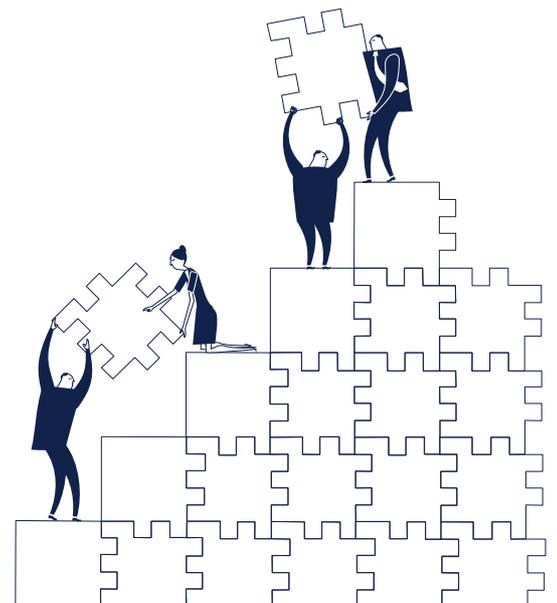




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Issues and ideas organizational identity raises for scenario planning

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TITLE

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ABSTRACT

Organizational identity (understood as a 'logic of appropriateness' such that organizations act based on how they define themselves) has emerged as one of the core concepts of management theory. Despite this, it has been under-attended to in scenario planning literature and practice, perhaps due to scenario planning's heritage of focusing on an organization's external environment. An organizational identity perspective is important to incorporate into scenario planning because scholars have shown that identity becomes highly salient under conditions in which scenario planning is used (turbulence, uncertainty and disruption) unsettling taken for granted assumptions leaders have about who the organization is and raising questions for them about their capacity to adapt. Organizational identity also mediates what is observed in the external environment and acted on - in scenario planning terms, shaping what drivers of change are deemed most important, what scenarios are developed, and the strategic options that are created. And finally, for organizations to adapt, their identity must co-evolve with strategy and changes in the environment placing identity at the core of scenario work. This paper explores the implications of an organizational identity perspective for the process of scenario planning and in doing so contributes to the call in the literature for a better understanding of why scenario planning is not always successful.

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1. Introduction

In environmental conditions characterised by turbulence and disruption, there is often an urgency among leaders and strategists to do something different to ensure the viability and success of the organisation. This manifests as the call for new strategies, services and products, mergers, acquisitions or joint ventures to ‘calm’ the sense of turbulence that is being experienced (Ramirez and Selsky 2016). However, the problem that I address in this paper, is that this is not the best starting point for leaders wanting to successfully navigate turbulence, as the choice of new activities depends on underlying assumptions about ‘who the organisation is’. Thus, by default the first question for an organisation in dealing with turbulence is ‘who are we’, and ‘who do we need or want to become?’ given these changing circumstances. Then ‘we’ can understand what is best to do. This omission is important to address as turbulent environments are becoming more common (REF), ‘who we are’ operates at the level of assumptions and thus are often invisible, and finding ways leaders to purposefully adapt their organizations to changing strategic circumstances is urgent.

The theoretical lens I am using to address this problem is organizational identity (Albert & Whetten 1985), understood as “a logic of appropriateness (March, 1981), such that... [organizations]... ask themselves *who they are* before following a course of action” (Kodeih & Greenwood 2014:10). As such, organizational identity acts as a “perceptual screen” (Goia & Thomas 1996:372) for what is noticed in the environment, how it is interpreted, and what outcomes are enacted (Tripsas 2009). In turbulence, organizational identity is of “heightened importance” (Navis & Glynn 2011:481) as the uncertainty and disruption can unsettle assumptions leaders have about the relevance of their organization in relation to changes emerging from the environment. The combination of 1) identity as a perceptual screen and 2) identity being of heightened importance in turbulence, means it is not possible to undertake scenario planning without acknowledging its central role (van der Heijden 2005). Surprisingly, since organizational identity has been recognised as the “most meaningful” (Gioia as quoted in Gioia et al. 2013) concept in organization studies and fundamental to strategic adaptation (Bouchikhi & Kimberly 2003), its role in scenario planning has been under-attended to (Balarezo & Bernhard Nielson 2017; Lang 2008, 2012).

