THE DARK SIDE OF IDENTIFICATION: OVERCOMING IDENTIFICATION-INDUCED PERFORMANCE IMPEDIMENTS

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ABSTRACT

This chapter describes a two-year comparative study in two investment banking departments that investigated the relationship between identification, shared cognition, and group performance. The data replicates previous research that found a positive relationship between group members' subjective experience of unity with their group, shared cognition, and group performance. However, in contrast to previous research, we found that identification did not facilitate but undermined such a subjective experience of unity. Identification, therefore, impeded shared cognition and group performance, as compared to an alternative way in which bankers experienced unity that we refer to as direct involvement.

INTRODUCTION

This chapter shares with the organizational literature on social identification a focus on how the subjectively experienced sense of unity with a larger aggregate, such as a group, can have beneficial performance consequences for the group

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(Ashforth & Mael, 1989; Mael & Ashforth, 1992; O'Reilly & Chatman, 1986; Pratt, 1998). In this literature, social identification and subjectively experienced unity are often treated as synonymous. For example, Deaux (1996, p. 777) points out that "(a)lmost all analyses of identification incorporate an explicit notion of psychological inclusiveness, a consideration of how a person thinks and feels the self to be part of a larger grouping." Also, Ashforth and Mael (1989, p. 21) define identification as an individual's "perception of oneness or belonging to some human aggregate." Researchers have argued that participants who experience this sense of oneness or unity with a group will naturally act on the group's behalf, which in turn, will enhance group performance (e.g. Elsbach, 1999; Goshal & Moran, 1996). Acting on behalf of a group generally means that participants act on goals, standards and values they share with the group and, hence, with one another (e.g. O'Reilly & Chatman, 1986). Eventually, participants internalize the group's cognitive standards as their own (Albert, Ashforth & Dutton, 2000; Ashforth & Mael, 1996; Kagan, 1958). In other words, current models of social identification postulate that positive performance consequences accrue to a group partly because identification with the group induces shared cognitive processes among the participants. It is clear from the above literature that people's sense of unity with a group has important performance consequences for the group. But is social identification sufficient to understand how people can experience unity with a group? In fact, is social identification even compatible with shared cognition?

Based on a two-year ethnographic study, we propose that social identification limits the sense of unity that individuals can experience with a group. Social identification encompasses the idea that people define their self in social or group terms (e.g. Dutton, Dukerich & Harquail, 1994; Pratt, 1998, 2000). Our data demonstrates how people designated aspects of the group context as *self-significant*, as relevant, meaningful, and important *to the self*. Individual's experience of unity and shared cognitive processes across group participants was limited because social identification focused people on the implications of a situation to their self, versus on the situation's more objectively relevant aspects.

During a period of two years, we studied identification processes and performance outcomes in the investment banking departments of two highly successful Wall Street banks, Merger Bank and Acquisition Bank. Our data affords a unique perspective on the relationship between social identification, subjectively experienced unity, and group performance because it compares two different ways of experiencing unity with an aggregate. Specifically, in the investment banking department of Acquisition Bank, we observed how individuals identified with their organizational roles. In contrast, in the comparable investment banking department of Merger Bank, we observed an absence of identification, yet a high level of subjectively experienced unity. Consistent with how the current literature conceives of social identification, the bankers in Acquisition Bank experienced a unity with their group by defining themselves in terms of attributes they shared with their group, such as values, goals, and standards (cf., Dutton et al., 1994). This experience involved two separate but related entities, the individual banker, or self, and the group. In contrast, the absence of identification that we observed in Merger Bank meant that bankers stopped experiencing and referring to themselves when they experienced the social context. We use here the more general term "social context" versus "group" because, as illustrated below, the bankers' experience of unity was not with a group as an abstract entity but rather with specific, situated social processes.

We had first interpreted the processes we observed in Merger Bank as the result of the bankers' heightened social identification. However, our data forced us to make a qualitative distinction because the processes in Merger Bank were associated with distinct social-cognitive processes and group performance consequences, as compared to the identification processes we observed in Acquisition Bank. We refer to this alternative way of experiencing unity with a social context that we observed in Merger Bank as *direct involvement*. *Direct* implies that, in contrast to the identity-induced involvement that we observed in Acquisition Bank, people's experience of a social context was not mediated by reference to the self but was more immediately and concretely sensed. Our central contribution encompasses differentiating these two ways of experiencing unity by depicting the different social-cognitive processes involved as well as their distinct antecedents and group performance outcomes.

Our general research questions are:

RQ1: How does identification impede shared cognition and group performance?
RQ2: How can groups overcome these identification-induced impediments?

IDENTIFICATION

Identification, identity, and self are interdependent constructs (Mancuso & Sarbin, 1983; Stryker, 1980). We follow McAdams's (1997) definition of identification because the relationship between self, identification, and identity emerged as a central aspect from our research and because his definition explains this relationship. According to McAdams's definition, the self and identity are separate parts of one cognitive *process*. The self is "a unifying process through which subjective experience is synthesized and appropriated as one's own" (p. 56). In addition to filtering experience in *reference* to the self this process also endows experience with *self-significance*, that is a special personal meaning and importance, or a feeling of "mineness" (Heidegger, 1962) – for example, I feel different if *my* feelings are hurt or if *my* property is stolen. We use the term "identification" synonymously with how McAdams uses "self" because the former term is more readily recognized as a process: *Identification is the process by which individuals designate aspects of the social context as self-significant*.

This definition of identification makes the following distinction that we found in our data more readily salient: There are attributes that a person might use to describe him- or herself but with which the person does not necessarily identify; they are not self-defining or self-significant. For example, one can at the same time describe oneself as having a certain gender, haircolor, or as being committed to a particular profession or community and yet believe that these attributes are not self-defining in any way. One possible way to express this difference is to phrase one's relationship to these attributes with the use of verbs rather than nouns: "I dance" versus "I am a dancer" or "I possess female attributes" versus "I am a woman." The data suggests that self-description and self-significance are associated with distinct social-cognitive processes that, in turn, have distinct consequences for shared cognition and performance.

The current literature suggests that an individual's identification with a group enhances the group's performance partly because this identification increases the participants' feelings of warmth and commitment towards the group (e.g. Albert et al., 2000; Ashforth & Mael, 1989; O'Reilly & Chatman, 1986). Consistent with our data, the distinction between self-description and self-significance reminds us that people's feelings of warmth and commitment might be equally strong and more stable towards something with which they do not identify. A variety of researchers (e.g. Csikszentmihalyi, 1990; Wicklund, 1986) have demonstrated the positive affect that people experience when absorbed in an activity (e.g. "I play baseball") and people's strong commitment towards such an activity. In contrast, identification-induced positive affect (e.g. "I am a Mets player") is likely to be relatively less stable because it is often motivated by self-esteem enhancing reasons (Tajfel, 1981, 1982). Therefore, one would expect that such positive affect and commitment will disappear as soon as the source for self-esteem enhancement disappears. For example, as Ashforth and Mael (1989, p. 25) point out, people like to "identify themselves with a winner." Hence, if the Mets started to lose, one would expect the player's identification-induced positive affect and commitment to dwindle.

