documents from PSU’s President, Spanier, press releases, statistics, an institutional history, mission statements, and other identity information about PSU); budget information from Governor Rendell’s Office of the Governor website; members of Congress’ identity claims on PSU’s identity; news coverage from Pennsylvania’s major newspapers (*The Philadelphia Inquirer* and *Pittsburgh Post Gazette*) and newspapers that circulate in close proximity to PSU (*Centre Daily Times* and *The Daily Collegian*); news readers’ comments from PSU students, PSU alumni, concerned Pennsylvanians; and finally, influential blogs from students, alumni, and other Pennsylvanian residents, which offered extended identity conceptions.

To build a narrative history of how PSU negotiated and responded to governmental challenges to PSU’s public identity with its major stakeholders, we divided the timeline into 3 segments. From December 1, 2008 to February 4, 2009, PSU responded to a US\$20 million budget cut in the middle of FY2009.

Between February 4, 2009 and June 25, 2009, PSU's community responded to Governor Rendell's initial FY2010 budget plan. Finally, after June 26, 2009, leaders and members addressed PSU's identity when a second, larger cut reduced PSU's FY2010 state appropriation and PSU was excluded from the state's application for federal stimulus funds.

December 2008 Budget Cuts

As part of US\$500 million state-wide budget cuts in December 2008, Governor Rendell reduced PSU's FY2009 state appropriation by 6.0% from US\$338 million to US\$318 million (Governor's Budget Office, 2009b). This is the first stage in PSU's identity crisis, although the conflict had not yet been framed in terms of PSU's public character. The state government addressed the FY2009 budget shortfall without changing its claims about the public nature of PSU. However, Governor Rendell laid the groundwork for future claims about PSU's identity by emphasizing that though independent agencies like PSU could not be directly controlled by states, they needed to help the state navigate the economic crisis by spending less, which later became a point of contention between PSU and Rendell administration.

PSU's President Spanier addressed Rendell's midyear budget freeze in a speech to the PSU community on January 7, 2009. Spanier reiterated that PSU relied on Commonwealth appropriations and tuition as the main sources of funding for educational costs throughout the University. He assured the PSU community that the state funding cut was temporary. Spanier believed PSU's FY2010 appropriation hearing would enable PSU to restore funding to its original FY2009 level—US\$338 million. He also dismissed the idea that PSU would resort to tuition increases to replace lost state funding (Spanier, 2009a).

Based on Spanier's statements, PSU did not classify this budget cut as a legitimate threat to PSU's identity. Accordingly, PSU's conception of its organizational identity remained rooted in its history as a semipublic institution. Spanier noted that "some of Penn State's budget comes from the Commonwealth of Pennsylvania's appropriations" and that the rest of PSU's funding comes from tuition (Spanier, 2009a). This statement allowed the importance of state funding for PSU to remain ambiguous. Similarly, although Spanier believed "a cut of this magnitude [would] be felt University-wide" he assured students that the administration did "not feel it appropriate to plan on a tuition increase for next year" (Spanier, 2009a). Although difficult to deal with, this budget freeze did not seem to threaten the University's legitimacy nor call into question its nature as a public or private institution. Because Spanier promised to "continue to operate Penn State as seamlessly as possible," it is clear that the

administration felt no reason to reevaluate their identity conceptions regarding PSU's public character (Spanier, 2009a).

Likewise, other stakeholders did not find Rendell's midyear budget freeze or Spanier's January speech as reason to reevaluate their conception of PSU's organizational identity. A lack of comments from PSU students, alumni, or Pennsylvanians on news stories or PSU-related blogs shows that PSU's identity had not been threatened and members did not feel a need to create new identity understandings. However, over time, as external economic conditions worsened and the Rendell administration's construed external image of PSU deteriorated, the PSU community began to perceive a threat to the university's identity.

February 2009 Budget Cuts

The first legitimate threats to PSU's identity occurred after Governor Rendell's FY2010 budget proposal on February 4, 2009. Governor Rendell requested that PSU receive US\$318 million—6%, or US\$20 million, less than PSU was initially awarded at the beginning of FY2009 (Governor's Budget Office, 2009b). Different from all the state-related universities who received 6% reductions in their FY2010 appropriation, state-owned universities had their FY2010 appropriation request restored to its initial FY2009 amount. Rendell's decision to cut PSU's budget and restore the budget of state-owned schools clarified Pennsylvania's interpretation of PSU as decidedly not state owned. A state spokesman said that Rendell "felt that the 14 state system schools [had] done a better job in containing their costs and minimizing the increase in tuition" (Cirilli, 2009). Furthermore, Rendell excluded PSU students from receiving tuition benefits under the state's Tuition Relief Act and only allowed students at state-owned universities to receive these tuition breaks. Rendell justified PSU students' exclusion on the grounds that state-related universities "are not fully public universities" because the state does not control tuition and other financial decisions (Schackner, 2009). These identity claims threatened PSU's public character and caused PSU administrators and students to reevaluate their conceptions about the university's identity.

PSU's administrators believed Governor Rendell's FY2010 budget cut of US\$20 million represented a legitimate threat to PSU's identity. As a result, PSU's administration reconsidered its conception that PSU operated as a public institution. In a March budget hearing at the state legislature, Spanier "worried about the structural problem within the budgets that may exist one or two years hence" if PSU's appropriation was not brought back to its initial FY2009 level (Penn State Live, 2009a). State support, according to Spanier, constituted

a major reason for PSU's ability to operate. President Spanier also questioned the viability of PSU's largest public outreach program—the PSU Cooperative Extension. Without a specific line item in the state's budget, Spanier worried that the extension's agricultural research, which “is so important to Penn State and the Commonwealth” (Penn State Live, 2009a), would suffer. Spanier classified this public service program as a vital part of PSU's public identity.