The purpose of this paper is to explore primarily for scenario planning scholars and practitioners “what the implications are of applying an organizational identity lens to scenario planning?” Drawing on two case studies – the scenario work of the European Patent Office and The Open University – and a review of the scenario planning and organizational identity literatures, I suggest the implications are significant. An organizational identity perspective indicates that leaders experience turbulence as “the ‘ground’ being in motion” (Emery & Trist 1965:26) not only because of changes in the environment, but because of the interplay between these changes and the relevancy of the organization in relation to them. That is, both the environment and the organization’s identity are perceived to be in flux in conditions of turbulence. Given this and that organizational identity mediates what is noticed in the environment, scenario

planning would benefit from enabling leaders to discuss and sufficiently stabilise their organization's identity before developing the scenarios. In turn, the developed scenarios would enable them to explore a wider set of plausible outcomes (Ramirez & Wilkinson 2016), actions and "identity possibilities" (van der Heijden as cited in Brown & Starkey 2000:112) to more effectively reframe the strategic situation (Wack 1985) and position the organization well for the future.

The incorporation of an organizational identity perspective into scenario planning makes a number of contributions to van der Heijden's (2016) challenge for scholars to better understand why the practice does not always deliver. In particular, it suggests that if scenario planning is to improve an organization's perceived adaptive capacity for dealing with turbulence (McCann & Selsky 1984; Ramirez & Selsky 2016; van der Heijden 2008) it must ensure that it creates for its leaders a robust and energising sense of who the organization is that is well aligned with emerging changes in its industry and beyond.

The paper is organized as follows. First, the theoretical foundations of scenario planning and organizational identity are discussed, generating two sub-research questions about their relationship. Second, based on this theoretical analysis and complemented with an analysis from related field research on the scenario work of the European Patent Office (EPO) and The Open University (OU), the implications of organizational identity for the process of scenario planning is explored. And third, with this exploration, the contributions of how an organizational identity lens could improve the effectiveness of scenario planning is discussed.

2. Theoretical foundations

2.1 Organisational identity and the organisational self??

An organization's identity is "how a collective defines itself" (Pratt et al. 2016:3) providing a "theory" for its members about 'who we are' and 'what we stand for' (Navis & Glynn 2011:479). In scenario planning terms, this 'theory' shapes what is noticed in the organization's environment (such as the drivers of change), how it is interpreted (influencing the scenarios that are created), and what action is taken (such as strategic options) (Tripsas 2009). As Haslam et al. (2003:365) write:

"...organizational identity (of some form) is a necessary substrate of all collaborative forms of organizational activity. What this means in practice is that without a sense of shared organizational identity there can be no effective organizational communication, no heedful inter-relating, no meaningful planning, no leadership. In fact, in the boldest terms, we would argue that organizational identity makes organizational behaviour possible (Turner, 1982, p. 21)"

Thus, organizational identity has been called "the central construct in organization studies" (Ravasi & Canato 2013:185) with identity generally described as "more fundamental to the concept of humanity than any other notion" (Koskinen 2015: 621).

In the context of scenario planning, which philosophically emphasizes the social process of actors in a situation constructing and testing explanations and models (Hatch & Cuncliffe 2006), a social constructivist perspective of identity formation is most relevant. Here, members self-referentially define who they are, focusing "...on the labels and meanings that members use to describe themselves and their core attributes" (Gioia et al. 2013:6). Contrasting with an essentialist perspective, organizational identity is an emergent product of leaders' sensemaking about the organization and its environment (Burgi & Oliver 2005) and the alignment between the two that is needed to prosper in the future.

To effectively adapt and prosper over time, an organization's identity needs to co-evolve with changes in its environment and its strategy (Fiol & Huff 1992; Schultz 2016). This means that an organization's identity is not necessarily set in stone, but rather is in an ongoing state of becoming (Pratt et al. 2016) – whether through intentional or unintentional means (Koskinen 2015). However, the literature has identified factors that can impede identity change, unless well managed. For example, emerging trends that threaten an organization's identity can be denied, reducing the ability of leaders to learn and bring about a change in the organization's identity that would better suit it for changing circumstances (Brown & Starkey 2000). In addition, those with vested interests in the current identity can resist changes to it (Bouchikhi & Kimberly 2003). The subsequent result can be inertia (Tripsas 2009) threatening an organization's survival. In recognition of the criticality of these issues, there have been calls for research to improve our understanding of identity change (Gioia et al. 2013), particularly in the context of strategy (Tripsas 2009).

