Since the mid-1980s, multiple streams of research have applied the concept of identity to organizations. This followed the seminal article of Albert and Whetten (1985), which defined organizational identity as that which is perceived as central, distinctive, and enduring in an organization. Lately, researchers have developed notions of identity as a dynamic process (e.g., Corley & Gioia, 2004) and perspectives of multiple identities (e.g., Foreman & Whetten, 2002; Pratt & Foreman, 2000). These developments opened up new avenues for the fruitful use of the identity construct in understanding complex organizational phenomena.

In this paper, we embrace these developments and seek to contribute to the theoretical development of the field of identity by focusing on the construct of legacy identities. We seek to explore a new facet of organizational identity dynamics, an important dimension in identity construction and renewal processes. We suggest that organizations are prone to the emergence and struggles over what we call legacy identities. These organizational identities, whether existing or idealized in the past, may endure as dormant signifiers, even after intense transformation has supposedly eliminated them. We derived the construct from a longitudinal case study of a large utilities firm, starting with its state-owned days, through its privatization and life as a North American multinational subsidiary, to its current, hybrid organizational persona.

**THEORETICAL BACKGROUND**

We seek to build the construct of legacy identity by using four theoretical fundamentals. First, we draw from the growing body of literature on discourse and narratives (e.g., Alvesson & Kärreman, 2000; Alvesson & Willmott, 2002; Hardy & Phillips, 1999). According to this perspective, narratives and discourses represent and produce the reality in organizations. This body of knowledge has increasingly espoused the idea that the discursive creation of reality is a terrain marked by...
struggle and dispute. Organizational actors are constantly attempting to find, maintain, or create meaning through discourse, while at the same time, such struggles reflect changes in their own identities.

Second, our refinement of the legacy identity construct was greatly aided by Maguire and Hardy’s article on legacy discourses. The authors’ idea that legacy discourses are not simply supplanted by new discourses, but that, “instead, are made to overlap and interact with them through the authorial agency of actors” (Maguire & Hardy, 2006: 7) was fundamental to our design of legacy identities. In this paper, we seek to extend their concept of legacy beyond discourses to organizational identity, as we view the organizational realm as an ongoing flux of superimposed perceived realities.

Third, we adopted the concept of identity salience (Stryker, 1968; Stryker & Serpe, 1994). Stryker, theorizing on individuals, postulates that the “discrete identities that comprise the self exist in a hierarchy of salience” (1968: 560). Identity salience is thus viewed as trans-situational, and as a ‘personality’ variable carried by persons as they move across situations and respond in particular situations” (Stryker & Serpe, 1994: 18). The relative salience of identities is “a function of commitment to the roles to which the identities are attached” (Stryker & Serpe, 1994: 19) and determines the behavioral option that one person selects over another in a given situation, in which both options are available. In this study, we apply the concept of identity salience in the same sense, albeit relating it to the collective, instead of the individual.

Fourth, we took inspiration from the emergent literature on nostalgia (e.g., Brown & Humphreys, 2002; Gabriel, 1993; Ybema, 2004) and memory (e.g., Van der Bent, Paauwe, & Williams, 1999). Ybema relates organizational nostalgia with “longing for a paradisiacal past” (2004: 825). Nostalgia thus comprehends a “range of emotional orientations, the core of which is a longing for the friendly atmosphere, heroic achievements, etc. of bygone days and, underneath, a certain melancholy because of this bygone-ness” (Ybema, 2004: 826). The author argues that glorification of the past (like idealization of the future) is part of the “internal struggles in which organizational actors try to instigate or resist change by praising or dispraising the collective past, present and future” (Ybema, 2004: 825). Van der Bent et al. (1999: 379), in turn, relate organizational memory with organizational learning and post that memory is carried on by “memory carriers” (culture, structure, systems, and procedures) and stored in “memory elements” (for instance, worldviews, symbols, and sagas for culture; meetings, authority structure, and project groups for structure; performance indicators, appraisal, and payment systems for systems; and rules, routines, and production creation processes for procedures). Consequently, legacy identities may be influenced, maintained, or reinforced by nostalgia and memory.

### CASE STUDY

#### Methods

The study used a qualitative, semiethnographic, inductive approach. Access to the case was obtained during a consulting project, which was coordinated by one of the authors. Considering the turmoil endured by the organization in the recent past, the project aimed at developing a new management model. It began in March 2004 and finished in the second half of 2006. The project facilitated access to a substantive amount of data and, at a certain moment, gave the authors insight into the legacy identity construct. Additional data were collected independently of such effort. The second author was not involved with the consulting project.

Data collection for the case study was done longitudinally but covered only part of the period investigated. Thus, much of the material is retrospective, which made us cautious as to its potential biases and forced us to use multiple sources to validate each event or selected category. Collection methods included (1) participant observation; (2) dual- or multipoint in-depth interviews with 25 employees (ranging from top management to operational personnel); (3) focus groups with more than 150 managers, engineers, and operational personnel; (4) secondary sources; and (5) Web-based questionnaires with all levels of personnel, comprising an anonymous sample of more than 300 employees. Samples of all sources of data included employees from all functional areas, hierarchical levels, as well as all the different origins identified in the case: employees coming from the former state-owned company, people hired during the postprivatization days, and newcomers in the postcrisis era.