In February, students reacted to PSU's budget cut with concern that it threatened their ability to attend school. At a rally in PSU, student leaders called for the state to restore PSU's budget and to include PSU students in the Tuition Relief Act (Cirilli, 2009). One senior student leader claimed that Rendell's actions threatened to send PSU students into a “dark period” and showed “blatant ignorance in excluding Penn State students” (Cirilli, 2009). Another worried that higher tuition could prevent future Pennsylvanians from attending PSU in the future. Their collective interpretation of Rendell's actions showed that they perceived state funding as a main component of the public nature of PSU's identity. Without financial support from the legislature, students questioned what kind of university they really attended.

June 2009 Budget Cuts and Exclusion of PSU From State Fiscal Stabilization Fund (SFSF)

As Pennsylvania's economy worsened, Governor Rendell requested US\$500 million more spending cuts in FY2010 spending and reduced PSU's appropriations request by a further US\$40 million, dropping PSU's funding to US\$277 million—12.8%, or US\$60 million less than FY2009 (Governor's Budget Office, 2009c). Simultaneously, Rendell excluded PSU from Pennsylvania's application for federal SFSFs—meaning the university would have no federal funds to replace reduced state funding. These two actions constituted the strongest threats to PSU's identity as a public university. Rendell's justifications for these steps and the ramifications of his decision forced administrators, students, and unaffiliated Pennsylvanians to reconsider their conceptions about PSU's central, distinctive, and enduring characteristics.

The federal government intended for states to use SFSF to prevent budget cuts to primary, secondary, and higher education. When rationalizing which institutions of higher education would receive funding, Pennsylvania took the position that

The Commonwealth's “state-related universities” are excluded from all calculations for purposes of the State Fiscal Stabilization Fund. While these four institutions receive limited taxpayer support, they do so

through a “non-preferred appropriation” which is defined as “an appropriation to any charitable or educational institution not under the absolute control of the Commonwealth.” (Rendell 2009, p. 14)

Rendell’s decision to exclude PSU and state-related universities from SFSF represented the belief that these schools were nonpublic universities because they are not “under the absolute control of the Commonwealth” (Rendell, 2009, p. 14). Rendell manipulated the SFSF application as an attempt to remedy Pennsylvania’s FY2010 budget crunch. By replacing US\$54 million of state funding for state-owned universities with US\$54 million in SFSF, Rendell kept state-owned universities fully funded to their FY2009 level (Governor’s Budget Office, 2009b). At the same time, by excluding state-related universities such as PSU from the SFSF application, the Governor ensured that these universities would not receive federal support to replace reduced state funding.

In response to Governor Rendell’s June actions, PSU’s administrators reevaluated their conception of PSU’s central, distinctive, and enduring characteristics. One PSU spokesperson reinforced the importance of state funding for PSU when they qualified Rendell’s actions as “a catastrophic cut to the university” (Schackner, 2009). President Spanier penned a letter to Secretary of Education, Arne Duncan, and asked him to deny Pennsylvania’s application for SFSF. Spanier appealed to the spirit of the American Recovery and Reinvestment Act (ARRA), noting that SFSF funds intended to aid students at universities supported by state tax revenue. The language of the SFSF, they noted, allowed federal money to be used to support public institutions, and state-related universities are under this umbrella, arguing that classifying PSU as a “nonpublic” university because it is not under the absolute control of the state is arbitrary and destructive (Spanier, 2009b).

As PSU’s community digested Rendell’s US\$60 million budget cuts, PSU’s institutional identity conception continued to develop. On July 1, PSU’s official news source worried that without federal stimulus funds, Rendell’s budget cuts would cause “dramatic changes in the character of Penn State and the way it operates or a massive tuition increase for students” (Penn State Live, 2009b). In accordance with Spanier’s letter to Duncan, PSU asserted that the Governor’s exclusion of PSU from SFSF amounted to a declaration that PSU was no longer a public university (Penn State Live, 2009e). PSU refuted Rendell’s claim by citing its long history of service to the state and its people, legislative actions, legal decisions, and the University’s founding as the only Land-Grant institution in Pennsylvania in 1860s (Penn State Live, 2009b).

Budget cuts also threatened PSU’s tuition structure—something administrators perceived as an important marker of PSU’s public identity. If the state

legislature passed a version of the budget that included US\$60 million reductions to PSU's funds, then the Board of Trustees would have implemented tuition increases of 9.8% for some students (Penn State Live, 2009e). An increase in tuition would make PSU more reliant on private funds rather than public funds. Importantly, a defining part of PSU's public nature was its affordability and accessibility to Pennsylvania students. Under the Land-Grant Act, PSU agreed to make an education affordable to those of "average financial means" and PSU carried this task as its central, enduring, and distinctive characteristic (PSU, 2009a).

Strong identity threats in the form of June budget cuts and exclusion from the SFSF application also prompted many organizational members to reinterpret their conceptions of PSU as a public university. They voiced and negotiated their identity conceptions collectively through various discourses. Some organizational members' identity understandings reflected their belief that PSU was not a public university and PSU had strayed from its public mission. Others perceived that Pennsylvania's actions negatively affected an important public institution.