Scholars have suggested that in the turbulent conditions in which scenario planning is used, issues of organizational identity come to the fore. Navis & Glynn (2011:481) found that organizational identity was of "heightened importance" in turbulence as the disruption and uncertainty unsettles the taken-for-granted assumptions leaders have about who the organization is. Kodeih and Greenwood (2014:7) showed that in the context of environmental change, leaders often start to 'automatically' think in terms of "identity aspirations" – that is, what they wish their organizations to become given the changing circumstances. Whetton (2006:226) described identity coming into play in situations that were profound or related to "fork-in-the-road choices and argued that in these situations "...the need to resolve a real or potential identity crisis dominates the attention of decision makers, often to the point where seemingly nothing else matters (Bouchikhi & Kimberly, 2003; Fiol, 2002)". What these organizational identity scholars point to, is that issues of identity are dominant in situations in which scenario planning is used and needs to be addressed – or calmed in turbulence terms (Ramirez & Selsky 2016) – before embarking on developing the scenarios.

Organizational identity is thus profoundly relevant to scenario planning and the way it is conducted. Yet in practice and in the literature it is vastly under-attended to (Balarezo and Bernhard Nielson 2017; Jacobs & Statler 2006; Lang 2008). This is perhaps due to the heritage

of the practice emerging as it did in organizations as a better way to understand uncertainty in the external environment – some have even described scenario planning as providing an outside-in looking view (Perrottet 1996). Thus, the focus in scenario planning is on exploring the assumptions leaders have about the external environment rather than the assumptions they have about their organization's identity in relation to these external developments. Fiol and Huff (1992:281) noted that this was an issue of strategy processes more broadly in that they "...help managers to articulate and make explicit what their causal assumptions are, and even help to identify the categories of assessment, thereby making them more amenable to change. Identities, in contrast, tend to remain implicit and do not tend to be part of formal planning processes". As this situation is being increasingly addressed by strategy scholars (see for example the recent call for papers for a special issue of *Strategic Organization* on 'exploring the strategy-identity nexus') it suggests it is also time for it to be addressed by scenario planning scholars.

2.2 Scenario planning

Scenario planning was introduced to organizations in the 1960s and 1970s to help leaders' with the growing turbulence in their external environments which was making single point forecasts extrapolated from the past problematic for planning purposes (Ramirez et al. 2008, Wack 1985). Emery and Trist, writing in 1965, concurred with practitioners that turbulent environments were becoming more common as they sought to provide a theoretical explanation for their emergence. They argued that environments become more complex over time as the number of actors and interactions between them grow. This leads to emergent behaviour that can be experienced by leaders as turbulence. Since then, turbulence has become the term used by strategy scholars to describe environments that are characterised by the unexpected - in particular, sudden and disruptive changes (Emery & Trist 1965; Bourgeois & Eisenhardt 1988). Due to the increasing inter-connectedness of people, technology, and offerings (Ramirez & Mannervik 2016) turbulent environments are said to be coming more common (Ramirez et al. 2008).

Emery and Trist (1965:26) described the experience of turbulence for leaders as if "the 'ground' is in motion". That is, in turbulence the predictability of an industry's dynamic, and the wider environment within which it sits, breaks down. They took turbulent environments to be those that were most likely to exceed the adaptive capacities of individuals and collectives and as such, conceptualized turbulence as an objective condition of the environment that threatened actors' viability. More recently, turbulent environments have been referred to as high-velocity environments (Bourgeois & Eisenhardt 1988).

Research by McCann and Selsky (1984) introduced a subjective dimension to turbulence in that they found not all organizations experienced environmental conditions in the same way. They found that turbulence is a salient experience only for leaders (both as individuals and collectives) who feel their capacity to adapt to it is in question (Ramirez & Selsky 2016).

Perceived adaptive capacity refers to leaders feeling they have the available resources (financial, human, capital, etc.) and skills (abilities and technologies for understanding and acting effectively on conditions) to address the turbulence (McCann & Selsky 1984). That is, actors interpret the uncertainty caused by the turbulence in different ways (Selsky et al. 2007) and only when this level of uncertainty threatens their “continuing adaptation”, do they regard the environment as turbulent (McCann & Selsky 1984:461).

It is within this objective and subjective understanding of turbulence, that scenario planning emerged. By foregrounding uncertainty and unpredictability, scenario planning is said to help leaders make sense of environmental changes to improve theirs’, and their organizations’, perceived adaptive capacity (Ramirez & Selsky 2016; van der Heijden 2008).