For the purpose of this study, data analysis was divided into four segments: the first segment focused on adequately capturing and validating the timeline; the second segment distinguished existing identities (incumbent and legacy), as well as their salience and the prevailing discourses on their meaning per stage in the timeline; the third segment captured the discursive dynamics among such identities at each stage and their interaction with the organization and its flow of events; and the fourth segment drafted and validated the constructs that were generated and the overall conceptual model.

The first segment followed the accepted procedures for event history database construction (Van de Ven & Poole, 1990), using multiple sources to assure convergence and milestone determination. In fact, we found a remarkable congruence in the way people at Utility1 identified important events and defined the timeline, building what we could classify as a socially constructed system of periodization (Zerubavel, 2003). The second and third segments focused on capturing narratives both on each identity at a given stage (second segment) as well as on their relationships with all others at each
stage (third segment). For these two segments, we followed prescriptions to create narrative accounts (Eisenhardt & Bourgeois, 1988). The construct building in the fourth segment followed broadly accepted prescriptions for inductive theory building (Eisenhardt, 1989).

From a procedural perspective, the second author, who was not related to the intervention project, had the task of conducting an independent set of dual-point in-depth interviews (15 of the total 25 interviewees), collecting questionnaire data, as well as cross-referencing and independently analyzing all data from the 150 executives involved in the consulting project’s focus groups, with the goal of maximizing a detached perspective of the data.

Utility’s History

Utility is a nearly $1 billion-sales-per-year company, specializing in electricity distribution. Utility’s 2,300 employees (plus 2,500 outsourced professionals) are distributed between the headquarters and seven regional offices across its territory. It was part of a state-owned enterprise—State-Energy—until 1998, when it was privatized and acquired by Eagle, one of the largest global players in the industry at the time.

Our analysis indicates five distinctive stages in the company’s history: (1) the state-owned era, (2) the preprivatization era, (3) the postprivatization era, (4) the post-Eagle crisis era, and (5) the post-Eagle era. We will describe each stage in the following subsections.

The State-Owned Era

State-Energy was responsible for the generation, transmission, and distribution of electricity throughout the most developed region in Brazil from the 1960s to its privatization in the late 1990s. It was created with the immense technical and managerial challenge of increasing the generating power to the region that was leading the country’s greatest economic expansion in its recent history. Its focus at the time was power generation, which involved building gigantic hydroelectric plants and vast transmission and distribution networks. At that time, within State-Energy, energy distribution was not perceived as a business, but as a secondary, socially responsible part of the organization. The division responsible for distribution services would later become Utility.

State-Energy’s identity was always associated with the great promoter of development. . . . It was a great benefactor, and the operational arm of government’s social programs. (Upper-level manager, 30-year State-Energy veteran)

State-Energy’s strong organizational and professional identity was created during that period: an engineers’ and pioneers’ organization, usually working in remote and difficult conditions, fueled by a common developmental and socially focused goal.

State-Energy’s greatest asset was its technical core, those people who come rain or come shine, under pain-in-the-butt bosses, or not, at any given time, would seek to achieve their area’s objectives to the death. (Supervisor, 30-plus-year State-Energy veteran)

Research carried out with employees and former employees of State-Energy identified six characteristic traits of the company’s culture (Bôa Nova, 2000): group integration, an engineering and enterprise company, military discipline, pride at being one of the team, accommodation and an absence of criticism, and a lack of concern with costs. Table 1 explains the meaning of each of these traits and provides selected statements to illustrate them. These traits mark the history and identity of Utility and give rise to the “legacy discourse of technical excellence,” as we called it.

The Preprivatization Era

The 1980s and 1990s brought profound economic change in Brazil, which led to privatization of State-Energy in the late 1990s. Preparation for privatization started in 1995 and transformed the organization. The privatization plan called for the split-up of State-Energy into its three components—power generation, transmission, and distribution. The spin-off of the distribution activity is what would later constitute Utility.

In 1996–1997, courses were given [in the best business schools in Brazil] to prepare people for privatization. It was a frightening time. People’s comfort zone was being invaded. In 1997, advisers were hired to prepare the privatization model. [Everybody] had to work and no one knew what the future held. The climate was very oppressive. (Engineering manager, 30-plus-year State-Energy veteran)

That’s when the most traumatic process began . . . a lot of people were fired over the three- or four-year period in the run-up to privatization . . . with those who were encouraged to go with golden handshakes, approximately 40 percent of the staff were cut. . . . At the time, there was a big question on everyone’s lips: What’s going to happen with privatization? The period was one of many rumors and comments . . . it was hard to swallow. (Administrative staff, a 20-plus-year State-Energy veteran)
### TABLE 1
Cultural Traits of State-Energy