Important governmental stakeholders also contributed their identity conception to negotiations about PSU's public identity. Specific political concerns dictated the direction of these governmental actors' identity conceptions. A total of 14 Congressmen asked Secretary of Education, Arne Duncan, to reject Pennsylvania's SFSF application based on their belief that building on the university's statutory and case law history, PSU as well as the other three "state-related" universities are public institutions and are qualified to receive federal funds under the intent of the SFSF. Furthermore, the congressmen intended to "shield students from tuition hikes" and worried "an arbitrary re-definition of these Universities as non-public, simply because the institutions are not 'under the absolute control of the Commonwealth,' sets dangerous precedent" (Holden et al., 2009).

Similarly, the Department of Education's (DOE) conceptions regarding PSU's identity were directed by its desire to provide federal funds for institutions of higher education affected by state budget shortfalls. The ARRA law mandated that federal funds be used to prevent tuition increases at public Institution of Higher Education (IHEs)—and the DOE's conception of PSU as a public university allowed PSU to enact its lower tuition scenario. The DOE rejected Pennsylvania's application for SFSF on July 15. By mandating that Pennsylvania resubmit its application and include PSU in calculations, the DOE claimed PSU was a public university. In an email from the DOE to the state, the DOE asserted that PSU had to be considered a public institution of higher education and was eligible to receive stimulus funding (Chute, 2009).

An “End” to Identity Construction Under Threats

After the DOE’s decision to reject Pennsylvania’s SFSF application, PSU’s Board of Trustees decided to increase tuition by 4.5%, which represented the lower option of tuition increases as proposed by PSU’s Board of Trustees (Penn State Live, 2009c). PSU finally received its state appropriation on December 17, 2009, nearly 6 months after the fiscal year began. Including US\$16 million of federal funds, PSU’s appropriation totaled US\$334 million, just US\$4 million short of PSU’s appropriation from FY2009 (Governor’s Budget Office, 2009a). Governor Rendell restored support to PSU and ended the threat to PSU’s identity as a public organization.

The Characteristics of Social Construction of Organizational Identity

As recognized in organizational identity literature, negatively construed external images can affect an organization and its members so profoundly that they are forced to reexamine what they conceived were the organization’s central, distinctive, and enduring characteristics. The threats associated with an agreed-on identity characteristic will strongly influence an organization’s performance because its performance depends on perceptions of its legitimacy (Suchman, 1995), which in turn affects its ability to access needed resources (Pfeffer & Salancik, 1978). Thus, organizations have a strategic interest in establishing and maintaining an identity destined to be positive in relation to institutionalized consensus.

Extending Ran and Duimering’s (2007) framework on linguistic construction of organizational identity, we analyzed situations where stakeholders with competing points of view disagreed on how to categorize an organization through their identity claims. The longitudinal studies we conducted examined how the diverse identity claims of various stakeholders interacted and changed over time due to changes in organizational environments as institutionalization processes unfolded. We analyzed the language of these identity claims over time that represent stakeholders’ identity conceptions with focus on how multiple stakeholders with different points of view made competing identity claims in an elaborate process of social interaction and negotiation. This sense-exchanging eventually resulted in a degree of consensus around a particular version of an organization’s identity—the social process of identity construction. Based on this analysis, we propose a framework composed of four characteristics inherent in the social construction of organizational identity—intentional, temporal, relational, and external.

Identity Construction is Intentional

Identity claims authored by organizational spokespersons and other stakeholders could be considered as “political-strategic” acts aimed at defining the organization for various audiences or purposes. These claims, although may be mutually “compatible, complementary, unrelated, or even contradictory” (Albert & Whetten, 1985, p. 267), serve an idiosyncratic purpose. We analyzed how specific motivations influenced how organizational leaders created identity claims and how members conceptualize identity characteristics. Clearly, organizational leaders’ reevaluation of PSU’s identity was motivated by a desire to restore state appropriations. The US\$60 million reduction in state funding threatened PSU’s proper existence, and a shift in state funding jeopardized the future financial relationship between PSU and the Commonwealth—possibly creating conditions that would make an overhaul of PSU’s budget and revenue system necessary. These possible negative consequences motivated PSU’s administrators to find evidence that PSU was in fact a public university entitled to state support by referencing its legal-historical-financial relationship to the state, tangible benefits accrued by the state directly related to PSU, treatment of PSU’s employees as state employees, PSU’s tax exempt status, and characteristics of PSU’s student population. Similarly, desires to prevent tuition increases and to maintain PSU’s role in supporting Pennsylvania acted as a goal that directed how other stakeholders (students, alumni, and other concerned Pennsylvanians) conceptualized PSU’s organizational identity and influenced where stakeholders looked to construct their version of the organization’s identity.

Interestingly, organizational identity formulated by stakeholders did not always mirror institutional identity claims. For some stakeholders, a belief that PSU needed to return to its central mission of providing affordable and high-quality education motivated a search for actions and characteristics that facilitated construing PSU’s identity as nonpublic. They hoped that labeling PSU nonpublic would serve as a wake-up call to administrators and catalyze a return to PSU’s Land-Grant mission. Motivated by this goal, these stakeholders cited PSU’s overconsumption of resources as evidence for its nonpublic character. One representative viewpoint, voiced by “MadPSU Alum”, believed that PSU strayed from its roots as a Land-Grant university and intentionally construed PSU’s identity as nonpublic, saying

Penn State has abandoned its land grant and public institution missions in pursuit of prestige. It is now the most expensive “public” in the nation and they continue to attract wealthier and wealthier students. They only

claim to be public when it comes appropriation time. The rest of the year they claim not to be public. Until PSU makes the hard decisions to start focusing on its original mission of being an access point for a postsecondary education and start acting like a partner with the state in creating opportunity and success for everyone the pocket book should be slammed shut. (*Inside Higher Education*, 2009)

Clearly, the motivations, goals, and the intentional nature of the stakeholders who authored various identity claims, which might disagree, dominated how they constructed their versions of identity during the identity negotiations in the sense-exchanging processes.