Scenario planning can be conceptualised as a strategic conversation (van der Heijden 2005) whereby organizational members, stakeholders and experts learn together to make sense of the changes in the environment and their implications for the organization. The outcome is greater clarity of the major drivers of change; a sense about the different ways the critically uncertain features of these drivers could play out (expressed in typically two to four scenarios); and multiple insights about strategic options for the organization to navigate the turbulence.

While there has been sustained growth in the field (Lang 2012; Ramirez & Wilkinson 2016; Rigby & Bilodeau 2007) and reported successes (e.g., Kahane 2012; Lang & Ramirez 2017; Ramirez et al. 2017; Schoemaker 1993; van der Heijden 2005; Wack 1985), there have also been times when scenario planning has not been effective (Wright et al. 2008). Contributing factors include a lack of action being taken as a result of the scenario work (Docherty & McKiernan 2008), a failure to produce ‘better’ strategic decisions (Wright et al. 2013), psychological issues disrupting leaders’ successful engagement in the process (e.g., Bradfield 2008), and organizational ‘blindspots’ preventing a good assessment of changes in the environment (Elkington & Trisoglio 1996). As renowned scenario planner Kees van der Heijden (2016:xi) has said “There is still a lot of work to do to fully understand why scenario planning does not always deliver”. In this paper, I explore how an organizational identity perspective may help address this situation.

2.3 Exploratory research questions

As a result of this review of the literature, two sub-research questions emerge: 1) What does an organizational identity lens mean for the process of scenario planning, and 2) How might the suggested changes in the process address some of the issues that have been identified with scenario planning not always delivering?

3. Implications of organizational identity theory for the scenario planning process

3.1 Details of the research

The unit of analysis for this research is the scenario planning process in the Intuitive Logics (IL) tradition. While there are different traditions of scenario planning the IL tradition or the 'Shell approach' (in acknowledgement of the significant impact Royal Dutch Shell scenario practitioners have had on the field) now dominates practice (MacKay & McKiernan 2006). In this approach, participants develop the scenarios (although they draw on expert knowledge), they do not use detailed computer modelling (although key variables are quantified), and all scenarios are regarded as equally plausible (Bradfield et al. 2005).

The IL tradition is the approach used in the two cases I studied in related research - the scenario work of the European Patent Office (EPO) and The Open University (OU) and which I draw on in this paper to develop implications from practice for the impact of organizational identity on the process of scenario planning. In this related research, I explored the capacity of scenario planning to build new social capital in turbulent conditions (see Lang 2012; Lang & Ramirez 2017).

It was in the process of understanding each organization, the reasons why they had introduced the scenario planning, and the outcomes they had experienced, that I became aware of the role of organizational identity in the scenario planning process. In particular, I noticed how the turbulence being experienced was raising questions about the relevancy of the identity of each organization. The EPO scenario planning work was carried out between 2004 and 2007 and addressed the turbulence arising from the increase in the number of patent applications which was calling into question the identity and the purpose of the EPO. The OU scenario planning was conducted first in 2002 and then again in 2005 and addressed the changes in higher and distance education which also raised questions for the university's leadership about the relevancy of who the organization was in this changing landscape.

In the research, I interviewed 35 people from each case and reviewed relevant documentation to understand how scenario planning built new social capital to address the turbulence. I have subsequently gone back through this data and analysed it from the perspective of organizational identity using the phases of the scenario planning process generated from the literature. I draw on this analysis, as well as the literature, to discuss the implications of organizational identity for the process of scenario planning.

3.2 Findings

The IL tradition of scenario planning is made up of three broad phases (Ramirez & Wilkinson 2016). The first is establishing the intervention which includes determining the purpose, client, agenda, resources and design of the intervention as well as the agenda for the scenarios. The second phase involves researching, building and testing the scenarios, while the

third phase sees the scenarios communicated and used to generate strategic options and early warning indicators.

An organizational identity perspective suggests the insertion of two additional phases - as represented by the two coloured boxes in Figure 1. The first would be early on and focused on conversations about how the leaders feel the organization's identity is changing, ways in which they feel it is being 'forced' to change, and how they would like it to change. This would enable the turbulence related to the identity of the organization to be sufficiently calmed to enable the scenarios agenda to be set and the scenarios developed. This would also help ensure the scenarios work is orientated to the future rather than being anchored in the past. The second additional phase would be towards the end of the process where the scenarios can help leaders test, confirm and/or adapt the organization's identity. This will ensure the identity of the organization and developments in the environment are aligned and actions or strategies well designed to adapt to the turbulence.