<table>
<thead>
<tr>
<th>Cultural trait</th>
<th>Meaning</th>
<th>Quotations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integration with the group</td>
<td>Strong cohesion of the group of employees, motivated by intense coexistence</td>
<td>“You lived together permanently for a very long time, with people of the same age and the same income.”</td>
</tr>
<tr>
<td>Engineering and business company</td>
<td>Focus on the carrying out of major building works, with considerable technical and management challenges</td>
<td>“There was an enthusiasm for carrying out building works. When you interfere with nature you feel like a god, it’s a feeling of power.”</td>
</tr>
<tr>
<td>Military discipline</td>
<td>Rigorous discipline, marked by authoritarianism and centralization</td>
<td>“The electricity sector is authoritarian. It had a lot to do with ... power generation, which is something that’s a bit military ... the operation works like an army barracks ... it’s because of the tactical and technical characteristics of the work.”</td>
</tr>
<tr>
<td>Pride at being one of the team</td>
<td>Pride in company achievements, its entrepreneurial nature, its pioneering aspects, and its technical competence.</td>
<td>“The culture of the company was to build ... its vocation was expansion. I think there was a degree of self-affirmation and a pride in being able to say: ‘I was involved with such and such construction work.’”</td>
</tr>
<tr>
<td>Accommodation and absence of criticism</td>
<td>Conformity with the status quo, motivated by guaranteed employment, high salaries, and good benefits</td>
<td>“The employees expected the company administration to resolve everything ... things were top down.”</td>
</tr>
<tr>
<td>Lack of concern with costs</td>
<td>Focus on carrying out projects, without a concern for managing costs.</td>
<td>“Employees always had their technical demands met. The conditions for doing work were always great.”</td>
</tr>
</tbody>
</table>

The study carried out by Bôa Nova (2000) recorded statements that illustrate the diversity of perceptions that exist about that particular time in the company. At the time, there was a general drop in the prestige of state-owned companies that were seen as being badly managed, underperforming, and with more employees than were necessary.

So, people talked about privatizing companies and no one argued against it because on this side what was seen? A company where people didn’t work much, earned a lot, with salaries that were higher than those in the market and who had a guaranteed pension on retirement... so, why was I going to defend this company and these employees? (Bôa Nova, 2000: 61)

During those years, State-Energy was no longer a homogeneous body. The company shared organizational territory but no longer a common identity. Part of the organization was transformed and prepared for the postprivatization time. Professionals who identified with this group perceived the problems that were arising from the situation and bet on privatization as a way of overcoming them. These professionals adopted a change discourse and supported initiatives that were directed toward this new period in the company’s history. However, another part of the organization, either openly or secretly, resisted privatization by clutching to the cultural values and traits of the past.

A considerable number of the declarations are characterized by pessimism, revealing dejection in the face of the imminent privatization and the way in which the process was being conducted: “This was the worst phase that the company lived through” (Bôa Nova, 2000: 59); “when I met up with my colleagues from other departments I often heard very sad tales, that things were getting worse all the time” (Bôa Nova, 2000: 59); “There was not the slightest possibility for discussion... Things had never been so autocratic as they were under this government. Not even during the military dictatorship” (Bôa Nova, 2000: 59); “Do you invest in people, form a culture and then throw it all away?” (Bôa Nova, 2000: 61).

Optimistic statements were also recorded, generally coming from professionals who had taken part in the process of preparing for privatization: “In 1995, a total quality program was introduced in State-Energy [and] the company managed to resurrect values from the 1970s; it managed to carry out a very positive restructuring” (Bôa Nova, 2000: 61); “What helped a lot was the attitude of showing a new horizon to the corporation. The company vibrated when it was able to show off its potential. In the voluntary layoffs everything was done in a very mature way” (Bôa Nova, 2000: 61).

Some of those interviewed drew attention to the low level of resistance to the process, as had occurred in other state-owned companies at the same time. People attributed this to internal fragmentation: “This [lack of internal unity] made State-Energy’s privatization in installments very much easier” (Bôa Nova, 2000: 61); “The employees were completely unperturbed; they were not a bit corporate-minded; they were only corporate-minded as far as those things like garage space, parking places and financial help for goodness only knows what were concerned” (Bôa Nova, 2000: 62).

This is the time when a second discourse was conceived, a discourse we have called the “incumbent discourse of an efficient privatized company.” This discourse was a direct product of the privatization process and reflected management actions directed at creating a positive and exemplary image of the company that was being created.

The Postprivatization Era

Eagle acquired the spun-off distribution division of State-Energy in 1998. The new controlling group designated a top manager with experience in post-M&A (mergers and acquisitions) integration. Through the end of 1999, the top management and the organization as a whole devoted themselves to both starting up and molding the new company, Utility, as an independent and autonomous entity.

Three groups were present in this moment, each with its own discourse, and therefore their own conception of the organizational identity. The first discourse expressed a technical- and inward-oriented definition of the company’s activities that was typical of the former State-Energy personnel—the “legacy discourse of technical excellence.” The second discourse was the “incumbent discourse of an efficient privatized company.” This discourse, as mentioned before, originated in the preprivatization era but gained momentum with the new hires. The third discourse came from new hires brought in by Eagle, right before and mostly after the privatization. Their discourse about Utility was characterized by a controller’s vision of a professionally managed and very profitable company. We named this discourse the “incumbent discourse of a money machine.”

The people from Eagle were very different from the people from the headquarters and the ex-State-Energy personnel... You could see they were a bit cold and very much numbers-oriented. (Technical staff, 20-plus-year State-Energy veteran)

One of the things that shocked me a lot when I arrived was the “we are the best” attitude of the people from Eagle... Eagle had overbearing people and I wanted to distance myself from that. The sales group was left in a very complicated position; we didn’t identify with that kind of mentality, but neither were we considered part of Utility... In the case of the regional offices, the distance was even greater... State-Energy’s values ended up being preserved in the regional offices... But all of us in the commercial area were seen as foreigners, non-Utility, closer to the “others,” the “gringos” from Eagle, or those brought in by Eagle. It was only when they saw that we weren’t one of them that we began to be accepted...
Discourse struggles in this phase were characterized by the interaction, dispute, and intertwining of the three discourses mentioned above, each attempting to define the organization's identity on their own terms. However, an interesting element of such discursive disputes is their convivial nature. Most interviewees did not characterize this period as one of identity clashes but rather one of mutual accommodation. Despite some pockets of resistance and mockery toward the now “old State-Energy,” the coexistence of these different discourses and identities was depicted as mostly peaceful and respectful.

