Organisational Identity Orientation: Exploring The Link Between Organisational Identity And Stakeholder Relations

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Abstract

Existing organisational identity research falls short on moving beyond the internally focused firm-centric approach and providing insights on the role of identity in organisational interactions with external environment. In this paper, I explore the role of organisational identity in stakeholder relations expressed through the concept of organisational identity orientation (Brickson, 2005; 2007). The study features sustainable banks, members of the Global Alliance for Banking on Values (GABV), which simultaneously strive for the financial resilience and the community development goals. I qualitatively analyse data from interviews, participant observations and document analysis to explore how sustainable banking identity guides stakeholder relations of the GABV members. I discover that, contrary to previous suggestions that socially oriented organisations would adopt collectivistic approach to stakeholder relations, sustainable banks take relational stance based on establishing strong partnerships with selected counterparts.

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Introduction

Over the last two decades, organisational identity theory has been one of the dominant streams of research, which occupied a central position in academic attempts to describe organisations and their interactions with the environment (Albert & Whetten, 1985; Gioia, 1998; Pratt & Foreman, 2000; Corley et al., 2006; Martin et al., 2011). Although the phenomenon of organisational identity has been widely researched, a broad range of questions remains unaddressed, offering opportunities for significantly extending and advancing identity studies. Albert et al. (2000) in their call for better exploration of the concept and its theoretical potential suggested that identity is "problematic – and yet so critical … that the dynamics of identity need to be better understood".

There is no general agreement in organisational identity literature regarding the status of the identity concept as construct (Haslam et al., 2003; Whetten, 2006), an answer to self-referential questions (Brown & Humphreys, 2006) or metaphor (Cornelissen, 2002). Functionalist perspective (Fombrun & Shanley, 1990; Corley & Gioia, 2004; Brown et al., 2006; He & Balmer, 2007; Martin et al., 2011; He, 2012), which proposed that identity is comprised of essential, objective and often tangible features (He & Brown, 2013), for long time has dominated organisational identity research. Social constructionist perspective (Dutton et al., 1994; Corley, et. al. 2006; Harquail & King, 2010; Gioia et al., 2013), on the contrary, regards organisational identity as a socially constructed notion of collectively held cognitions regarding "who are we as an organisation". Compared to the functionalist perspective, social constructionist approach tends to view organisational identity as less stable and more malleable, less the product of managers strategic decisions and more open to external influence at different levels.

Despite the evident conceptual differences between the two dominant approaches within organisational identity theory, both have explicitly focused on inter-organisational processes and relations, such as the influence of identity on corporate performance outcomes (Marin & Ruiz, 2007; Arendt & Brettel, 2010), leadership (Haslam et al., 2003; Boehm et al., 2015; Kreiner et al., 2015), employee relations (Koerner, 2014; Brown, 2015), etc. However, Albert and Whetten (1985) pointed the attention of researchers to the fact that "identity examination process can be conducted both internally and externally" (in Balmer & Greyser, 2003, p.83). It is increasingly evident that identities are formed in part through dialogue with external stakeholders and are best construed as relational and comparative (Corley, et. al. 2006; Martin et al., 2011). Several attempts have been made to categorise organisations' identities and identity responses to environmental cues (Albert&Whetten, 1985; Rao et al., 2003; Smith, 2011). Nonetheless, existing theory still lacks shared understanding of how organisational identity affects stakeholder relations. My goal in this paper is to address these gaps and extend the current understanding of the role of organisational identity in stakeholder relations.

Whetten and Mackey (2002) proclaimed that identity studies can be undertaken on different forms of organising, but only if they can be made, "identity enough" and "organisational enough" to promote meaningful scholarship. I explore the link between organisational identity and stakeholder relations of sustainable banks, members of the Global Alliance for Banking on Values (GABV). The choice of empirical context adds to the novelty of this study, as sustainable banks are a relatively new under-researched phenomenon in organisational studies and the concept of organisations combining the financial resilience goals with the community development missions at their core has appeared in the literature only recently.

I employ organisational identity theory and the organisational identity orientation framework (Brickson, 2005) to argue that organisational identity predetermines organisational stakeholder approach through orientation towards particular stakeholder groups. Organisational theory started paying increased attention to the role organisations take in their relations with networks of counteragents and their relationships with stakeholder groups. I extend previous empirical work by incorporating an externally-focused approach. Because organisational identity consists of participants' shared perceptions about what their organisation stands for and because it drives motivation and behaviour (Albert et al., 2000), the concept lends itself to the mandate of descriptive stakeholder theory, which is perfectly positioned to inform how businesses relate to stakeholders and why they relate to them as they do (Brickson, 2007). Nevertheless, despite the natural link between organisational identity and organisations' treatment of stakeholders, the topic has received surprisingly little academic attention. This study expands our understanding of organisational identity in stakeholder relations and provides key insights into the nature of organisational identity orientation of sustainable banks.