Figure 1 below provides a graphical representation of the implications of an organizational identity perspective for the scenario planning process. In the following section, each of the phases are discussed.

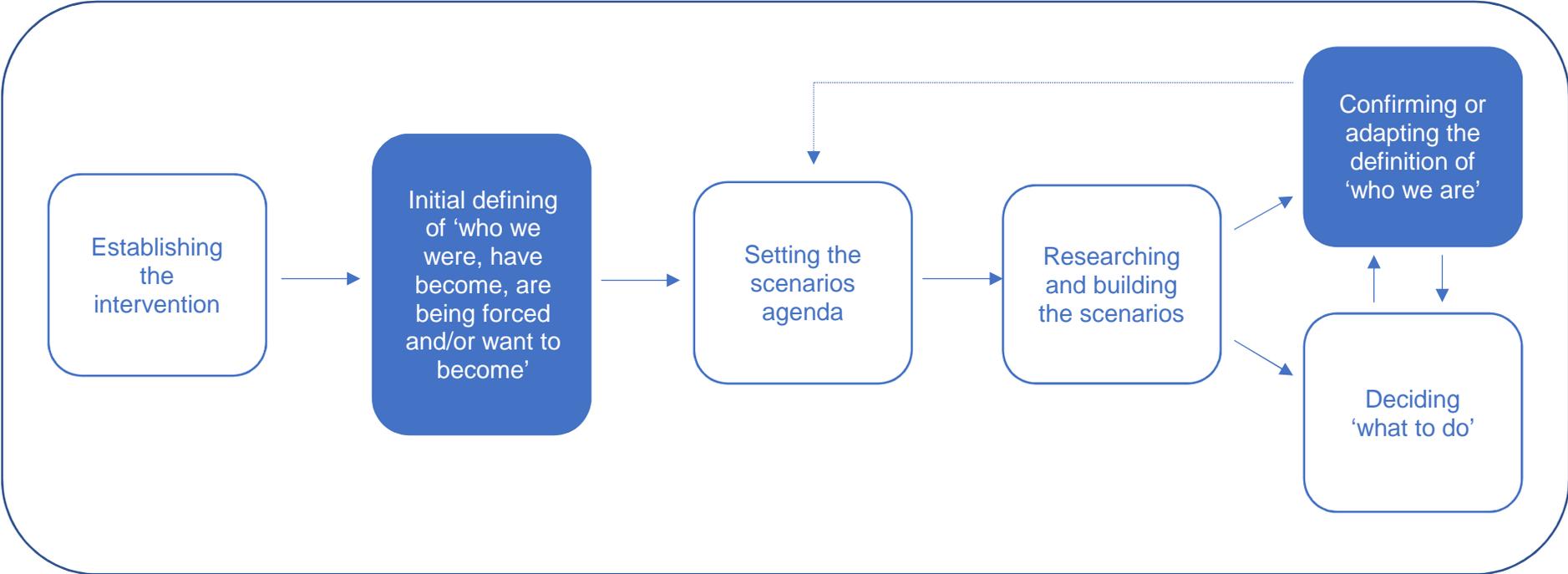


Figure 1. The implications of organizational identity for the scenario planning process

Establishing the intervention

In the IL tradition, there is a strong emphasis placed on understanding the purpose of the scenarios strategic conversation (Burt & van der Heijden 2003, Ramirez & Wilkinson 2016). That is, ensuring clarity about what the scenarios are to be used for and by whom. A large part of this discussion is getting to know the client and the nature of the turbulence they are experiencing or anticipating and how the scenario planning can help with this.

In both the EPO and the OU cases, the leaders were experiencing turbulence caused by significant changes in their organization's environment. For the EPO, the trigger was the huge growth in patent applications due to substantial growth in the knowledge economy and international trade (McGinley 2008). For the OU it was the significant changes in higher education including new funding models and the introduction of digital technologies creating new competitors in distant and e-learning, the traditional market of the OU (Lang & Ramirez 2017).

In the context of these changes, there were concerns among those in the leadership teams responsible for the scenario work that these changes had significant implications for who their organizations were. This was expressed by one of the participants in the OU research who described the situation as: "*There was a concern that a national treasure may no longer be so*". For the EPO, it was experienced in leaders sense that they can "*no longer be a patent counting machine*" focused on only serving industry (as compared to society more broadly).