All three discourses—the legacy discourse of technical excellence, the incumbent discourse of an efficient privatized company, and the incumbent discourse of a money machine—learned to get along with each other in the name of the new ethos that was being constructed. Our data show how State-Energy's culture was traditionally tolerant of diversity and adverse to open conflict. By the same token, Eagle was perceived to be diversity tolerant also, contingent on positive results.

If we do have conflicts, they are all merely conceptual, about what we are about, and what for. There is true respect toward each other here; we all care about preserving competencies. (Sales manager, 30-plus-year State-Energy veteran)

In this phase, discursive struggles centered on the cordial dispute between, on one hand, the definition of Utility as an organization composed of skilled engineers, and on the other hand, the definition of the new company as a results-driven corporation. The ultimate outcome was the rise of a hybrid discourse of compromise, which attempted to define Utility as a company marked by technical excellence and driven by results.

Two decisions regarding physical facilities during this stage were critical for the future of the firm. The first was the relocation of the entire operational headquarters from the former State-Energy headquarters to a brand new building. This was deeply felt in the new company.

The physical relocation of the operation's headquarters had a huge impact on Utility's identity. It brought a sense of unity. The new downsized, horizontal layout and the centralization of the customer service center also contributed to the unification. (Upper-level manager, seven years at Utility)

The second decision involved the choice of location for Eagle's controller headquarters, which was later pivotal in the attempt to create a distinct identity for Utility and to differentiate it from the postscandal Eagle.

Folks upstairs decided to push for Eagle's controller headquarters to be located in another city, 60 miles away from us. . . . That turned out to be a really great move. When Eagle's scandal and downfall came about, the impact on us at Utility was fairly minimal. (Sales manager, 30-plus-year State-Energy veteran)

The Post-Eagle Crisis Era

The next chapter in the company's saga, between 2000 and 2002, is marked by a succession of crises, which brought changes in the company's identity, and indicates a cutoff from the expectations brought about by privatization. The first crisis erupted when Eagle suddenly shifted its strategy and attempted to sell its interests in Utility. The transaction was never completed, but it represented a setback to both the former State-Energy's technical core and Utility's new hires.

As soon as it had bought State-Energy, Eagle declared it was selling it. So, people never identified with Eagle. The order was: let's structure ourselves separately from Eagle, because those guys don't want to have anything to do with us. (Regional operations manager, four years at Utility)

The second crisis erupted in 2001 from a major national energy shortage. A series of regional and national blackouts brought serious consequences to all operators—power rationing, disputes with clients, and financial struggle. And finally, in late 2001 and 2002, the third and most devastating crisis occurred—Eagle's financial downfall.

Eagle's bankruptcy was a major trauma; customers didn't understand and we didn't know what to say. . . . Those of us who came from State-Energy have an ambivalent feeling; we feel as though we've had our revenge . . . but we weren't happy; we had to defend Utility. We had to explain ourselves to the customers; we changed our discourse: "Look, those guys in the USA are doing this, but that's not how we work here. They're the parent company but they don't get involved with the business here; that's not the way we work; we don't have this directive or this spirit." In other words, we disassociated ourselves from the Eagle image and tried to give the idea of Utility as an independent entity. (Regional operations manager, 30-plus-year State-Energy veteran)

Utility faced the risk of losing its concession for energy distribution. Intense internal and external attention was devoted to negotiating debt, reducing costs, and settling Utility's continuity with government regulators. Some interviewees believe that one of the factors that helped save the company from extinction was, ironically, the resonance in the regulators' perception of the then newly prevalent discourse that Utility was, indeed, the true legacy of State-Energy. At this point, the incumbent discourse of a money machine fell into oblivion and the legacy discourse of technical excellence regained force, associated with the incumbent discourse of an
efficient privatized company. In this sense, key actors ended up embracing what was until then an internal counter-Eagle discourse and identity, consciously leveraging State-Energy’s residual identity in the country’s collective memory, and accepting de-identifying Utility from Eagle.

The truth is, there was no identity coherence between Utility and Eagle, it was a whole mess about what we were all about, what we believed in, and what we wanted to become. (Supervisor, four years at Utility)

The real crises mitigated the identity crisis. The groups put away their weapons and collaborated; intergroup crises were avoided. The focus was on solving problems, not discussing behaviors and conduct. (Engineering manager, 30-year State-Energy veteran)

Therefore, the once condemned State-Energy legacy identity, at that point resignified, hybridized, and often idealized, oddly became associated with the redemption of Utility.

The Post-Eagle Era

By succeeding in de-identifying from Eagle and re-identifying itself with State-Energy’s heritage, Utility preserved its concession for energy distribution and managed to survive. This reclaiming of State-Energy’s legacy and identity was a consciously orchestrated discourse that, from most accounts in our data, came first from rationalizing efforts from individuals in the technical core, which eventually snowballed into a counter-discourse that was adopted by some company representatives in their initial negotiations with industry regulators, and was ultimately sanctioned by management and prescribed to commercial liaisons across the concession region.