This paper proceeds as follows. Firstly, I summarise the current state of organisational identity research, focusing readers' attention on three ongoing debates about individual versus social nature of firms and relative flexibility versus consistency of organisational identity. I further move to discussing the role of identity in organisational stakeholder relations and guiding organisational actions towards various stakeholder groups. Secondly, I outline the concept of organisational identity orientation, which refers to members' association between this notion of the organisation as a whole and its stakeholders and takes three meaningfully differentiable forms: individualistic, relational and collectivistic (Brickson, 2005). Thirdly, I introduce my research site and qualitative methodology. Finally, I present my research findings and discuss the discovered nuances of the organisational identity orientation of sustainable banks.

Organisational Identity

Since Albert and Whetten introduced the concept of organisational identity in 1985, it has attracted considerable attention of organisational scholars. Different researchers have applied it to inform our understanding of organisational strategy (Dutton & Dukerich, 1991; Fiol & Huff, 1992; Ashorth & Mael, 1996), governance (Dutton, Dukerich, & Harquail, 1994; Gioia, Schultz, & Corley, 2000), stakeholder relations (Brickson, 2005, 2007) and market performance (Marin & Ruiz, 2007; Arendt & Brettel, 2010). It has been argued by previous research that part of the power of this construct comes from the need for a situated sense of an entity (Albert et al., 2000). An organisation requires a shared understanding of what it stands for and where it intends to go in order to interact effectively with other entities. The notion of identity also derives its power from the integrative and generative capacity of the construct. It simultaneously accounts for corporate distinctiveness and sameness, while allowing for multiplicity and dynamism of identity contents and processes.

Scott and Lane (2000) described organisational identity as a set of beliefs shared between organisational members and stakeholders about the central, enduring, and distinctive features of an organisation (Albert & Whetten, 1985). The notion is commonly seen as a property of a collective corporate self (Gioia, 1998). It could be further argued that other attributes, such as corporate goals, mission and values, organisational practices and actions (as well as lack of action) also contribute to shaping organisational identity, in that they distinguish a company from the others in the eyes of both corporate members and stakeholders.

One of the most important aspects of identity is that it helps us to understand how entities relate with one another (Albert et al., 2000). In the course of its development, organisational literature has moved from portraying organisations as atomised actors to describing them in close link with the communities in which they operate (Freeman, 1984; Rao et al., 2000). The concept of identity has been widely applied to academic research on both individual level (Gioia, 1998; Alvesson, 2001) and organisational level (Albert & Whetten, 1985; Rindova & Fombrun, 1998; Pratt & Foreman, 2000). Nevertheless, very few attempts have been made to investigate the link between identity and behaviour at the organisational level. While some studies have previously investigated how organisational identity can be externally affected through institutional threats (Elsbach & Kramer, 1996), environmental changes (Gioia & Thomas, 1996) or stakeholder demands (Scott & Lane, 2000), no comprehensive argument has been presented to explain whether and how an organisation's identity could influence the way it interacts with its environment. In this paper, I address this gap in understanding how identity shapes organisational responses. More specifically, I look into how identity shapes organisational responses towards stakeholders, perceiving organisations as actors acting upon other actors.

Previous research suggests that organisational identity plays an important role in differentiating between various corporate relations and providing guidance on corporate standing and actions towards particular stakeholder groups (Huemer et al., 2004). Many existing studies pointed to the potential of organisational identity to create powerful motivations for cooperation through providing a shared purpose and stimulating the sense of belonging (Kogut & Zander, 1996). Stakeholders identify with organisations when they sense an overlap between organisational characteristics and their own qualities and values (Dutton et al., 1994). Following this stream of argument, Scott and Lane (2000:page) argued that "organizational identity is best understood as contested and negotiated through iterative interactions between managers and stakeholders". Shelley Brickson (2000) also addressed the question of how organisational identity shapes responses to corporate stakeholder diversity. Following Brewer and Gardner's (1996), she suggested that stakeholder contexts could activate three distinct types of organisational identity orientations – individualistic, relational and collectivistic – which would have various effects on corporate stakeholder relations and performance.