An organizational identity lens onto scenario planning here draws attention to how turbulence can include questions about the relevancy of who the organization is. By understanding this here, the subsequent scenario work can be designed in such a way as to address it.

Initial definition of 'who we were, who we are, and who we are being forced and/or want to become'

This new phase would focus on surfacing and discussing leaders' assumptions about the identity of the organization and how they feel this is changing as a result of the turbulence they are experiencing. The outcome would be a stabilising of the organization's identity and making the organization's "perceptual screen" (Goia & Thomas 1996:372) more explicit for the subsequent scenario work.

A temporal dimension (Golant et al. 2015; Kaplan & Orlikowski 2013; Schultz 2016; Schultz & Hernes 2013) for this discussion is important as identity is strongly grounded in history (Moingeon & Ramanansoda 1997), manifest in the present, and expressed as aspirations for the future (Kodeih & Greenwood 2014). Temporality thus provides coherence and helps structure conversations to understand 'who we were', 'who we have become', and 'who are we being forced to become', and/or 'who we want to become'.

Both the OU and EPO cases demonstrate the importance of this temporal dimension in discussing an organization's identity. The OU was established in the 1960s to provide all those who wanted to get a tertiary education with the opportunity to do so. The 'open' in the university's name reflects this commitment which is deeply held by staff right through to the present time and

provides a strong directional force for the future (Moingeon & Ramanansoda 1997). As one of the interviewees explained:

The difficulty is they [senior management] can't get people engaged with all the other stuff because it's like people think we know why we are here and we know what we are doing and we should do it. Now okay, we may have to amend it here and it depends on economic circumstances [and other things there], but stop trying to create a new vision, we have a vision, we know what it is and we want to get on with it.

For the EPO, its identity is grounded in its history as one of the early innovative European projects born to promote co-operation across the continent after the devastation of WWII. Nation states transferred staff, resources, and decision making authority to a body as part of a vision of European peace and prosperity. The impact of these beginnings for the present and the future of the EPO were well described by one of the interviewees in this case:

...the biggest applause that anybody got during the whole couple of days [in a scenarios workshop] was 'give us back our European soul'...sitting in the room you could feel the emotion...there was this sense that in terms of being part of the European project, we had lost our way, because Europe as a whole had lost its way. And therefore when somebody stood up and said give us back our European soul, it was a glee from the heart that we can get back to some sort of greater sense of purpose.

By conducting discussions about the changing nature of the organization's identity, this phase would result in a "transitional identity serving as a bridge between the old and new" (Clark et al. 2010:430). This would proactively address the concerns about identity which Whetton (2006) described as dominating the attention of decision makers and provide a useful base from which to develop the scenarios agenda and the scenarios.

Setting the scenarios agenda

This phase is normally included in the first phase of establishing the intervention. It involves identifying those aspects of the external environment that are regarded as the most important to be explored in the scenarios given the purpose of the work. By postponing this task until after discussions about the identity of the organization, it will help ensure that the scenarios agenda is orientated towards the future rather than the past.

It will also ensure the topics explored in the scenarios are closely connected with the identity that matters to members of the organization. In both the OU and the EPO cases, there were examples where staff (especially those not directly involved in developing the scenarios) struggled to understand the connection between the focus of the scenarios and their own experience of who the organization is. In the OU, it was expressed as the scenarios being too far removed to be usable. In the EPO it was expressed in a broader question about why the

organization was developing scenarios at all when it was a “*technical and scientific*” organization and not a policy one.

Researching and building the scenarios

This phase would be conducted in the usual way (see Ramirez & Wilkinson 2016; van der Heijden 2005). However, the initial identity discussions would help ensure the plausibility of the scenarios is expanded to create uniquely new strategic perspectives. For example, Ramirez and Wilkinson (2016:78) have argued that “If a set of scenarios cannot be accommodated within the organization’s...identity; they will not be accepted as relevant”. By leaders first discussing who they feel their organization is becoming, the subsequent scenarios would speak to the new, rather than the old identity.