McAdams's (1997) definition is also useful because it highlights the aspect of self-significance that is sometimes implicit and ambiguous across definitions in the current literature. Pratt (this volume) and others (e.g. Dutton et al., 1994) define social identification as the process whereby elements of the social context are claimed or appropriated by the individual in the sense of "being definitive of one's own self" (Pratt, 1998, p. 172). Also, Albert (1998, p. 4, emphasis in original) argues that "for an individual to identify with an organization is to treat the organization *as if* it were, in some sense, an extension of the self." We view these definitions as compatible with McAdams's in implying that social identification takes something that *was of social origin and makes it a property of the individual*, as experienced by the focal individual.

In contrast, Ashforth's and Mael's (1989, p. 21) influential definition of identification is "the perception of oneness or belonging to some human aggregate," such as a group. Because of this perception of oneness or unity, group members are likely to support their group. Eventually, through processes of socialization, they internalize the group's values, norms, and cognitive processes (e.g. Ashforth & Mael, 1996). According to this interpretation, through internalization, identification *replaces the property of the individual* (some of his or her original values, norms, and cognitive processes) *with something that is social* (the group's values, norms, and cognitive processes). We agree that identification leads to the initial support for and the eventual internalization of the group's values and norms. However, our data shows that there is a consequential difference for group performance between spontaneously exhibited cooperative behavior and one that is driven by internalized standards. The former is more likely to be based on the objective situation whereas the latter is more likely to be based on the individual's self-focused psychological situation into which the group standards are now integrated.

In line with our argument, some of the items in the Organizational Identification Scale (e.g. Mael & Ashforth, 1992) suggest that identification does not completely eradicate the individual's sense of self in relation to the target. On the contrary, such items as "When someone criticizes [the group], it feels like a personal insult" and "When someone praises [the group], it feels like a personal compliment" imply that the individual views belonging to the group as a personal or self-significant attribute, something that the individual can either feel insulted or proud about. The individual who answers these items affirmatively might, indeed, feel a sense of oneness with the group. However, we suggest that this sense is *subservient* to the individual's interests and needs *as* an individual. Our argument that identification foregrounds an individual's subjective motives is compatible with the positive relationship between identification and self-esteem needs (e.g. Chatman, Bell & Staw, 1986; Hogg & Abrams, 1988, 1990).

The distinction between these two types of identification definitions in the literature is also ambiguous because sometimes authors who seem to adhere to the former category, in which the idiosyncratic replaces the social, align themselves with definitions that fit the second category, in which the social replaces the idiosyncratic. For example, Pratt (1998, p. 174) views his definition as conforming with Ashforth's and Mael's (1989) because individuals use their "own identity as a means of determining whether there is a kinship between, or a unity of, self and organization." Our data shows that the subjective experience of an individuated identity with reference to the identity target (e.g. the group) is incompatible with simultaneously feeling a oneness with that group. With incompatibility, of course, we do not mean that people cannot feel both at the same time but we mean that there must then be some conflict (e.g. cognitive, emotional, motivational) that the theory has to account for.

Identity

Identity is the extent to which the aspects that the individual has appropriated as self-significant "can be arranged as a unifying and purpose-giving story" (McAdams, 1997, p. 56). The current organizational literature frequently defines identity as the answer to the question: "Who am I?" (Pratt, 1998). This definition construes an identity in terms of specific attributes, either personal (e.g. "warm-hearted") or social (e.g. "a banker"). Our definition, in contrast, construes identity as a relatively stable *organizing principle – a meta-level construct* – by which a person arranges these self-significant attributes and gives them meaning. Albert and Whetten (1985) have suggested that the identity of an entity (e.g. a person, group, or organization) is that which is "central, distinctive, and enduring." This definition has sometimes been challenged (e.g. Gioia, Schultz & Corley, 2000) because few attributes fit this description. Our definition offers a possible reconciliation between Albert and Whetten's definition and the subsequent challenges to it. Namely, our definition suggests that centrality, distinctiveness, and relative stability apply to a way of organizing attributes, rather than to the attributes themselves.

The group literature shows a particular interest in social (versus personal) identities because researchers believe that individuals who define themselves in social or group terms also feel a subjective unity with the group that facilitates shared cognition among group members. In contrast, our data suggests that a distinction between personal and social identities is not necessary in an analysis of shared cognition. We illustrate how identification integrated social attributes into a banker's self-concept. These previously social attributes then functioned like personal attributes to regulate the banker's behavior in relation to his or her self versus in relation to the shared situation.

METHODS

Setting

For two years, we studied one of Wall Street's most successful investment banking departments ("IBK") within a bulge bracket investment bank ("Merger Bank").

IBK's success was remarkable in its extent and long-term stability. The seemingly "inexorable" (a VP at another investment bank) way in which IBK generated and sustained its financial success was what industry analysts and competitors alike mentioned most frequently in interviews, for example, when they referred to IBK as "the Street's most amazing money-making machine." Throughout the period of our study, IBK was consistently among the top departments in its particular métier, as measured by client ratings and by industry league tables. League tables rank departments according to such statistics as number and size of deals completed in a given period of time.

The central theme that emerged during our early research was that, according to our informants, IBK's success was not only remarkable in its extent and long-term stability but also in that it obeyed different laws compared to those that lead to success in comparable organizations. While the relative success of comparable banks was to an important extent based on how "super-stars" (a term that bankers at Acquisition Bank used to refer to their highly successful bankers) contributed to the organization, IBK's success was based on how the bankers seamlessly interacted with the organizational system.

The data and methods we will discuss in the following are drawn from a particular comparison between IBK and a comparable investment banking department in Acquisition Bank, CG. IBK and CG were comparable in terms of number and type of employee (about 60 undergraduates and MBAs from elite universities), type of client (Fortune 100 companies), nature of the task (financial advisory services), approximate size and structure of remuneration (base salary plus performance-contingent bonus), and HR processes (e.g. 360 degree feedback). Because the banks were also direct competitors for personnel, in a given year, each bank was careful to adjust the actual size of the total remuneration package for professionals who were comparable in terms of seniority and success to what the other bank was paying. In addition, both groups occupied leading positions in their respective markets at the beginning of the observation period. Towards the end of the observation period, however, CG's league table standing and profitability declined.

Data Sources

During the study's first year, the first author participated in IBK's dealwork, recruiting effort, special projects (e.g. implementation of a new technological platform, and social activities). Throughout the project, I was employed by Merger Bank in a research function. This function involved conducting a comparative study of organizational practices in 14 professional service organizations. This study represented a collaborative initiative of the participating organizations. In IBK, my role was that of a participant observer. Because of a background in investment banking, I could complete the work of a junior banker, which included analyses and word processing tasks. I passed this work along to the senior bankers on the team. During conference calls and meetings, I merely listened; I did not participate substantively. In addition, I conducted informal interviews with more than 120 informants, including members of IBK, other members of the division of which IBK was a part, employees of other investment banks, and IBK's clients. During the study's second year, I conducted more formal interviews, lasting between 30 and 45 minutes, with approximately 60 bankers in IBK and the overall division.