Identity Construction Is Temporal

Organizational identities are constructed as a negotiated outcome when organizations respond to events that occur at discrete points in time. During periods of identity construction, organizational stakeholders may revise and manipulate historical understandings of organizational identity characteristics to shape identity claims and conceptions based on their idiosyncratic goals and intentions. Identity construction processes at different points in time represent independent events that draw from, but are not necessarily reliant on, earlier identity conceptions. Rather, institutional claims and member conceptions are based on selective aspects of an organization's history to inform and guide current identity construction. Previous research has found that identities, rather than enduring for long periods of time, can adapt quickly to meet environmental changes (Gioia, Schultz, & Corley, 2000; Gioia & Thomas, 1996; Gustafson & Reger, 1995). Organizational leaders may create temporal identity discrepancies (Corley & Gioia, 2004) or base their identity claims in historical evidence and characteristics to strengthen identity claims related to current identity threats (Gioia et al., 2000; Jacobs et al., 2008; Ravasi & Schultz, 2006). What we found in PSU's identity negotiation is that all stakeholders manipulate a selective set of "facts" or historical evidences to construct their idiosyncratic version of PSU's identity. Our analyses reveal how identity claims merged with member conception and are temporally dynamic. Stakeholders' unique motivations created identity claims and conceptions related to, but not necessarily replicated from, earlier identity understandings—a characteristic of social reconstruction and reinterpretations of the organizational history and tradition in support of certain interpretations and current orientations.

For example, although administrators used legal-historical-financial facts to support their version of PSU's identity, other stakeholders who felt

ambivalent about PSU's public character often relied on interpretations of past events ignored by organizational leaders and conceptualized PSU's identity in terms of its utilitarian orientation. Although PSU's administrators referred to its public service origins as identity referents, bloggers and many online commenters highlighted other historical identity referents as evidence of their conceptions that PSU was no longer a public university. Specifically, many organizational members referred to President Spanier's 2007 statements addressing PSU's relationship with the state and the general public. In response to the introduction of Right to Know Legislation, Spanier argued that PSU did not have to disclose employee salaries or details of "contracts with private industry" as a result of PSU's independence from the state. Spanier said that Right to Know Legislation

Goes far beyond making Penn State accountable for how it spends public funds. Should such legislation pass, we would be treated as if we were part of state government, as if we were a state agency. We are not. We are a university that operates in a highly competitive environment. (Spanier, 2007)

Organizational members construed Spanier's statements as proof that PSU considered itself a nonpublic university. Using this historical context, one blogger conceived PSU's identity during its 2009 crisis as decidedly nonpublic and complained, "Penn State is public? Let's get this straight. When Old Main wants to dodge accountability, Penn State is private. When Old Main wants some government money, Penn State is public" (Left of Centre, 2009). As a result of PSU's earlier claims of independence from the state, the blogger perceived that PSU was not entitled to state appropriations in 2009. These organizational stakeholders substantiated identity conception of PSU as a nonpublic university based on past events that conflicted with current identity claims from PSU administrators. In this sense-exchanging process, it is clear that the social construction of identity is temporal in nature because the goal-oriented identity construction dictates how past identity claims and evidence are utilized for the current purpose.

Identity Construction is Relational

Organizational identity construction is a process driven by an organization's relation to its internal and external stakeholders, environmental changes, and institutional fields. Identity claims and conceptions from leaders and members construct an organization's identity that both facilitates and defines

an organization's interactions with its relations. In their study of a spin-off company, Corley and Gioia (2004) found that social referents helped an organization determine its identity, and when those social referents changed, an organization's identity needed to change as well. As such, both organizational leaders and organizational members created comparisons and connections with outside organizations to advance identity claims and member conceptions. In our analysis of PSU's identity negotiation, relationships with PSU's organizational environments and major stakeholders influenced identity claims and member conceptions. Some stakeholders argued that tangible benefits, including PSU's community outreach and its large workforce, were perceived as improving the public and benefiting the state's economy. Furthermore, they believed that PSU's reputation as an internationally respected university created a positive public benefit unmatched by the 14 state-owned universities. Others also constructed PSU's public identity according to a relational comparison with PASSHE schools. They construed PSU as public because PASSHE schools do not contribute significantly to the visibility of the State and they bring in very little revenue from out of State. These identity conceptions focused on PSU's value to the state and favorable comparisons to PASSHE schools as determinants of PSU's public identity.

In the same sense, state-related universities became relational points of comparison for organizational leaders. President Spanier bolstered claims of PSU's public identity by both aligning PSU with state-related universities and showing how the state-related universities diverged. In his letter to Secretary Duncan, Spanier noted that collectively classifying state-related universities as nonpublic represented a loss of "\$41,946,000 for the four institutions" (Spanier, 2009b); but at the same time, attached to the letter, Spanier included legal-historical information about PSU's Land Grant, tax exempt, and employee status as evidence that showed PSU's public character extended beyond the other three state-related universities.