There was an effort to show how big the assets were and that the management was good. This proved to be the right course to take. Utility didn’t suffer from outside intervention. It was a moment of union. We overcame the insecurity. (Controller, seven years at Utility)

From that point forward, however, when the concession was no longer in question, most interviewees agree that State-Energy’s identity and legacy was certainly redeemed, but by no means glorified. Prevailing discourse focused on discovering Utility’s own identity, core values, and strategic intent, over and beyond not only State-Energy’s identity, but especially over and beyond Eagle’s identity.

In the latter part of this period, Utility reconceptualized its past, or more precisely, its multiple pasts. Thus, accounts tend to describe how multiple narratives of what Utility was or should be emerged, and how the efforts to converge these narratives was a major concern for management, along with the effort to find a successor for Eagle’s interest in the subsidiary. In a way, this period represents the quest for a new identity by a company searching for a buyer, which would undoubtedly have its own version of what it should become.

The situation in the first half of 2006 marked the overcoming of the most mission-critical issues and the return of the company’s attention to the continuous improvement of its operations. It also signaled the culmination of several “let’s get back to business” activities that were started in the aftermath of Eagle’s demise. For example, through 2004 and 2005, Utility received several awards, including the national award for best company in its industry.

Up until this date, several interviewees (including those from top management) mention the persistence of different subgroups and subdiscourses, which denotes an incomplete identity recreation process.

We still don’t have a synthesis of one culture and one identity. There’s a certain type of coalition. There is still a State-Energy in operations, and a non-State-Energy, outside operations, which demarks a (internal) frontier. But the armored divide between the sides leaks here and there, which is quite positive. (Upper-level manager, 28-year State-Energy veteran)

Utility in 2007

Recently, one of the authors of this paper collected more data from Utility, particularly comparing perceived management styles across areas. The findings indicated that after all is said and done, and several years passed since the last major crisis, discourse and identity multiplicity are still evident, as if one could say: “I am not like you, and I do not agree with you, but I do not want to talk about it; so I stay in my space, you stay in yours, and we can all be friends.”

The outcome of this hybrid, multi-identity Utility character is a context that can be characterized as one of peaceful coexistence. Slowly, the organization has expelled the most visible outliers, and concomitantly created alternatives to coexist with those outliers that could not be eliminated because they were vital to the organization, and with those that were easier to live with.

This posture of peaceful coexistence echoes, albeit in a distorted way, of tolerance to political interference from the State-Energy era. We can assume as a hypothesis that this trait, which at that time could be considered as conformist or pathetic, was transformed into an essential factor for the survival of the organization, because it became capable of sustaining the accommodation of different groups and identities.

On the other hand, this peaceful coexistence context may hide critical issues. For instance, many disagreements are not explained or discussed, because they could lead to the exposure of irreconcilable differences. The result is the perpetuation of differences among groups. This fuels the continuation of implicit and unresolved conflicts and permits the preservation of feuds.
In fact, Utility may possibly be seen as an assemblage of two different groups: the regional offices’ group, responsible for all major field operations of the company and still dominated by State-Energy’s identity and the legacy discourse of technical excellence, and the headquarters’ group, which includes the top management, support, and technical functions, with a highly hybrid character, mixing professionals from different origins, and lightly dominated by the incumbent discourse of an efficient privatized company. One may hypothesize that the different groups inside Utility care less for their identity than for their power position in the organization (see Nag, Corley, & Gioia, 2007).

Given such a context, one could ask: How can an organizational identity possibly be considered truly organizational when different groups inside the organization do not espouse it? We have no good answer to this question. However, we may hypothesize that, in conditions of successive, radical changes, such as those experienced by Utility, organizational identity may become some sort of implicit, tacit discursive agreement among key actors about what they perceive as central, distinctive, and enduring within the organization. In other words, organizational identity is more than a label, but it is also more fluid and hybrid, and less meaningful than we should accept at first sight.

DISCUSSION

In this section, we depict the multiple identities observed in the recent history of Utility and its dynamics, in which legacy and incumbent identities—and their associated discourses—had different levels of salience over time and were resignified as events unfolded. Because of space and practical limitations, we will concentrate on an analysis of State-Energy’s identity during the passage from the State-Energy era, to the postprivatization era, and to the post-Eagle scandal era. Table 2 presents empirical evidence for these three identity contexts.

State-Energy’s Identity Over Time

Within State-Energy, distribution was a minor division. When the privatization process was defined, the decision to spin off the distribution division defined the boundaries between the future (Utility spin-off) and the past (remaining State-Energy). Thus, in the preprivatization era, State-Energy’s identity went from dominant to repressed, an icon of the past that should be overcome. However, State-Energy’s identity was far from obliterated after the privatization. Utility’s relationship with this legacy was one of simultaneous attraction and repulsion, and thus one of repressing it at times and selectively redeeming it at others.

In the postprivatization era, State-Energy’s identity was even further repressed. As in most privatizations, personnel coming from the purchased company were seen as representatives of the past, and thus ironically labeled as “State-Energyian.” This legacy discourse of technical excellence quickly assumed a quasi-renegade status, while the incumbent discourse of an efficient (privatized) company and the incumbent discourse of a money machine became dominant. On the other hand, Eagle managed the subsidiary very loosely, did not express interest in keeping it long term, and provided little official discourse to replace that of State-Energy. Thus, what Utility knew most about itself and its future at this period was what it was not—it was not State-Energy anymore.