At CG, I interviewed 15 professionals, repeating interviews three and four times with two participants (a Vice President and an Associate, respectively). I spoke with additional members informally at social functions. In addition, I listened to approximately 35 conference calls between the bankers on various teams as well as between various banker teams and their clients. Finally, I analyzed the training and client materials of both groups.

Analysis

We designed and analyzed interview protocols following Spradley (1979) and Weiss (1994). Our interviews were open-ended. We asked the bankers to tell us in detail about successful and about not-so-successful situations that they had experienced. We did not specify what we meant by "situation" so that we could identify the unit of analysis that the bankers naturally used. Bankers mostly referred to inter-personal interactions. As key constructs emerged during an interview, we asked for further clarification through definitions (e.g. "What do you mean with 'ego'?") and comparisons (e.g. "What does someone who does not have an ego look like?"). During our early observational research, informants had linked IBK's seamless way of interrelating to its unusual success. Therefore, we structured our interviews according to the bankers' descriptions of relative success to: (1) validate this linkage between success and seamless interaction in the banker's experience; and (2) elicit the dynamics of this seamless interaction without influencing the bankers' account by prompting the construct.

The analysis of fieldnotes followed the theory building approach by Strauss and Corbin (1996). We summarized each month's worth of data in two ways: (1) a personal account that emphasized thick description, and (2) a slightly more abstract account that we discussed in regular meetings with key informants. Based on emerging themes (e.g. "fungibility," "task-orientation"), we decided which informants (e.g. particular individuals or deal teams) to focus on next to test the validity and utility of our tentative interpretations. At the end of the formal data collection process, we had a preliminary theoretical framework that described (1) two distinct ways in which different bankers related to their social context, and (2) group-level correlates (e.g. group performance). Through regular informal conversations with key informants at CG and IBK, we evaluated our emerging understanding. Finally, two senior bankers in CG and one senior banker and one mid-level banker in IBK read an early draft of our analysis. We resolved disagreements through discussion.

FINDINGS AND ANALYSIS

Our central finding was that IBK bankers exhibited a way of relating to their social context that we refer to as direct involvement. Direct involvement was characterized by a subjectively experienced unity with the social context but was associated with distinct social-cognitive dynamics, antecedents, and group performance consequences, as compared to the related construct of identification that, according to the literature (e.g. Ashforth & Mael, 1989), is also characterized by a subjective experience of unity.

The following guides the reader through our own process of discovery about identification and direct involvement. We had first noticed how CG and IBK handled the same business practices differently and that these differences were associated with distinct ways in which the CG and IBK bankers interpreted themselves. Because of our interest in how people experience unity with their social context, we focused on that aspect of the bankers' self-interpretations that related them to their social context. Following Dreyfus (1999), we define interpretation as conspicuous action that need not involve mental representations. For example, one interprets a hammer as a tool by using it to drive a nail into the wall. Mental representations relating to the hammer's tool functionality are likely to arise only when the hammering process somehow breaks down and the individual has to think about alternatives (Heidegger, 1962). Based on this definition of interpretation as conspicuous action, we primarily, but not exclusively, inferred the bankers' self-interpretations from observing how they acted within or towards their social context.

The following section illustrates CG's and IBK's different approaches to: (1) two standard business practices, client solicitation and project staffing; and (2) one extraordinary business situation that involved managing the performance of a group of people. Next, we explore the bankers' different self-interpretations in more detail, including the distinct social-cognitive dynamics involved.

CG's and IBK's Distinct Approaches to Standard Business Practices

Banks do deals. Client solicitation and project staffing are important business practices partly because they jointly determine a department's profitability. Client solicitation refers to all forms of marketing, including those meetings in which banker teams approach new or existing clients with ideas for deals. The number and size of deals a department executes determines its revenue. In addition, these numbers are the industry's primary measure of success and, therefore, represent an important aspect of a department's reputation. Staffing refers to the assignment of bankers to projects, including client solicitation presentations and deals to be executed. A department can reduce the cost of a project by staffing fewer and less senior bankers on a team and, thereby, freeing senior bankers to conduct more solicitations.

Solicitation and Staffing in CG

CG bankers consistently highlighted to clients the importance of particular bankers and their attributes, such as seniority and relevant experience. For example, CG ran extensive magazine ads that showcased very senior bankers or "super-stars." During an interview, one CG banker explained that "if you promise the client a super-star, you get the business. Important people want to deal with other important people." In addition, CG bankers regularly included in presentation books a detailed description of each team member's relevant background. During client meetings, they emphasized the fit between a banker's background and the client's needs.

Bankers were staffed based on their relevant experience. In line with how they perceived client needs, CG often dedicated very senior bankers to executing deals, despite the high opportunity cost. Once a banker was staffed on a client project, he or she had to work on this project irrespective of conflicting obligations because other bankers could not get "up to speed" quickly enough. For example, when a client project became active, bankers sometimes had to stay up all night, or even return from vacation, in order to attend to it.

The CG and IBK clients I interviewed agreed with the assessment of the CG bankers that the relevant attributes of individual bankers mattered. In further support of their assessment, CG bankers mentioned that clients and other bankers often followed along when an experienced banker left. Clients said that they followed along because they felt that the quality of the service they received depended on the particular knowledge of a banker. Bankers said that they had sometimes thought about leaving CG when an experienced banker left because they were skeptical about CG's ability to fill any critical knowledge gaps that might result from the departure of the particular banker and of those bankers that joined him or her.

Solicitation and Staffing in IBK

Senior management at IBK instructed all bankers not to talk to the press because they did not want to bill individual bankers as super-stars. As such, most interactions between IBK and the press was through Merger Bank's press speaker, and focused on the policies and accomplishments of the Bank or the department as a whole.

The finance staff of most organizations maintains ongoing relationships with a variety of investment banks. When an organization requires financial advisory services, its finance officers usually invite a few investment banks to present proposals. Before the organization decides on the services of one investment bank, the finance staff often conducts repeated conversations with all investment banking contenders. Our analysis compared the interactions (i.e. proposal presentations, phone- and personal conversations) that the two investment banking departments had with corporate clients which both investment banks were serving. We found that the two departments enacted different patterns with the same client. For example, we observed solicitations in which CG and IBK competed for the same business. During some of these meetings, clients told the IBK bankers that CG would assign a very senior banker to the transaction and requested similar attention from IBK. In all instances, the IBK bankers responded that they were "fungible." In line with this way of interpreting themselves, IBK bankers focused the clients' attention on the resources of Merger Bank as a whole; presentation books did not make reference to the relevant experience of particular bankers.

We initially found the IBK bankers' fungibility claim difficult to understand because they faced the same task, client demands, and internal resources. Similar to CG bankers, each IBK banker had a distinct set of knowledge that was based on the banker's particular deal experiences and tenure. As we will elaborate below, bankers, nevertheless were fungible. By understanding themselves in terms of organizational processes, bankers became more aware of how these organizational processes could accomplish tasks independently of the particular individuals involved. Because of this enhanced awareness, they could harness these collective processes more effectively.