Identity construction is also relational to environmental changes—here the economic recession of 2008-2009. PSU framed its identity by placing the institution in a broader economic context; economic factors also changed the nature of students' reactions. Pennsylvania's classification of PSU as nonpublic resulted in Rendell excluding PSU students from the Tuition Relief Act. One student noted that "a number of [students' parents] have lost their jobs" in the recession and that PSU should be classified as a public university so that students can continue their education (Cirilli, 2009). Clearly, identity construction does not occur in a social vacuum. The nature of an organization as a social product defines the relational characteristic of its identity construction—it has to define itself in relation to all the factors influencing its existence.

Identity Construction is Externally Oriented

The last characteristic of the social construction of identity is its external focus. The results of the identity construction process are always communicated externally, and leaders and members have an external audience in mind throughout the sense-exchanging process. Negotiations between identity claims and member conception produce an identity consensus that is projected to external stakeholders to influence external events and decisions. Clearly, PSU's organizational leaders and organizational members both intended for their identity claims and conceptions to have an external effect. Dhalla (2008) claimed that organizations construct positive identities by focusing on external communication, and this external communication can be used "to persuade the external audiences to perceive and judge the organization" in a way consistent with the organization's claimed identity (Dhalla, 2008, p. 252).

The negotiation of identity within PSU as an organization intended to influence Pennsylvania's government and the federal government about the public nature of PSU's identity. By arguing that PSU's public character was an essential and historical part of PSU's identity, organizational leaders sought to convince Pennsylvania legislators that PSU was an important public agency deserving of public funds and being included in calculations for federal stimulus funds. This is consistent with the belief that projected images "not only give sense to organization members but also to influence their actions toward the organization's interest" (Price, Gioia, & Corley, 2008, p. 177). Internal conclusions about PSU's character were not solely intended for organizational members, but rather aimed outward to those whose decisions could have consequences for PSU's identity and legitimacy. Likewise, organizational members directed their conceptions outward—hoping their understandings would influence Pennsylvania to alter funding, depending on whether members conceptualize PSU as public or nonpublic. This external nature of organizational identity construction is parallel to Alvesson and Empson's (2004) belief that identity construction has an external interface that "members are strongly influenced by their interactions with outsiders" (p. 8). However, in our case, we found that PSU's organizational identity construction mainly focused on how it could affect external stakeholders, rather than how external stakeholders affected identity understandings and claims.

In summary, the four characteristics of the social construction of organizational identity reflect the nature of the negotiated identity consensus during social interactions. Organizations construct their identity intentionally and purposefully in relation to all the internal and external factors at discrete temporal points that allow their manipulation to generate external effects.

Organizational Identity: Linguistic Construction Versus Social Construction

Our theoretical argument and analysis bridge the gap between the two levels of identity construction: the linguistic construction and the social construction, as theorized by Ran and Duimering (2007). We specifically investigated how linguistic construction plays a role in the social construction processes involved in the institutionalization of a particular version of organizational identity that achieves a degree of consensus through negotiations between certain stakeholder groups.

The linguistic and the social construction of organizational identity reflect interdependent but different processes, which function on different timescales and reflect different theoretical units of analysis. The linguistic construction of identity takes as its unit of analysis a single organizational identity claim authored from a particular stakeholder's point of view, in comparison with the complex organizational discourse comprised of many texts authored by numerous stakeholders that could be said to socially construct an organization's identity collectively over time. A single identity claim by a single author represents one move in a more socially elaborate and temporally protracted language game (Wittgenstein, 1953/1968) involved in the social construction of organizational identity (Berger & Luckmann, 1966), which involves claims and counterclaims authored by a wide variety of organizational stakeholders. The linguistic construction based on single identity claims can be viewed as a fundamental part of the processes of socially constructing organizational identity, whereas the social construction presupposes more than a single encounter between social actors constructing a social institution.

Institutions are socially constructed gradually through the ongoing, patterned interactions of social actors. The linguistic construction in Ran and Duimering (2007) revealed how a single identity claim authored from a particular point of view, referencing an idiosyncratic taxonomy of classes and terminology, reflects broader social conceptions of the social or conceptual object linguistically constructed. However, identity claims are not made in a social vacuum, but within the context of a larger organizational and social discourse, involving numerous stakeholders who each conceptualize the organization's identity from their own point of view. Organizational identity, as a contrived conception of an organization with its physical existence, historical development, and political complexity, incorporates the dual characteristics of a linguistic game and a political game. A single identity claim reflects one move in a socially elaborate and temporally protracted language game through which organizational stakeholders could be said to socially construct a more

collective and institutionalized version of an organization's identity. The institutionalization process of one version of the organizational identity, as our case reveals, could involve the following sense-exchanging processes from diverse stakeholders. An organizational stakeholder could author an identity claim for a certain purpose, constructing and referencing author-specific self-serving classification schemes that may not coincide with other stakeholders' conceptions. Other stakeholders will respond with their own counterclaims, attempting to redefine and "edit" the claimed identity, leading to an intensive political game involving power struggles consisting of the cyclical enactment, selection, and retention of intra- and interorganizational interactions (Weick, 1979). The political game describes the collective "editing" of identity constructions. Stakeholders might add certain identity facts omitted from the previous claim that they deem relevant or appropriate, or they might delete certain categories deemed to be inappropriate. Stakeholder claims might also reposition the organization within agreed-on identity categories, or they may also challenge the claims made about the nature of their organizational interactions. These counterclaims serve as feedback cycles, which could eventually lead to the collective institutionalization of identity construction that achieves a degree of social consensus. Our analysis considered this sense-exchanging of how such editing cycles in the social construction of identity feed on themselves to structure and restructure the interactions between an organization and its stakeholders and, more broadly, the interorganizational relationships between the organization and the organizational actors comprising its institutional field.