This status quo was deeply affected by the crisis period before and after Eagle’s demise. The first of these crises, Eagle’s intention to sell its interest in Utility, represented a strong reversal to discourses that pointed to a brilliant, results- and efficiency-oriented ideal. To many personnel from State-Energy, Eagle’s attempt to “get rid of us” was a confirmation that the postprivatization discourse was phony.

The discourses that emerged from Eagle’s downfall pointed to what became perceived as Eagle’s opportunist ethos and drew people originally from State-Energy and the new hires closer. As a consequence, their discourses also began to converge around the “true Utility project.” The concept of the true Utility project seems to have arisen as a renewal and counterpoint to the former “Utility project.” While the “Utility project” denied the State-Energy legacy and was dominated by Eagle’s vision of business, the “true Utility project” sought a synthesis, or at least a cohabitation, between the incumbent discourses of technical excellence and efficient privatized company, and the incumbent discourse of the money machine.

The existence of this web of discourses eventually permitted the reemergence of a hybrid State-Energy identity legacy, and its use to redefine Utility’s identity in the crisis associated with Eagle’s scandal. Right after Eagle’s demise became public, Utility’s top management seemed to have embraced the true Utility project.

Normal operation was virtually impossible for several weeks, as the entire organization lived the external crisis. Increasingly, key actors became bluntly anti-Eagle, and began to shape the true Utility project as Eagle’s demise and stigmatization became more prominent in the media and in contact with external constituents (such as government regulators). Therefore, the legacy identity of the once quasi-condemned State-Energy identity, hybridized and resignified, became crucial for the recreation and resignification of Utility’s identity.

The Construct of Legacy Identity

The construct that we propose here emerged from the case study and from similar episodes we observed in other organizations. The case study brought our attention to the potential that organizational identities have for enduring but mutating
## TABLE 2

### Identity Context and Empirical Evidence

<table>
<thead>
<tr>
<th>Dominance of State-Energy's identity during the State-Energy era</th>
<th>Repression of State-Energy's identity during the postprivatization era</th>
<th>Redemption of State-Energy's identity during the post-Eagle scandal era</th>
</tr>
</thead>
<tbody>
<tr>
<td>“The culture is so strong that people are quickly assimilated into the standard.” (Bôa Nova, 2000: 66)</td>
<td>“In fact, the company identity at that time was still very strongly that of State-Energy — a lot of work was done to establish the identity of Utility — internally and externally.” (Web questionnaire—manager)</td>
<td>“When Eagle went bankrupt things got complicated. We had to change our discourse . . . to explain that the company here stood on its own two feet . . . The idea was to disassociate ourselves from Eagle. . . . We know how comfortable it was for us, the lack of credit we suffered from, the mistrust of society and the press, with the banks turning their backs on us and the regulator threatening us. But this quickly passed and it all turned round; the company was well managed at the time, especially at the time of the crisis and we came out of it well.” (interview with technical staff, 20-plus-year State-Energy veteran)</td>
</tr>
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<td>“It was very euphoric; the feeling it gave was one of pride: we’re big, we do things, we’re able to!” (Bôa Nova, 2000: 72)</td>
<td>“The new owners didn’t know the history but wanted change . . . some respected the history, others wanted to write a new history . . . there was shock of visions . . . the entry of new people and the setting up of new areas was a difficult time, because they didn’t know the culture . . . financial issues dominated . . . and permeated the company.” (interview with administrative staff, 20-plus-year State-Energy veteran)</td>
<td>“With the collapse of Eagle, State-Energyians recovered their self-esteem. It’s as if they said to themselves: ‘Those guys from Eagle, who talked about integrity, that was all just talk, can’t you see that? . . . now we’re seeing just who it is who works correctly’” (interview with an executive manager, six years at Utility)</td>
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<td>“State-Energy had a strong identity in the area in which it operated and the name State-Energy was always highly respected by the media. The employees were known as so-and-so from State-Energy.” (Web questionnaire—technical staff)</td>
<td>“State-Energy had a very strong image. You said you were from State-Energy and everybody had an idea of the size of the company, of its values, etc. When the new company was created with the name Utility, no one knew it, no one knew what it was, no one valued it . . . That really affected us a lot.” (interview with a supervisor, 25-plus-year State-Energy veteran)</td>
<td>“The technical knowledge of the people from State-Energy, the technical body, is very good . . . this helped keep people together and looking to the future.” (interview with a supply analyst, six years at Utility)</td>
</tr>
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<td>“Staff used to walk down the street and people would see us and tell that the power was down in their homes. Our surname became State-Energy; we identify fully with the company. I’m known by the company name, even my bar bill is in my State-Energy nickname . . . If someone talks badly about State-Energy, I feel as though they’re talking about me. I was highly respected in my town. State-Energy always opened doors for me. When I joined State-Energy my father said that he was very proud of me.” (interview with technical staff, 20-plus-year State-Energy veteran)</td>
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over time, even after radical organizational changes. When this occurs, former identities may be carried over and later reused, albeit in resignified form. The identity or identities that theoretically would have supplanted them—incumbent identity or identities—overlap them in discourse and action.