The IBK bankers' fungibility claim was consistent with Merger Bank's staffing practices and client behavior. In contrast to CG's staffing practices, IBK staffed bankers interchangeably. Bankers were assigned to projects based on availability, irrespective of how their particular expertise matched the demands of the project. In addition, IBK bankers often substituted when a banker on another team or even in another department was overloaded with projects or went on vacation. Also, on comparable deals, IBK tended to staff project teams more leanly than CG; it delegated relatively more responsibility to fewer and less senior bankers. Therefore, compared to CG, IBK's performance was also enhanced because by directing client attention and demand away from particular bankers and towards organizational resources, IBK could staff bankers to maximize the effect of its revenue generating resources (senior bankers) and to minimize IBK's cost per deal.

Finally, the bankers' fungibility implied that IBK was less affected by the departure of individual bankers. For example, when Merger Bank laid-off employees in all divisions because of severe trading losses, some senior bankers with important client relationships also left IBK voluntarily. In contrast to the dynamics in CG, IBK's data and an industry-wide survey showed that clients did not follow the bankers who had left and that overall client confidence in Merger Bank was unaffected. We consider the ability of a banker team or IBK to function independently of particular individuals to be an important facet of group performance.

We interpret the different approaches of CG and IBK bankers to client solicitations and staffing as one clue of their distinct self-interpretations, involving identification and "fungibility," respectively. The CG bankers' focus on the individual banker in business solicitation and staffing expresses identification as judged by our working definition: Identification is the synthesizing and appropriating of what one experiences in self-significant terms. The bankers identified with their activities by interpreting themselves as the *agents* of these activities. They (1) isolated aspects from a complex interactive business process, which also involved other people and objects, and (2) designated these aspects as self-significant, as either having been caused by the particular CG banker or being somehow about him or her. In addition, the CG bankers themselves believed that this practice was evidence for identification because it represented the banker's self in terms of the role he or she occupied within the organization. We explain below how the differential solicitation and staffing practices expressed as well as strengthened distinct self-interpretations.

CG's and IBK's Distinct Approaches to an Extraordinary Business Situation

So far, our findings showed that: (1) CG and IBK bankers interpreted themselves in different ways, (2) these different self-interpretations were associated with differences in business practices, and (3) the distinct approaches to business practices, in turn, had differential group performance consequences. But how important were the differences in self-interpretations in *causing* differential group performance? For each bank, client solicitation and staffing processes had developed over long periods of time. The distinct self-interpretations might simply represent epiphenomena of the *strong situations* that these business practices created. Strong situations unfold according to their own logic to which individuals adjust independently of the individuals' own attributes, such as beliefs or behavioral proclivities. To examine whether and how the distinct self-interpretations mattered we analyzed their potential influence in extraordinary *business situations*. Extraordinary business situations refer to those situation-specific aspects of habitual business practices, including solicitation and staffing, in which behavior cannot simply follow habitual decision making rules, either because such decision rules are too general, ambiguous, or simply do not apply. Here, we illustrate one such situation faced by both CG and IBK in which general business practice did not apply because the situation encompassed managing the performance of particular groups of people. In both departments, performance was typically "managed" on a case by case basis.[1] The following illustrates how the distinct self-interpretations we observed mattered to group performance because they influenced the bankers' ability to recognize and manage the role of organizational resources with differential success.

Both departments had noticed increasingly frequent mistakes in the work of their junior bankers. The CG bankers thought that these performance problems were purely quantitative. Consistent with their belief that competence is something that resides in particular people, they simply assumed that they had hired incompetent people and did not conduct additional analyses. Hence, the performance problem remained unsolved throughout our observation period. In contrast, the IBK bankers suspended judgment about the situation until they had completed a variety of analyses, including administering paper and pencil corporate finance tests to junior bankers. In addition, because the IBK bankers were sensitive to how the performance of individuals were influenced by the larger system, they analyzed the system for potential causes. They discovered that the new bankers' performance had deteriorated with the introduction of a new technology that performed calculations automatically. A team of senior IBK bankers and programmers then modified the computer system to be more interactive. Previously, for each analysis (e.g. cash flow) the computer screen displayed a page of text. Each line represented a query for a different input variable, such as interest rates or time period. The only aspect the banker would see of the computer's calculation process was the completed analysis. After the team's modifications, the computer displayed its computations in the form of a spreadsheet with some input fields (e.g. number of years, interest rates) and some fixed fields that showed calculation formulae.

These modifications reflect the senior bankers' self-interpretation as forming one system with other organizational resources, including computers. First, the modifications implied the senior bankers' interpretation that performance consequences in one part of the system (banker) could be addressed by changing another part of the system (computer); the bankers realized that what was in the bankers' heads depended on what was displayed on the computer's screen. Moreover, the modifications invited the junior bankers into a similar self-interpretive stance. The senior bankers did not teach the junior bankers the principles of corporate finance. Rather, they created a process that made the junior bankers more aware of the interdependence among organizational resources, which included the junior bankers. Initially, the junior bankers saw the computer primarily as a black box. The common joke was that the original computer software was appropriately supplied by *Oracle*. Because of the modifications, the junior bankers came to focus less on how the bankers and the computer were *separate entities* and more on how they were parts of one *interdependent process* in the sense that each part subsequently provided constraints for the other. For example, with each new input or constraint the banker provided, the computer's spreadsheet now showed the banker which numbers changed and how. The computer thus provided constraints in the sense of showing the banker the calculation trajectory that was developing with each new input and, thereby, guided the banker's next steps.

There is some evidence that CG and IBK bankers would also have shown differential tendencies to suspend their habitual interpretations in implementing solutions, if CG had chosen to act on the situation. IBK bankers selected a team of senior bankers based on a careful weighing of the high opportunity cost involved and the expected benefits. They expected this team's judgment to be highly effective because its members had been with the department for a long period of time and were, therefore, familiar with all analytic procedures. When I interviewed CG bankers about how the two groups had approached the same problem differently, most bankers were incredulous when they heard of IBK's solution. One managing director (MD) laughed in disbelief:

> MD: Are you shitting me? This is unheard of on the Street (i.e. Wall Street) – senior bankers doing back office work! Why not get human resources involved?
>
> Researcher: I guess they (i.e. the IBK bankers) thought that human resources was not so familiar with the specific work processes and could not analyze the situation so well.
>
> MD: Well, they (i.e. HR) could have just gotten them (i.e. the junior bankers) some training.

In this representative reaction, the CG banker applied a habitual frame that consisted of the industry's standard connection between an extraordinary performance problem and training provided by human resources as a solution.

IBK's data showed that the modifications not only improved the performance of the junior bankers but also that of the group as a whole. Because senior bankers did not have to mark up the work of junior bankers they had more time to solicit business. Also, as a byproduct of scrutinizing the financial analysis process, bankers found ways to make analysis more efficient. For example, they started drawing in financial data automatically versus having them entered by the banker. In addition, they hired a knowledge manager who identified other ways of saving time and of improving the integrity of financial analyses.