Clearly, power differences among stakeholders due to their various subject positions within the broader discourse will play a role in the relative influence stakeholders have on this cyclical editing process (Mumby & Stohl, 1991). For instance, identity claims authored by administrators or management and contained within an organization's legal charter may be viewed as more legitimate than claims authored by less powerful stakeholders or made in less formal settings. Moreover, because stakeholders must, at minimum, get one another's attention to have an influence on this sense-exchanging process, powerful stakeholders may simply choose to ignore the identity claims of those with relatively less power. Thus, competing stakeholders may or may not reach social consensus on either the question of which organizational characteristics are deemed to be most central, distinctive, or enduring or on the interpretive meaning of the identity categories used to construct and label the organization. Paradoxically, although relatively powerful stakeholders' claims—like those from organizational leaders—may have a disproportionately large influence on defining the parameters of official "intraorganizational" identity discourses, they may have a relatively weaker influence on the changing structure of the

institutional, or “extraorganizational,” discourse in which the organization resides. Because official identity claims are typically intended to have meaning for a range of diverse stakeholders, they are likely to draw on conventional terminology, conservatively reproducing a bland managerial discourse. However, the claims of less powerful stakeholders, such as organizational members, the general public, environmental or human rights critics, and disgruntled employees, who may have minimal influence on official intraorganizational discourses, may have a disproportionately large influence on the structural parameters of extraorganizational discourses, simply because they may be saying something unusual or interesting. Implying the power struggle between various stakeholders, the four characteristics of the social construction—intentional, temporal, relational, and external—reflect the complex nature and extent of stakeholder consensus with respect to particular socially constructed identities, the social construction processes involved in institutionalizing particular identity constructions, and the relationship between identity claims and the broader discourse context in which they are made.

In summary, social construction processes involve an elaborated language game of back and forth linguistic constructions among a network of actors with varying levels of social power and influence. This language game of claims and counterclaims will simultaneously manifest itself in an elaborated political game, sometimes leading to social consensus, sometimes not. Further exploration of the relationship between these two interdependent phenomena, which operate on different timescales and at different theoretical units of analysis, is needed for a fuller appreciation of the construction of identity.

Conclusion

Our analysis may provide guidance for public institutions, universities, or nonprofits as they construct, negotiate, and maintain a positive identity in the context of threatening changes in their environments. Due to their connection to public funding, public and nonprofit organizations must understand that they interact with a wider array of organizational members and internal stakeholders. Although private organizations are responsible to employees and shareholders, public organizations are responsible to citizens whose tax dollars help sustain their activities. Subsequently, conceptions of the organization’s identity from “powerless” citizens have a real effect on the legitimacy and continued operation of these organizations. The organization’s identity may also be pulled in many more directions as a result of the varied perspectives of a wide range of organizational stakeholders who can create political changes in a public organization’s environment, which in turn may affect the

organization's legitimacy. Organizations cognizant of their reliance on the general public should promote an identity that reflects the shared interests of these groups. As a corollary to the importance of a citizen-based constituency, an integral part of public organizations' positive identity must be a coherent explanation of why the organization needs public financial support and evidence that the organization is effectively using this public money. During times of environmental changes, citizens and governments may reevaluate the need to fund these organizations, forcing them to construct their identity to reflect a commitment to serving the public interest. Organizational identity claims must include concrete explanations of how a public organization's actions provide public benefits.

Maintaining positive identity perceptions from organizational members and constructing an identity in the public interest are contingent on a public organization's consistent (re)construction of its identity. Our study revealed that internal and external stakeholders frequently based contrary identity claims on an organization's actions and words that proved inconsistent with its public identity. Organizations that appear to take public financing for granted or pursue activities that can be perceived as benefiting a narrow constituency risk losing governmental support. Public organizations whose identities vacillate between serving a public interest and a private interest cause stakeholders to alter their conceptions of an organization's identity and threaten an organization's legitimacy.

Understanding an organization's identity helps explain the reactions of organizational leaders and members as they respond to organizational identity threats. In response to changes in an organization's external environment or negative external images, leaders and members create new identity conceptions and make subsequent identity claims and counter claims about an organization's central, enduring, and distinctive characteristics. Through our analysis of PSU's identity crisis, we proposed four characteristics of the social construction of organizational identity that reflect the nature of the negotiated identity consensus in the sense-exchanging processes. Organizations construct their identity intentionally and purposefully in relations to all the internal and external factors at discrete temporal points that allow their manipulation to generate external effects. We extended Ran and Duimering's (2007) theorizing on the two distinctive yet related organizational identity construction processes—the linguistic construction and the social construction—by focusing on the social construction of organizational identity as a negotiated outcome between various stakeholders who have vested interests in the fundamental characteristics of an organization. This article contributes to the

identity literature by delineating major characteristics of the social construction of organizational identity through the sense-exchanging processes and brings attention to how public and nonprofit organizations construct their identity for various stakeholders.

Acknowledgments

The authors would like to thank professor Rob Duimering and two anonymous reviewers for their valuable comments and suggestions in formulating this research.

Declaration of Conflicting Interests

The authors declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The authors received no financial support for the research, authorship, and/or publication of this article.