This observation is in line with Gioia, Schultz, and Corley’s argument that organizational identity “is actually relatively dynamic and that the apparent durability of identity is somewhat illusory” (2000: 63–64). These authors argue that organizational identity changes are related to changes in the meanings associated with “labels used by organization members to express who or what they believe the organization to be” (Gioia et al., 2000: 64, emphasis in original). In short, labels may remain the same, but their meanings and organizational identity mutate over time. In the present study, we observed a complex dynamic, with different labels and different meanings, changing over time.

Hence, we propose here that several organizations may be prone to the struggles surrounding what we have called legacy identities. We define legacy identities as those persistent identities that (1) may endure, albeit in a hybrid and resignified form, over time, at different levels of salience, even after organizational changes have supposedly supplanted them in favor of new incumbent identities; and (2) may resiliently provide a ground for future identity constructions and reconstructions, or a source for a persistent character of what the organization used to be or has idealized what it once was.

What makes the difference between a legacy and a faded past identity is that legacy identities can reclaim salience and thus continue to carry over their heritage. Faded past identities disappear as their salience cannot be felt or restated, typically when alternative identities and discourses obliterate them. In other words, faded past identities disappear when they are erased from organizational memory (Van der Bent et al., 1999) and no longer represent an object for nostalgia (Ybema, 2004).

### Identity Salience

Identity salience refers to an unspoken agreement as to what extent certain identity ideals or discourses are in vogue, or may legitimately produce resonance to create and recreate collective identities. These agreements change over time. Certain deeply repressed discourses may be exhumed, resignified, and redeemed.

The dynamics between the salience levels of different identities give us hints as to whether a given identity would be at times dominant and at others repressed, and the identity contexts; that is, how the combined terrain of simultaneous and competing collective identity discourses and ideals would be marked by either identity multiplicity, diverse forms of salience polarization, or even lapses of identity. Figure 1 depicts this concept in a simplified dual-identity scenario—one legacy and one incumbent.

According to this framework, identity contexts marked by a highly salient incumbent identity and a low-salience legacy identity would display identity salience polarization in the same direction. If, for any reason, the identity contexts evolve so as to reduce the salience of incumbent identity, it would be reasonable to expect a period of identity lapse. At the other extreme, situations in which such legacy identity redemptions do not occur necessarily as a consequence, or at the expense of a decrease in incumbent identities’ salience, the identity context can be qualified as one of multiple identities that, if competing rather than coexisting, can produce identity clashes. We should notice that multiple identity salience shifts should occur simultaneously in any given identity context, and most frequently not in a predictable, controllable, or manageable fashion, as multiple legacy or incumbent identities struggle for salience.

The framework proposed in Figure 1, and the multiple identity responses it entails, can also be used to portray a multi-stage, multi-character identity context, such as in the Utility case. As an illustration, Table 3 contains a simplified depiction of the salience of the most prevalent incumbent and legacy identities at each stage of the Utility case. As a complement, the last column contains the cultural traits of each identity portrayed. These traits and characteristics were identified in focus groups and subsequently associated with each identity.

### Convergence with Current Identity Literature

The legacy identities’ construct converges with several recent developments in the organizational identity literature, particularly those focusing on identity multiplicity, change, and negotiation, as well as nostalgia, memory, and organizational change.

As to the issue of multiple identities (Pratt & Foreman, 2000), the concept of legacy identity can be useful when it comes to understanding how and why, among multiple identities, some tend to fade away and some may persist. The Utility case has examples of how such different identities, some of them residual identities from State-Energy, brought their own version of the organization’s new identity at the company level, shaped the molding and construction of the new identity, and influenced key actors’ behavior and actions that later affected the identity renewal beyond the new controller’s demise.

In terms of identity change (Corley & Gioia, 2004), the concept of legacy identities may be helpful to understanding the dynamics of identity reconstruction in situations, such as the one portrayed in the Utility case, which expose the discourse-enriched nature of identity creation and renewal. In this case, discursive struggles shaped the reconstruction
of organizational identities and were influenced in turn by events at the firm level that reformulated internal polyphony and drove identity renewal.

As it refers to identity negotiation (Humphreys & Brown, 2002), the perception of the concealment-exposure flux involved in the legacy identity dynamics provided further evidence of the role of discursive struggles to negotiate the resulting organization’s identity. At Utility, consistent with Maguire and Hardy’s (2006) findings, competing narratives were constantly opposed, reconciled, and resignified as events unfolded, affecting both legacy and incumbent identities, driving them apart and then drawing them closer to each other as events unfolded. A gradual “disidentification” process (Elsbach & Bhattacharya, 2001) with the Eagle identity, as well as the use of permeable boundaries between other formerly competing discourses, was essential to assuring company continuity with local regulators after the crisis.

With regard to the concept of memory (Van der Bent et al., 1999), we can assume that there was a partial preservation of some memory elements, notably in the regional offices. Over time, various changes were brought about in the organization, such as the centralization of customer service, a geographic redefinition of the regional offices, the modernization of work systems, and process automation. However, the nature of the work was still the same, as were many processes and procedures. As a result, the conditions for partial preservation were created.

