From Being to Becoming:

The Interplay Between Internal Network Dynamics and Organizational Identity

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"*We moved from being simple plumbers to being sophisticated engineers. Our former luxury department, which did not yield any revenues before, is now the core of our organization.*"

-HR Manager

Resilience is a necessary virtue for organizations to survive in an ever-changing environment. Often, survival requires deviations from current strengths (Nag et al., 2007) and previous network structures (Sgourev, 2013). Yet, such changes have a high failure rate (Tripsas & Gavetti, 2000) as they entail the painful reconsideration of an organization's identity (Tripsas et al., 2013), defined as a firm's central, enduring, and distinctive elements (Albert & Whetten, 1985). New network dynamics may be impeded by a prevailing, potentially conflicting, organizational identity (OI) that supported previous network structures. In fact, OI and *external* organizational networks have a mutually reinforcing relationship (Kohtamäki et al., 2016): network membership fosters a shared *network* identity (Chelariu et al., 2014; Nätti et al., 2014) which in turn influences the OIs of individual network members (Patvardhan et al., 2015).

Yet, surprisingly little research has examined the interplay between OI and the *internal* network of an organization. Although studies have found that departments fight for dominance by using different OIs (Glynn, 2000), no research has considered the role of OI in the transformation of an organization's internal network. Hence, we lack an understanding of the microprocesses that underlie changes in internal organizational networks in the presence of existing OIs. Therefore, this paper addresses the following question: *How do changes in the internal organizational network relate to an organization's identity?*

We employed an inductive, ethnographic case study of a former system integrator, which engaged in a transformational change and restructured its departmental network. A department which was at the periphery of the company moved to the core of the network, leading to a redefinition of the organization's identity. In contrast, the former core department moved to the periphery, leading to an organizational identity crisis in this department.

An inductive, qualitative approach is suitable for studying processes (van Maanen, 1979) such as network dynamism (Hoang & Antoncic, 2003). To ensure data triangulation (Yin, 2014), we gathered documents, engaged in participant observations, and conducted 40 interviews during a 7-month period.

Our study contributes to the social networks literature, as the interplay between OI and *internal* organizational networks has so far been neglected. More specifically, we add to the understanding of network dynamics and elucidate the underlying microprocesses of a transformational change.

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