In summary, our analysis indicates that the group members' self-interpretations can influence the effectiveness with which a group addresses extraordinary business situations. The above analysis depicts that how extraordinary business situations are addressed can, in turn, influence group performance *directly*, here by solving the problem that originally impeded performance. In addition, we found that IBK's solution to the extraordinary situation also affected group performance *indirectly* because it affected standard business practices and routines, such as knowledge management and client solicitation (e.g. March, 1981; Orlikowski, 1996; Weick, 1993; Weick & Quinn, 1999).

Identification and Direct Involvement as Distinct Social-Cognitive Patterns

Informed by the current organizational literature, we initially believed that the IBK bankers strongly identified with either Merger Bank or IBK. We reasoned that this identification explained the above described perception of fungibility as well as the beneficial group performance consequences. Further analysis, however, compelled us to make a distinction between two social-cognitive patterns: (1) Identification, which encompasses a subjectively experienced self-significance that causes the individual to regulate cognition, emotion, motivation, and language with reference to the self; and (2) Direct involvement, which does not encompass such felt self-significance and in which cognition, emotion, motivation, and language are influenced more by the concrete aspects of a situation. This section illustrates our coding scheme for these distinct patterns in the context of our IBK data. In IBK, but not CG, we found and could, therefore, compare both patterns, identification and direct involvement. We observed the identification pattern primarily in: (1) bankers who had just joined IBK, and (2) lateral hires.

Identification and Direct Involvement in IBK

One IBK analyst had been working all night on a client document. The next morning, the VP on the team read the document, found that it was of low quality, and told the analyst:

> You are trying too hard. You got to be more task-oriented. Don't worry about what I will say or what the client will think about you. Then you are making bad choices. Here, look at this section. Once you made [that decision], the [other section] should have followed by itself. [. . .] Take one step and then see where it takes you. [. . .] Have some fun!

This VP contrasted two types of motivations: (1) a task-*intrinsic* orientation, which consists of standards that relate to the *task*; and (2) a task-*extrinsic* orientation, which consists of the standards that the analyst thought other people have in relation to *her*. The VP located these different motivations within distinct patterns of emotion, cognition, and self-interpretation. He associated the analyst's task-extrinsic motivation with the *emotion* of worry and with "bad choices," a *cognitive* aspect. He implied that the analyst's worry had distracted her from the guidance that the task was offering. In contrast, he associated a task-oriented motivation with the *emotion* of fun and *cognitive* sensitivity to task constraints.

The analyst was "trying too hard" because she exercised effort (e.g. made choices) where the task should have done the work (e.g. revealed constraints). Her excessive effort is evidence for an identification-related *self-interpretation*. The analyst appropriated to her self what was, in fact, an interactive process that also involved the emerging task structure. This self-interpretation caused the worry and, therefore, the bad choices. She worried because she interpreted obstacles during her work in self-significant terms, as being about her (e.g. as signaling that she might not be able to complete the task and that people would then think of her as "stupid"). She would have been less likely to worry and more likely to act correctly if she had interpreted these obstacles as being about the task, for example as signaling that a different approach was required.

We found that, *linguistically*, this misappropriation of interactive elements to the self, which is characteristic of identification, was associated with a person's enhanced tendency to talk about dispositional versus situational aspects. For example, the analyst and CG bankers tended to talk about situations in terms of the causal effect that their own and others' personal dispositions (e.g. intelligence) had for performance. In contrast, IBK bankers often had difficulty describing their own and others' performance-related dispositions. They could, however, describe deal-related dynamics with comparative nuance and complexity (cf., Wicklund, 1986). There is often a relation between the kinds of differentiation that (groups of) people make and the type of environment they have to cope with. For example, Eskimos have more than 20 words for snow. Following this logic, we believe that the CG bankers' dispositional vocabulary reflected their focus on personalized problems; the IBK bankers' focus on the task made task-related distinctions more salient and useful.

In a conversation, another VP offered an example of what he meant by task-orientation:

> At 12 last night, I was just beat and I stopped writing [on a document for a client presentation]. I thought to myself that I won't get this into any reasonable shape tonight. So, I started to think about the consequences for the meeting tomorrow morning and how we (i.e. the participants in the meeting) can deal with this in a different way there.

Like the analyst, the VP also exerted effort to complete the task. However, in contrast to the analyst, he was sensitive to how his effort and the task interacted: at a certain point, trying harder would not have benefited the task. According to this VP's interpretation, task-quality ("reasonable shape") *was not an abstract standard* by which others judged his performance *but a barometer, a concrete sign*, that guided his efforts. Because of this interpretation, he framed his difficulties (e.g. feeling tired) not as an evaluation of himself (a task-extrinsic focus) but as information about what to do (a task-intrinsic focus). The VP in the analyst example argued that task-orientation would have involved noticing how the task posed constraints for the analyst-task system. Consistent with interpreting task and performer as one system, the VP in this example treated his decision to stop as a constraint to which the system as a whole, including the meeting participants, would adjust.

When I asked the VP how he had felt during that night, he shrugged his shoulders and said that it was a "non-event." We believe that, in contrast to the analyst above, the VP did not experience such emotions as worry, fear, guilt, or shame, because he interpreted himself as one of many finite and fungible resources within a system. When a resource runs out, the question is not: "Who is to blame?", but simply: "What do we do now?" Emotions such as worry, fear, guilt, or shame are only relevant to a situation that is framed by the former but not the latter question. The VP's neutral response also contrasted to the strong emotions that many CG (but also IBK) bankers experienced in comparable situations. In one extreme example, a new associate in IBK told me that he had stayed up a few nights in a row despite pneumonia. With pride, he told me how he "got the job done" even though he kept vomiting blood into a garbage can. We believe that his pride was the flipside of the shame that, during these nights, he had anticipated feeling if he had yielded to his illness. The VP on this associate's team considered this behavior "stupid" and "completely unnecessary": "He should have asked someone else to step in."

Consistent with previous findings (e.g. Ashforth & Mael, 1992), both the analyst and the associate in the examples above, whose behaviors we coded as identification-induced, exerted considerable effort. Nevertheless, their performance was relatively ineffective from the perspective of the group as a whole. In both situations, a resource with a high opportunity cost expended an inordinate amount of time which each could have avoided by drawing on other resources (i.e. the task, healthier colleagues). Moreover, both bankers' products required further time investments from senior bankers. The group's performance suffered because the analyst and the associate did not respond to the objective needs of the situation but to their personal need to defend a cherished self-concept – an identity – at all cost (McCall & Simmons, 1960). This identity involved interpreting situations (e.g. perceived obstacles) in habitual self-significant terms (e.g. "I will look stupid,"

Please check reference Ashforth & Mael, which is missing in the reference list.

"I might not get the job done") versus in more objectively appropriate terms (e.g. "I should try a different approach," "I should ask for assistance"). These examples also show how acting on one's identity can cause behavioral confirmation from others (Snyder, 1992). For example, after the above incident, the analyst worried that the VP would now question her competence. Consistent with the VP's interpretation, we believe that this habitual concern caused her poor performance and, thus, the basis for potentially low performance evaluations, in the first place.