References

- Albert, S., & Whetten, D. A. (1985). Organizational identity. In L. L. Cummings & B. Staw (Eds.), *Research in organizational behavior* (Vol. 7, pp. 263-295). Greenwich, CT: JAI Press.
- Alvesson, M., & Empson, L. (2004). The construction of organizational identity: Comparative case studies of consulting firms. *Lund Institute of Economics Working Paper Series*. Retrived from <http://www.lri.lu.se/pdf/wp/2006-3.pdf>
- Berger, P. L., & Luckmann, T. (1966). *The social construction of reality: A treatise in the sociology of knowledge*. New York, NY: Doubleday.
- Chute, E. (2009, July 16). Feds say Pitt, PSU eligible for stimulus. *Pittsburgh Post Gazette*. Retrived from <http://www.post-gazette.com/pg/09197/984251-298.stm>
- Cirilli, K. (2009, February 10). Rally criticizes proposed cuts. *The Daily Collegian*. Retrived from http://www.collegian.psu.edu/archive/2009/02/10/rally_criticizes_proposed_cuts.aspx
- Corley, K. G., & Gioia, D. A. (2004). Identity ambiguity and change in the wake of a corporate spin-off. *Administrative Science Quarterly*, 49, 173-208.
- Corley, K. G., Harquail, C. V., Pratt, M. G., Glynn, M. A., Fiol, C. M., & Hatch, M. J. (2006). Guiding organizational identity through aged adolescence. *Journal of Management Inquiry*, 15, 85-99.
- Czarniawska, B. (1994). Narratives of individual and organizational identities. In S. A. Deetz (Ed.), *Communication Yearbook* (Vol. 17, pp. 193-221). London, England: SAGE.

- Dhalla, R. (2008). The construction of organizational identity: Key contributing external and intra-organizational factors. *Corporate Reputation Review*, 10, 245-260.
- Dutton, J. E., & Dukerich, J. M. (1991). Keeping an eye on the mirror: Image and identity in organizational adaptation. *Academy of Management Journal*, 34, 517-554.
- Dutton, J. E., Dukerich, J. M., & Harquail, C. V. (1994). Organizational images and member identification. *Administrative Science Quarterly*, 39, 239-263.
- Elsbach, K. D., & Kramer, R. M. (1996). Members' responses to organizational identity threats: Encountering and countering the Business Week rankings. *Administrative Science Quarterly*, 41, 442-476.
- Elstak, M. N. (2008). The paradox of the organizational identity field. *Corporate Reputation Review*, 11, 277-281.
- Ginzel, L. E., Schultz, R. M., & Sutton, R. I. (1992). Organizational impression management as a reciprocal influence process: The neglected role of the organizational audience. In L. L. Cummings & B. Staw (Eds.), *Research in organizational behavior* (Vol. 15, pp. 227-266). Greenwich, CT: JAI Press.
- Gioia, D. A., Schultz, M., & Corley, K. G. (2000). Organizational identity, image, and adaptive instability. *Academy of Management Review*, 25, 63-81.
- Gioia, D. A., & Thomas, J. B. (1996). Identity, image, and issue interpretation: Sensemaking during strategic change in academia. *Administrative Science Quarterly*, 41, 370-403.
- Governor's Budget Office. (2008, December 9). *2008-09 mid-year budget briefing*. Retrieved from http://www.portal.state.pa.us/portal/server.pt/document/339810/08-12-09_mid_year_pdf
- Governor's Budget Office. (2009a, October 9). *2009-10 Governor's enacted budget: Line-item appropriations*. Retrieved from http://www.portal.state.pa.us/portal/server.pt/document/846021/2009-10_enacted_budget_line_item_appropriations_pdf
- Governor's Budget Office. (2009b, February 4). *2009-10 Governor's executive budget*. Retrieved from http://www.portal.state.pa.us/portal/server.pt/gateway/PTA_RGS_0_113914_350146_0_0_18/2009_10_Budget_Document.pdf
- Governor's Budget Office. (2009c, June 26). *2009-10 Governor's revised budget: All line-item appropriations*. http://www.portal.state.pa.us/portal/server.pt/document/447242/09-06-26_2009-10_revised_budget_pdf
- Gustafson, L. T., & Reger, R. K. (1995). Using organizational identity to achieve stability and change in high velocity environments. *Academy of Management Best Papers Proceedings*, 1, 464-468.
- Harrison, J. D. (2000). Multiple imaginings of institutional identity: A case study of a large psychiatric research hospital. *Journal of Applied Behavioral Science*, 36, 425-455.
- Hatch, M. J., & Schultz, M. (2008). *Taking brand initiative: How companies can align strategy, culture, and identity through corporate branding*. San Francisco, CA: Jossey-Bass.