Examples from both the EPO and the OU case point to how organizational identity can impact the choice of scenarios and their plausibility. In the EPO case, some staff and stakeholders were confused as to why the organization would develop and consider a scenario in which it would be radically reduced in size and scope (this was in relation to considering a patenting system more reliant on Open Source licensing). For these people this scenario did not make sense given who the EPO was, its history and its mandate. In the OU case, the scenarios did not ‘land’ with some of the staff because again they did not connect with their understanding of who the organization is – and particularly the values this imbues. As an OU interviewee explained about the response of some of the academics:

[the academics] are here because of their belief in the kind of fundamental values of the institution. They didn’t see that surfaced in the [scenario] work convincingly. They thought it was too much about seizing opportunities and not about building on the sort of, the base, the value base of the institution. So that group were not engaged.

By discussing the organization’s identity first, this would help ensure that the subsequent scenarios explored emerging developments in a way that linked to what the members of the organizations valued.

Confirming or adapting the definition of ‘who we are’

In this phase, the scenarios would be used to test and confirm or adapt the “transitional identity” (Clark et al. 2010:430) as discussed in phase two. The ‘final’ identity would focus on the degree to which it adequately represents leader’s aspirations in the context of “new environmental requirements” (Emery & Trist 1965:28) and helps the organization adapt to the turbulence.

In both cases there are examples of how scenarios can play this testing – or windtunnelling - role. As one of the OU participants involved in developing the scenarios explained:

...so one of the things that the scenarios did was to give us stories to then talk about and think, test different sorts of opportunities ...but on a more informal level to think about what sort of

university do we want to belong to as staff in the future?

In the EPO case, the scenarios process similarly provided the opportunity to discuss and test the organization's identity. The following was reported in the organization's internal magazine, the Gazette (12/05-1/06:8), after one of the scenarios workshop:

other spanners were thrown in the works by three external speakers who challenged our own comfortable notions of who we are and what we do as the EPO. We are very comfortable with our situation as a technical organisation routinely processing patent applications...[but] the external speakers confirmed public misgivings about the patent system and made us sit up with their comments that the EPO is seen as a political organisation, as a legislative organisation and an ethical standards organisation...The questions arise, what do we do about those widely held perceptions? Do we ignore them, try to live up to them, adopt them as our modus operandi or mount a PR campaign to dispel them? It's a choice

There is an arrow from this phase back to the agenda setting phase (as shown in Figure 1). This provides the opportunity to iterate as needed (Ramirez & Wilkinson 2016; van der Heijden 2005). For example, in confirming or adapting the identity of the organization, it may become apparent that there are further questions about the future context that would be helpfully explored through scenarios. These next generation scenarios (van der Heijden 2005) would in turn further help to confirm or adapt the organization's identity.

Deciding 'what to do'

Based on a shared understanding of 'who we are' in relation to emerging changes in the environment, unique strategic options and actions could be developed that would effectively address the turbulence. Alternatively, the scenarios may point to new options or actions that are attractive and this would in turn influence the discussions about the organization's identity and subsequent decisions about 'what to do'. This connection between action and identity is well expressed by Whetton (2006:224) who has argued similarly that "*organizing and identifying can be thought of as parallel, if not identical projects*" Thus, in Figure 1 there are arrows between these boxes.

4. Discussion

This exploration of the implications of organizational identity for the scenario planning process highlights a number of ideas that could improve the ability of the practice to deliver more often – the challenge proposed by van der Heijden (2016).

First, this analysis suggests that perceived adaptive capacity has an additional dimension. McCann and Selsky (1984) found that people's sense of turbulence was influenced by whether they felt they and their organization had the capacity – the resources and skills – to address the turbulence being generated in the external environment. If they didn't, this is when they were

likely to experience the sense that the 'ground is in motion' as Emery and Trist (1965) described the experience of turbulence. Organizational identity suggests that people are also going to experience turbulence if they feel the relevancy of their organization is being called into question in relation to the environmental changes that are emerging or that they anticipate.

If we extend our understanding of perceived adaptive capacity to include leaders' sense that who their organization is remains well aligned to changes in their environment, then by default scenario planning is being used in situations where this is not the case. That is, turbulence is being experienced by leaders who are concerned that who their organization is may no longer be relevant given changes in its industry and beyond. This puts organizational identity at the heart of scenario work - despite its absence in the scenario planning literature (Balarezo & Bernhard Nielson 2017; Lang 2008, 2012).

Scenario planning has emerged as a process for building perceived adaptive capacity in the context of turbulence (Ramirez & Selsky 2016; van der Heijden 2008) by helping leaders anticipate and build skills and acquire resources that will enable them to address the turbulence. Organizational identity extends this argument to suggest that if scenario planning is to improve perceived adaptive capacity it must also help leaders build a robust sense of who the organization is that is well aligned with emerging changes in its industry and beyond.