Further evidence for differentiating between two social-cognitive dynamics comes from how other employees used the term "task-orientation" differently than the majority of the IBK bankers. Lateral and new hires as well as employees in other parts of Merger Bank used the term as a self-defining personal attribute and not as a description of a person's orientation towards a situation, i.e. as a relational orientation. They also used it in a different cognitive, emotional, and motivational context. For example, a previous IBK administrator who had then joined the human resources department told me of her work experience at another investment bank:

> Our task-orientation here (i.e. at Merger Bank) is really quite unique. People here can work rings around people at [competitor x]. My friend who left [Merger Bank] and is now at [competitor x] said the same thing. She told me that what they get done in a week, we can get done in a day.

The administrator identified with a psychological group (Turner, 1984) whose members share the attribute of task-orientation. This self-interpretation was associated with: (1) self-esteem enhancing motives, such as the desire to partake in something unique, and self-enhancing emotions, such as pride; and (2) aggression against an out-group, the employees of competitor x. In contrast to how IBK bankers used the term, the administrator did not relate task-orientation to specific behaviors in concrete situations but used it as a relatively information-free, abstract standard of evaluation. When terms are used in such an abstract manner, they lend themselves to indiscriminate application to situations because it is not clear which evidence would contradict their application. Moreover, the mere application of a label sometimes feels to people like they know what a situation is about and, therefore, substitutes for further analysis (see CG's failure to analyze the group performance problem). The quote also fits the other linguistic aspect of our identification coding scheme in that, in contrast to most IBK bankers, the administrator volunteered dispositional descriptions of herself and others.

Identification in CG

Here we illustrate how this identification pattern manifested in CG bankers. CG bankers felt that the success of a deal or a task depended on their unique traits.

Therefore, their focus on and the significance they attributed to these traits was enhanced, often at the expense of their task focus. For example, CG and IBK bankers responded differently to feedback. IBK bankers interpreted the clients' challenges to their experience (e.g. requesting a more experienced banker) in a non-personal way. Their response ("We are fungible") indicates that they interpreted these challenges in terms of the clients' concern about the task. By pointing to their fungibility, they implied that the task would be completed successfully independent of the bankers' attributes. In contrast, CG bankers often interpreted and responded to less obvious signals from clients and colleagues, such as receiving delayed return phone calls, being addressed last in introductions or being interrupted, as personal challenges. In one situation, I observed how a CG banker who felt that the client treated him with insufficient "deference" (the banker's term) tuned out of the situation by making entries in his electronic organizer.

The strong emotions associated with perceived challenges often distracted bankers even further from the task. For example, CG analysts and associates described situations in which they could not concentrate on what a team member or the client was saying because they kept thinking about how to complete a novel task by themselves without appearing stupid (Diener & Dweck, 1978, 1980; Dweck & Leggett, 1988). These bankers worried because they felt that their own resources were insufficient in relation to demands (Weick, 1990). This perception of an unfavorable resource/demand ratio, in turn, was an artifact of identifying with one's own versus the organization's resources. The bankers felt that important organizational resources were not available for them because they prioritized protecting their self-concept over completing the task efficiently. CG bankers felt that they could only draw on their friends for help rather than the person with the most relevant experience because they were afraid to expose their weaknesses to anyone but their friends.

Consistent with our identification coding scheme, in all these examples CG bankers exhibited cognition, emotion, and motivation that prioritized their own psychological situation over the shared objective situation. Also in line with our coding scheme, we observed differential propensities for out-group aggression in CG and IBK. For example, the CG bankers often described the IBK bankers as "clones," by which they meant "people without a unique personality." CG bankers prided themselves of working in an environment, namely CG, that "encouraged individuality." In contrast, IBK bankers generally refrained from disparaging competitors. These different propensities for aggression are predicted by social identity theory (Turner, 1975, 1981). Its minimal group paradigm (Brewer, 1979; Tajfel, 1982) suggests that by simply accepting a label, individuals can: (1) feel part of an in-group (e.g. "people who work in an individualistic environment") comprising all other individuals with that same label, and (2) therefore, exhibit a tendency to disparage members of a salient out-group (e.g. "clones").

DISCUSSION

RQ1: How does Identification Undermine Shared Cognition and Group Performance?

The CG bankers experienced unity with CG in the sense that they defined themselves in terms of their organizational roles. This self-definition transformed elements from a *shared background* (e.g. role-related standards, values, and goals) into elements of an *individual's identity*. According to the current literature, the benefit of this transformation for a group requires that identification replace some elements of the participant's original identity with the group's standards, values, and goals and that the participant will, therefore, be more likely to act on behalf of the group. Our research does not contradict these findings. However, it adds that via this transformation identification not only affects *whether* but also *how* participants will act on behalf of the group. The data shows that identification has cognitive, emotional, motivational, and linguistic consequences that can undermine shared cognition and group performance.

We here explain these undesirable consequences in terms of two related processes, *self-regulation* and *automaticity*. First, by transforming organizational standards into aspects of an individual's identity, identification changes how these standards regulate an individual's behavior. For example, identification associated CG's performance standards with the banker's personal standards for him- or herself (e.g. "not appearing stupid"). In the process, *organizational standards came to operate like personal standards; the banker no longer experienced them in relation to activities but in relation to his or her self* (Carver & Scheier, 1981, 1990). For example, we depicted how CG bankers showed the same self-regulatory processes with respect to competence-related standards as those IBK bankers who applied personal, competence-related standards (e.g. "not looking stupid," "being someone who gets the job done").

These self-regulatory processes undermined shared cognition and group performance because bankers then attended and responded less to the objectively relevant aspects of a situation (e.g. other available resources, guidance from the task). Instead, they *cognitively* isolated those *stimuli* from the situation that provided information about potential discrepancies between their actual situation (e.g. suffering from an illness) and the standards (coded as *motivation*) they identified with (e.g. being someone who gets the job done). Bankers often registered discrepancies as intense *emotions* (e.g. worry, pride, shame, guilt, fear) that then distracted them even further from the objective situation and made them rely more on habitual responses (e.g. compulsive work, self-protective behavior towards colleagues) (cf., Weick, 1990).

The second, related process by which identification can affect shared cognition and group performance involves people responding *automatically* to their interpretations. Automatic here means that the individual was not aware of having made an inference and had no control over acting on this inference. It is one thing to consider a situation from a self-significant perspective but quite another to act on this perspective. By embedding organizational standards within a person's identity, identification associates these standards with other aspects of an individual's identity, including habitual cognition, emotion, and motivation. Because of this association in a person's experience, the perception of one aspect in a situation can activate the other aspects, independent of whether they are appropriate to the situation (Andersen & Berk, 1998). The individual's subjective experience of this activation involves "knowing" what the situation is about and, therefore, acting on it with confidence (Bargh, 1989). For example, when CG bankers saw unknown aspects in a client situation, they "knew" that this implied their stupidity and responded automatically with worry and self-protective behavior towards their colleagues.