- Holden, T., Shuster, B., Altmire, J., Doyle, M., Platts, T. R., Murphy, T., . . . Murphy, P. J. (2009, July 10). *Dear Secretary Duncan*. Inside Higher Education. (2009, July 2). *Go ask Arne*. Retrieved from <http://www.insidehighered.com/news/2009/07/02/penn>
- Jacobs, G., Christe-Zeyse, J., Keegan, A., & Polos, L. (2008). Reactions to organizational identity threats in times of change: Illustrations from the German police. *Corporate Reputation Review*, *11*, 245-261.
- Left of Centre. (2009, July 1). *Devastating, catastrophic, nauseating*. Retrieved from <http://thorsteinveblen.blogspot.com/2009/07/devastating-catastrophic-nauseating.html>
- Mumby, D., & Stohl, C. (1991). Power and discourse in organization studies: Absence and dialectic of control. *Discourse and Society*, *2*, 313-332.
- PASSHE. (2009). *PASSHE fact sheet*. Retrieved from <http://204.235.152.54/executive/systemrelations/Communications/media/Pages/FactSheet.aspx>
- Penn State Live. (2009a, March 3). *Appropriation hearing looks to the future*. Retrieved from <http://live.psu.edu/story/38073>
- Penn State Live. (2009b, July 1). *Deep concern expressed over Rendell's planned cuts to University funds*. Retrieved from <http://live.psu.edu/story/40339>
- Penn State Live. (2009c, July 16). *Penn State plans to enact lower tuition scenario*. Retrieved from <http://live.psu.edu/story/40593>
- Penn State Live. (2009d, December 18). *State releases appropriation funding to Penn State*. Retrieved from <http://live.psu.edu/story/43558/nw4>
- Penn State Live. (2009e, July 10). *Statement by President Graham Spanier about budget and tuition*. Retrieved from <http://live.psu.edu/story/40471>
- Pennsylvania State University. (2002). *Corporate charter of the Pennsylvania State University*. Retrieved from <http://www.psu.edu/trustees/pdf/charter.pdf>
- Pennsylvania State University. (2009a). *History and traditions*. Retrieved from <http://www.psu.edu/ur/about/landgrant.html>
- Pennsylvania State University. (2009b). *Mission and public character*. Retrieved from <http://www.psu.edu/ur/about/mission.html>
- Pennsylvania State University. (2009c). *Penn State fact book*. Retrieved from <http://www.budget.psu.edu/FactBook/StudentDynamic/StudentTableofContents.aspx>
- Pfeffer, J., & Salancik, G. R. (1978). *The external control of organizations: A resource dependence perspective*. New York, NY: Harper & Row.
- Porter, T. B. (2001). Theorizing organizational identity. *Academy of Management Proceedings & Membership Directory*, *1*, D1-D6.
- Pratt, M. G., & Foreman, P. O. (2000). Classifying managerial responses to multiple organizational identities. *Academy of Management Review*, *25*, 18-42.
- Price, K. N., Gioia, D. A., & Corley, K. G. (2008). Reconciling scattered images: Managing disparate organizational expressions and impressions. *Journal of Management Inquiry*, *17*, 173-185.

- Ran, B., & Duimering, P. R. (2007). Imaging the organization: Language use in organizational identity claims. *Journal of Business and Technical Communication, 21*, 155-187.
- Ravasi, D., & Schultz, M. (2006). Responding to organizational identity threats: Exploring the role of organizational culture. *Academy of Management Journal, 49*, 433-458.
- Rendell, E. (2009, June 26). *Pennsylvania State Fiscal Stabilization Funds Application*. Retrieved from http://www.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_60658_0_0_43/http%3B/pubcontent.state.pa.us/publishedcontent/publish/marketingsites/recovery_pa_gov/content/announcements/announcements_list_pa_sfsf_application__2009_06_26.pdf
- Schackner, B. (2009, June 27). No stimulus money for Pitt and Penn State. *Pittsburgh Post Gazette*. Retrieved from <http://www.paost-gazette.com/pg/09178/980284-298.stm>
- Scott, S. G., & Lane, V. R. (2000). A stakeholder approach to organizational identity. *Academy of Management Journal, 25*, 43-62.
- Spanier, G. (2004). *Privatization of American public higher education [PDF]*. Retrieved from http://president.psu.edu/presentations/privatization_031604.pdf
- Spanier, G. (2007, June 28). *Right-to-know*. Retrieved from <http://president.psu.edu/editorials/articles/Funding.html>
- Spanier, G. (2009a, January 7). *A letter to the Penn State community from President Graham Spanier: The economy and Penn State*. Retrieved from <http://president.psu.edu/speeches/articles/lrtopennstatecomm.html>
- Spanier, G. (2009b, June 29). *Spanier letter to Secretary Duncan*. Retrieved from http://live.psu.edu/fullimg/userpics/10003/Spanier_letter_to_Secretary_Duncan_SFSF.pdf
- Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Journal, 20*, 571-610.
- van Rekom, J., Corley, K. G., & Ravasi, D. (2008). Extending and advancing theories of organizational identity. *Corporate Reputation Review, 11*, 183-188.
- Weick, K. E. (1979). *The social psychology of organizing* (2nd ed.). New York, NY: McGraw-Hill.
- Whetten, D. A. (2006). Albert and Whetten revisited: Strengthening the concept of organizational identity. *Journal of Management Inquiry, 15*, 219-234.
- Whetten, D. A., & Godfrey, P. C. (1998). *Identity in organizations: Building theory through conversations*. Thousand Oaks, CA: SAGE.
- Wittgenstein, L. (1968). *Philosophical investigations* (G.E.M. Anscombe, Trans., 3rd ed.). Oxford, UK: Basil, Blackwell, & Mott. (Original work published 1953)

Bios

Bing Ran is an assistant professor of public administration at School of Public Affairs, Penn State Harrisburg. His research interests focus on the dynamic interactions within sociotechnical systems. His recent publications investigate organizational identity construction and creative knowledge integration through conceptual combinations and ethics education.

Timothy J. Golden is an MPA student at School of Public Affairs, Penn State Harrisburg. His research interests include organizational behavior and public policy.