FIGURE 1
Salience of Incumbent and Legacy Identities, and Resulting Identity Context

![Diagram showing the salience of incumbent and legacy identities and the resulting identity context.](image-url)

As a function of such conclusions, we may argue that nostalgia...
<table>
<thead>
<tr>
<th>Identities</th>
<th>State-Energy era</th>
<th>Preprivatization era</th>
<th>Postprivatization era</th>
<th>Post-Eagle scandal era</th>
<th>Postacquisition era</th>
<th>Cultural traits and general characteristics through time</th>
</tr>
</thead>
<tbody>
<tr>
<td>(State-owned) State-Energy</td>
<td>Strong dominance</td>
<td>Mild repression (legacy status)</td>
<td>Strong repression (legacy status)</td>
<td>Mild redemption (legacy status, idealized)</td>
<td>Mild repression (legacy status)</td>
<td>Disposition to work Company as a source of security Team spirit Intolerance of questioning Accommodation with the status quo Fear of stating own opinions</td>
</tr>
<tr>
<td>Preprivatization State-Energy (“Utility Project”)</td>
<td>Mild dominance</td>
<td>Repression (legacy status, resigned)</td>
<td>Redemption (legacy status, idealized)</td>
<td>Mild redemption (legacy status, resigned)</td>
<td>Formulation of “cliques” Denial of reality Existence of conspiracy theories</td>
<td></td>
</tr>
<tr>
<td>Postprivatization utility (“Eagle’s”)</td>
<td>Dominance</td>
<td></td>
<td>Strong repression (legacy status, disidentification)</td>
<td>Repression (legacy status, resigned)</td>
<td>Focus on results Focus on technology and innovation Focus on safety Distance between the headquarters and the regional offices Truncated communication between areas</td>
<td></td>
</tr>
<tr>
<td>Post-Eagle utility (or “Prisma”)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Valuing of quality service Social responsibility, ethics, and respect for the environment Lack of transparency and equity Stress caused by work routines</td>
<td></td>
</tr>
<tr>
<td>“New Utility” (Post-New Acquisition)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Pride in the company and its achievements Focus on quality of working life</td>
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</table>
and memory did not constitute elements of major relevance in the dynamic process of Utility’s organizational identity.

With regard to the literature that explores the interfaces between identity and organizational change, our study presents some similarities and offers some counterpoints. Nag et al., for instance, analyzed a case in which “the intersection of organizational identity, knowledge, and practice hindered the development of new knowledge and undermined the broader strategic transformation effort itself” (2007: 821). The unrecognized relationship between identity and knowledge manifested itself in the form of efforts, carried out by organizational members, to preserve their work practices. In the case of Utility, we observed a process of accommodation, in which the technical knowledge related to State-Energy’s legacy identity is able to live alongside market knowledge and the greater focus on results that was introduced by the privatization process. We take as a hypothesis that this condition was mediated by the cultural trait of peaceful coexistence, which was also inherited from State-Energy and facilitated by the actions of the top management, which, in turn, facilitated the permanence of groups and avoided conflicts.

Fox-Wolfgramm, Boal, and Hunt’s (1998) studied the interplay of first-order change (which occurs within the system) and second-order change (in which the system itself changes) due to institutional pressure. Our study resonates, albeit partially, with some of the propositions and corollaries they derived from their research. Proposition 2, for instance, states that “evidence of organizational success will be used to reinforce and justify an organization’s identity” (Fox-Wolfgramm et al., 1998: 120). In Utility, in the crisis period that followed the Eagle scandal, past success, and the strong, still present image of State-Energy helped increase the salience of State-Energy’s legacy identity in the organization. Proposition 6, on other hand, states that “Organizational identities and images have the property of plasticity” (Fox-Wolfgramm et al., 1998: 122), and corollary 6c affirms that “The more plasticity the organization’s identity and image have, the greater its capacity to adjust or change its niche width, satisfy stakeholders, and survive” (Fox-Wolfgramm et al., 1998: 122). Plasticity, in Fox-Wolfgramm et al.’s terms, relates to the capacity of an organization to adapt to its environment. As a result of the accommodation of the various identities that existed in the organization during the period of change caused by external crises, this property can be observed in Utility.

CONCLUSION

Contributions to Scholarship and Applied Implications

We believe that our study offers contributions to the literature on organizational identity, on discourse, on nostalgia, and on memory. Indeed, it reveals an important and unexplored facet of organizational identity dynamics, and hence it can be a valuable new element in the unveiling of identity construction and renewal. The construct of legacy identities can be particularly supportive in the context of multiple, dynamic identities, as in the case of volatile or changing environments. Moreover, the construct can help to uncover the dynamics of more recently accepted manifestations of identity, such as identity multiplicity, fluidity, and negotiation.

The concept of legacy identities may also matter to organizational practice, as they ultimately affect individual behavior and organizational performance. By observing the dynamics of legacy identities, practitioners may scrutinize the endurance potential of past identities and understand their impact. In fact, the construct of legacy identities may be an eye-opener to unperceived dimensions of organizational life. By perceiving incumbent and legacy identities, managers and consultants may allow into the picture a multitude of stories, selves, and voices that, as Boje (1995) suggested, are commonly ignored in organizational life.

Limitations and Future Studies

Our study was developed from data obtained from a single case, relying heavily on interviews that were retrospective. Therefore, our construct of legacy identities reveals limitations that may be explored and overcome in future studies. First, a thoroughly longitudinal design could mitigate the current study’s design flaws. Second, more research into other organizations is needed to verify the generalization potential of the construct. Third, additional research should be carried out that focuses on the individual level, on how people relate to, identify with, and disidentify with legacy identities. Finally, more research is needed to spot and understand the impact of mediating elements on legacy identity manifestation and endurance.

NOTE

1. All the names used in this paper are pseudonyms.

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