Shared cognition will be undermined if the inferences the individual draws and acts on are idiosyncratic, which they often are (Higgins & King, 1981). Individual performance will be undermined and, therefore, group performance will be affected because the individual will act on dynamics dictated by his or her psychological situation, versus by the more objective situation. Shared cognition will not be affected if the group participants' automatic inferences are shared. We showed how group performance can, nevertheless, be affected when the feeling of knowing a situation prevents further analyses. For example, all CG bankers we interviewed about the group performance situation showed the same automatic inferences (e.g. performance is the attribute of an individual; individual performance manages itself). Our data showed that each banker had arrived at these inferences independently; the subject had not been discussed in the group as a problem to be solved. Hence, this situation differs from group think, for example, because there were no social convergence processes.

One might argue that this situation merely reflected habitual ways of interpretation. Of course, habitual interpretations are not necessarily related to identification. We agree. But our point is that identification decreased the likelihood that people recognized their habitual interpretations as such; people, therefore, acted on them as facts. Because individual competence was self-significant to CG bankers, they frequently applied this interpretive frame to making sense of their experiences. The frequency with which bankers activated the frame increased the likelihood that the frame was activated and applied automatically (Bargh, 1982). In particular, when bankers saw one aspect of their interpretive frame (e.g. competence problem) in the context, they automatically supplied the rest of their frame. IBK bankers also had habitual interpretations about competence. Namely, they believed that competence resides in a system. Therefore, competence was not solely a self-significant construct for each individual banker. Consequently, when they noticed the group performance problem, they could suspend their habitual judgment and look for causes both in the individual bankers and in the system.

It is important to notice the role of *language* in both processes, self-regulation and automaticity. Organizations use labels (e.g. "competence," "leadership") to orient their selection, reward, and role definition processes. Through identification, individuals apply these labels to themselves as dispositions ("I am competent"). In our society, dispositions are viewed as explanations for individual performance differences (Anastasi, 1958). Therefore, this self-labeling might activate in the individual a concomitant implicit theory of performance, one that *ascribes* performance to dispositions. Such an implicit theory would make it reasonable for individuals to monitor situations with constant reference to their own dispositions. We argue that the individuals' monitoring of situations in terms of abstract dispositional labels: (1) directs attention away from concrete behaviors and dynamics and towards abstract classifications (e.g. "intelligence"), and (2) activates self-regulation. These processes also facilitate automaticity. The more the individual directs his or her attention away from the concrete aspects (e.g. behavior) of the situation and towards the abstract label, the more likely will the individual's interpretation reflect the habitual meaning he or she associates with the label and neglect a situation's concrete novel elements.

Finally, we have shown how people *enacted* their identities. By acting on their habitual interpretations (idiosyncratic or shared), individuals often created situations that confirmed their interpretations. For example, consistent with the CG (IBK) bankers' self-interpretations, clients treated them (but not IBK bankers) as individual contributors and CG (but not IBK) suffered from the attrition of experienced individuals. Also, the analyst's fear of looking stupid sabotaged her efforts and brought about the very perception she had hoped to avoid.

In summary, by activating the processes of self-regulation and automaticity, identification caused individuals to experience and act on the *shared background* (either shared standards, goals, and values or the concrete situation) as an *idiosyncratic context*. Therefore, CG was reduced to the resources of its constituent individuals. In the absence of identification, the above described processes of self-regulation and automaticity occurred less frequently. People experienced and acted more on the shared background. Therefore, IBK functioned more like a system (Hackman, 1987; Hage, 1980).

RQ2: How can Groups Overcome These Identification-Induced Impediments?

Other constructs have described the phenomenology of direct involvement in a task, including *flow* (Csikszentmihalyi, 1990), *dynamic fit* (Wicklund, 1986), and *mindfulness* (Langer, 1989a, b; Weick & Roberts, 1993). Direct involvement explains this phenomenology via the variable *self-interpretation*. Self-interpretation is an important antecedent to understand for facilitating such a phenomenology. The example of CG shows how the failure to understand this antecedent might result in the wrong recipe for enhancing group performance. CG used culture and socialization to induce identification in its employees. We will first argue that these practices unintentionally incurred consequences that undermined the group's underlying goals of encouraging in their employees: (1) an experience of unity with the group and, therefore, (2) an enhanced focus on the group's tasks. We will then show how IBK avoided undesirable consequences through social practices that avoided identification.

Culture and socialization respectively build up and orient group members towards abstract interpretive frames, such as "shared patterns of assumptions" (Schein, 1985), shared interpretations or understandings (Barley, 1983; Van Maanen, 1976), or "shared values and norms" (O'Reilly & Chatman, 1996). We argue that partly because of their abstraction these interpretive frames distract participants from a relatively more immediate experience of the concrete context. We have shown how these abstract frames are particularly compelling and difficult to suspend when individuals identify with them which means that they view these frames as self-*defining*. We argue that by encouraging individuals to define themselves in terms of social attributes, groups unintentionally cement an agency-oriented self-interpretation: The individual now feels ownership for these attributes. Felt ownership, in turn means, that he or she has a unique responsibility for regulating the self towards attaining the standards represented by these attributes ("agency"). This felt responsibility is unique because the self is the only object that one constantly has to regulate in this manner (Higgins, 1996). The important point is that the activity of self-regulation and the self-perception of being an object that is distinct from the social context and that has to be managed with high priority are intimately related. Therefore, social identification unintentionally undermines the goals (i.e. felt unity and enhanced task-focus) it was designed to achieve because it causes individual self-regulatory concerns to stand out to the individual and shared concerns to recede.

We also refer to direct involvement as the "absence of identification" to emphasize that groups can attain direct involvement by simply avoiding processes that induce identification. While identification-inducing strategies build up and make abstract frames more compelling, inducing direct involvement is a matter of rendering abstract frames less compelling. Our data suggests that this primarily involves rendering less compelling an individual's agency-oriented self-interpretations. Divestiture socialization, for example, tries to achieve a similar goal by destroying idiosyncratic abstract self-representations and by replacing them with interconnected abstract self-representations (Van Maanen & Schein, 1979). As we will now illustrate, IBK's process differed from divestiture and other types of socialization in that it did not operate on the content of an individual's abstract self-representations. Rather, it starved all abstract self-representation of their relevance to the IBK context and, therefore, decreased the likelihood that bankers activated and applied them to that context. Our IBK data shows that two types of individuals did not exhibit direct involvement: (1) Entry level bankers, including analysts (undergraduates) and associates (MBAs) who had been with IBK for less than six months; and (2) lateral hires. This variance within IBK affords inference about the antecedents of direct involvement.