Second, anchoring scenario planning in identity discussions could assist with the psychological challenges that impede leaders' engagement in the process. Hodgkinson and Wright (2002:955) for example showed how stress experienced by leaders reached "dysfunctional" levels when the dangers of the future were perceived as being too difficult to face. Whetton (2006) makes the point that when concerns about identity are activated (such as in conditions of turbulence) those concerns dominate all thinking. Carlsen (2016:125) even suggests that "feelings should be emphasized as primary clues to tacit identity" – just as he argues Weick (1995) suggested feelings were the clue that a situation was sufficiently salient to activate sensemaking. Thus, by making tacit concerns about identity (Carlsen 2016; Polanyi 2009) explicit in scenario planning, this could help start to calm the turbulence leaders are experiencing sufficiently to generate the benefits that the practice can lead to, such as a strategic reframing of the situation.

Similarly, discussing first the organization's changing identity could address how vested interests in the current identity (Bouchikhi & Kimberly 2003) can influence and potentially sabotage the outcomes of scenario work. That is, if the scenarios suggest changes to an organization's identity and those affected by this have not had the opportunity to work through these issues in the scenario planning process, they may reject the scenarios work outright. Thus, enabling a well facilitated space for interests to be voiced and explored first could address this.

Third, the incorporation of organizational identity considerations in scenario planning suggests the positive emotion that is often generated in the creation of the scenarios (at least for those directly involved) could be transferred through to the implementation of their outcomes.

This could help with concerns about the lack of action (Docherty & McKiernan 2008) and good strategic decisions (Wright et al. 2013) taken as a result of scenario work.

Drawing on the experience of social movements, Rao and Dutta (2018: 321) describe how strategy based in identity discussions can create an energy that can be very powerful:

“For too long, strategy scholars have emphasized firm resources and analysis at the expense of social mobilization; as a result, strategy has become something to be explained to the rank and file, and not a vehicle to arouse enthusiasm, initiative, and energy. An identity-based strategy mobilizes confidence and enthusiasm”.

The positive emotion seen in the EPO case with the call to “give us back our European soul” is a very good example of the energy identity can give to the outcomes of scenario work and strategy more generally.

Finally, although beyond the scope of this paper to discuss in detail, the analysis in this paper does suggest that the practice of scenario planning could in turn contribute to the organizational identity literature – particularly about how to bring about the “risky and difficult” business of identity change (Reger et al. as cited in Tripsas 2009:442). For example, Brown and Starkey (2000) and Corley et al. (2011) argue there is a strong link between organizational learning and organizational identity change. Scenario planning provides a safe learning space (Lang & Ramirez 2017) by developing scenarios from different points in the conceptual future that enable fresh perspectives to be gained on the present (Normann 2001). An analogy is man’s landing on the moon where perhaps the most enduring and impactful outcome of that outward exploration was to look back and see earth, our home and ourselves, in a completely new light. As NASA Apollo 8 astronaut Bill Anders who took the now famous picture of Earth said: “We came all this way to explore the moon, and the most important thing is that we discovered the Earth”. Similarly, scenarios allow leaders to ‘travel’ to different points in the conceptual future and look back and see their organizations and their strategic situation in a new light. This enables them to vividly explore possibilities for the organization’s identity (van der Heijden as cited in Brown & Starkey 2000:112) that minimises the risks of ‘blindspots’ (Elkington & Trisoglio 1996) in developing the scenarios and that will position the organization well for the emerging future.

5. Conclusion

In this paper, I have sought to address the invisibility of organizational identity in current scenario work. This is a serious omission given identity is highly salient in turbulence (Navis & Glynn 2011; Whetton 2006) and is the perceptual screen (Goia & Thomas 1996) for all aspects of the work (i.e., determining what drivers of change are noticed by leaders, how they interpret these drivers in the scenarios, and what strategic options they develop in response). I have

subsequently proposed how the process of scenario planning could be adapted to be anchored in organizational identity discussions. In doing so, a number of ideas have emerged that could address some of the concerns about scenario planning's effectiveness for helping organizations adapt to turbulence.

This paper is an exploratory one that draws on related research. It is hoped that it starts to address the gap in the literature and generate a research stream on the relationships between organizational identity and scenario planning given the increasingly turbulent world our leaders and our organizations must adapt to.

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