When analysts and associates joined IBK they typically exhibited identification. From interviews and observation (e.g. overhearing phone conversations with family and friends) it was clear that they felt proud to be part of a reputable organization that had selected them in a highly competitive process. They also frequently referred to those attributes (e.g. intelligence, competence) on the basis of which they had been selected and which they felt they shared with their colleagues. Through such practices as the staffing of bankers based on particular competence and the emphasis to clients about the fit between banker attribute and task CG – but not IBK – translated for their analysts and associates what it meant to be intelligent and competent *here*. Lacking such guidance, IBK analysts and associates were not sure exactly how their personal attributes related to what they did. Similarly, in an experimental simulation, Wood and Bandura (1989) showed the effect of being uncertain about the relation between one's personal attributes and the task. The researchers found that when managers first approached the simulation, they tried to understand the task and responded to task-related cues. Only over time, the managers derived a sense of who they were in relation to the task. From then on, this relation between self and task (versus the task-related cues) guided their efforts. We propose that when people join an unfamiliar context there is a natural window of opportunity during which they focus more on situational cues and are relatively open to learning about a situation or task (Piaget, 1929). We believe that the differential dynamics we observed in CG and IBK were the result of the groups' differential treatment of this window of opportunity. In particular, CG's culture and socialization processes closed that window relatively soon by giving people a roadmap to the task via their identities. In contrast, IBK's practices extended that window.

As part of relatively lean teams, IBK bankers were expected to complete tasks irrespective of their particular experience and time constraints. To accomplish this feat, they had to focus on minute details of the task to report them to other organizational resources for help. The bankers described themselves in this process as the "arms and the legs of IBK." This metaphor portrays the banker as literally handing information from one location (e.g. client) to another (e.g. various colleagues) without transforming it, i.e. without exercising any sort of individual agency. It also portrays a biological unity between the individual banker and IBK, which they conceived of as a concrete resource system. We believe that this experience of unity has emerged in two ways: (1) The IBK bankers' noticed that they could complete any task independent of their own attributes, therefore, over time, their focus on their own attributes receded; and (2) Instead of thinking about how their own resources applied in a situation, bankers now thought about how to apply the organization's resources, including themselves. In these thoughts, the self was no longer privileged, it was one of many fungible resources. Just as self-regulation reinforces the experience of being a distinct object, the constant evocation of organizational resources in situations for which one has accepted responsibility over time might create the experience of oneness with these resources. This experience was partly created because the experience of being a distinct self with particular attributes was no longer relevant; being fungible means that the attributes of particular individuals do not matter. Hence, fungibility implied that, within their task context, people had no particular use for their abstract self concepts. Therefore, by directing people's attention away from their abstract self-concepts, the experience of fungibility freed people to focus on the task and the phenomenology of direct involvement occurred spontaneously.

These processes of relinquishing one's sense of being an abstract self did not always go smoothly. As in the example of the analyst and the associate, bankers initially kept trying to find an application for their own attributes and to manage tasks by drawing on their own resources. In such cases, severe psychological and physical crises often forced them to revise their approach and, therefore, their self-conceptions. Some individuals did not learn a more adaptive self-interpretation and left IBK exhausted and bitter.

Our data on lateral hires further supports our emphasis on a naturally occurring window of opportunity. For lateral hires, the IBK bankers' interconnected way of behaving was a "culture", a socially enforced practice versus a personal experience. For example, they told me how they had learned to say "we" instead of "I," "because everyone else is doing it" (a VP). But they remained highly critical of this "culture." Whenever possible, they either clandestinely or automatically applied their own interpretive frames. For example, they felt obliged to draw on others not because they valued help but because they wanted their colleagues to "buy-into" decisions that the focal banker had made individually. In line with the identification pattern we discussed, lateral hires tended to interpret this "obligation" to consult others in self-significant terms. They did not see this obligation as the group's attempt to optimize task processes but as slights to their own intelligence and competence. For example, one banker complained that he did not understand why "they are paying me the big bucks but then don't trust me to make the kinds of decisions that I was hired to make." We argue that lateral hires did not change their self-interpretations because they were familiar with the task they were hired to do at IBK and, therefore, did not experience an initial uncertainty about how their personal attributes related to the task. Lateral hires certainly revised the content of their self-conceptions within the new context but they did not give up reference to a self-concept when pursuing their tasks. Moreover, because they were experienced and accomplished bankers, they could rely on their own considerable resources without needing to draw on others for help. Therefore, they had few opportunities to personally experience the fungibility of organizational resources.

Finally, we found differences in performance feedback between CG and IBK. Both groups conducted a similar 360 degree feedback process. In addition, IBK had implemented task-related feedback. For example, IBK bankers received weekly task-related information, such as the amount of resources they consumed, the revenue they brought in, and "deals done away" (i.e. deals within their territory executed by a competitor). Bankers did not receive guidelines on interpreting this information but were trusted to self-adjust, which is in line with IBK's propensity to de-emphasize abstract standards. This practice could certainly have enhanced the saliency of task-related attributes. However, we believe that this practice is an expression of the bankers' task-focus, rather than its cause, partly because this practice was implemented towards the later third of our observation period, and because we had noted distinct propensities towards identification and direct involvement across CG and IBK bankers from the beginning of our observation. Moreover, we believe that this same practice, within CG, would have the effect of focusing bankers more on the self versus on the task because the bankers would interpret this information as being about their performance rather than about adjusting task-strategies.

In summary, IBK's identification-avoiding practices operated through different dynamics than culture and socialization. Culture and socialization are methods of social influence (O'Reilly & Chatman, 1996) that build up and orient people towards abstract interpretive frames, including self-defining attributes. In contrast, IBK's practices oriented people towards their concrete task context. IBK bankers at first did not engage their abstract self-interpretation because they were not sure about how it applied to the IBK context. Thus, starved of its usefulness for regulating the self, this abstract self-interpretation over time became irrelevant to the IBK context. IBK bankers substituted it with an implicit self-interpretation (i.e. one that is not necessarily abstractly represented) of being interconnected with other elements of the concrete task context. In contrast to culture and socialization, IBK's practices did not rely on social influence. Rather, these practices merely created conditions in which bankers could arrive at an accurate understanding of how systems operate and of their own role in the system.

DIRECTIONS FOR FUTURE RESEARCH

Identification and direct involvement are reminiscent of what are currently considered two alternative approaches to cognition. Researchers following the Carnegie School tradition (e.g. Newell & Simon, 1972; Vera & Simon, 1993) approach cognition in terms of abstract mental representations which, together with emotion and motivation, are conceptually located in the individual. Hence, the theory conceives of shared cognition in terms of mental replicates of certain representations (e.g. assumptions, values, norms) across group members. In contrast, researchers following a more situated approach (e.g. Brown & Duguid, 1991; Greeno, 1998; Lave, 1988; Lave & Wenger, 1991) locate cognition within a system in which individuals are but one contributing structure. Our data suggests that these approaches should not be considered competitors. Both are correct descriptions of how people relate to their social context but hold under different conditions, identification and direct involvement, respectively. Therefore, these approaches should be investigated within one paradigm so that these conditions, their antecedents, and relative costs and benefits can be further specified (cf., Fiol, 2001).

NOTE

1. Successful bankers were rewarded with high bonuses and stayed; less successful bankers received significantly lower or no bonuses. In CG and IBK, base salaries were between 3% and 10% of the total compensation that encompassed base salary plus bonus. Thus, less successful bankers were given an incentive to leave because they could earn higher bonuses at less prominent banks where they often counted among the high performers.

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