Supporting the network approach to identity research, Scott and Lane (2000) argued that organisational identity could be best understood as "contested and negotiated through iterative interactions between managers and stakeholders". Organisations' relations with stakeholders form an indistinguishable part of identity processes and, therefore, constitute a prominent feature of organisational identity (Albert et al., 2000). Following this line of argument, I claim that organisational identity theory is perfectly positioned to explain attributes of corporate stakeholder relations as well as the variations of stakeholder salience. Organisational identity concept naturally fits within the descriptive stakeholder theory rational due to the importance it prescribes to corporate members' shared perceptions about what an organisation stands for and which values motivate its behaviour (Dutton & Dukerich, 1991; Albert et al., 2000).

Organisational Identity Orientation

Organisational identity has been widely described as an organisational level construct, which reflects members' shared perceptions about the organisation and responds to the 'who are we as an organisation?' question (Albert & Whetten, 1985). Organisational identity is comprised of the features that organisational members recognise as central, distinctive to the organisation and persistent within the organisation over time (Albert & Whetten, 1985; Dutton & Dukerich, 1991; Pratt & Foreman, 2000). Identity guides organisational actions allowing entities to establish coherent relations with counterparts and helping the counterparts understand how to interact with the organisations (Albert & Whetten, 1985; Goffman, 1959; Swann, 1987).

Building on this theorisation, the concept of organisational identity orientation (Brickson, 2005; 2007) was introduced to express "the assumed nature of association between an organisation and stakeholders as perceived by members" (2007: 866). Organisational identity orientation does not refer to the nature of association between individuals inside an organisation and individuals-outsiders, but to the nature of association between an organisation as a whole and other entities. Similar to organisational identity, organisational identity orientation is culturally embedded (Hatch & Schultz, 1997) and negotiated among members (Scott & Lane, 2000). Organisational identity orientation describes the link between organisational self-perception and its standing towards stakeholder groups. It reflects organisational mission statements, codes of conduct, strategies, policies, rules and procedures, as well as shared interests, goals, concerns and agendas (Wickert, 2015). The concept is aimed at capturing the roles that organisations adopt in interactions with their stakeholders and at explaining the motivations that drive organisations towards choosing and enacting particular roles.

One of the great advantages of this framework is its ability to move away from questioning whether organisations should be actively involved in the communities in which they operate to portraying all organisations as active social actors that interact with their stakeholders in various forms. The concept was initially developed at the individual level studies of identity (Brewer & Gardner, 1996) and applied to the organisational level in a two-industry study by Brickson (2005). Foundational paper by Brickson (2005) outlined three types of organisational identity orientations with distinct cognitive and motivational characteristics: individualistic, relational and collectivistic. Previous studies revealed a correlation among a number of organisational features, such as industry, nature of beneficiaries and organisational structure and identity orientation of an entity. At the same time, they documented that identity orientation could still vary considerably, suggesting that organisations are less bounded by their structural features than could have been expected and possess considerable discretion over their orientation towards stakeholders.

Individualistic Organisational Identity Orientation

Individualistic identity orientation reflects an organisation's self-perception as an atomised individualistic actor majorly disconnected from other entities. From an individualistic perspective, stakeholder groups are salient to the extent that they could assist or constrain an organisation in achieving its goals. Individualistic standing would generally be associated with an instrumental approach to stakeholder management aimed at enhancing organisational performance towards its goals, such as brand leadership, financial returns or market share. At the same time, individualistic identity orientation is believed to promote increased individual initiative, ambition, efficiency, adaptability and innovation within organisations (Brickson, 2007). Entities with an individualistic identity orientation generally have weaker ties with stakeholders other than shareholders due to their belief in the idea of independence between entities (Brass et al., 1998).

With regard to sustainable banks, existing literature considers these organisations unlikely to be dominated by an individualistic identity orientation, as their profit-making goals are balanced with the simultaneous pursuit to solve social problems by benefitting their direct partners (relational) or larger causes (collectivistic) (Fauchart & Gruber, 2011; Thompson & Doherty, 2006). Even though in some cases sustainable finance organisations may involve in profit-generating activities that reflect an individualistic orientation, such operations will still enhance the achievement of their community development mission (Pache & Santos, 2013; Young, 2001).

Relational Organisational Identity Orientation

Relational identity orientation is used to describe an organisation's self-definition as an actor oriented towards a selected number of relationships with particular stakeholders that are subjectively assigned high significance in organisational activities. Relational identity orientation organisations tend to prioritise relationships with constituencies that are the most salient to their organisational identity and support causes that are the most closely related to their stakeholders' interests (Frooman, 1999; Bingham et al., 2011). As opposed to the individualistic identity organization that involve in stakeholder relations to advance their financially motivated goals, relational identity organisations perceive relationships with external constituencies as ends in themselves. According to the relational identity orientation logic, this focus on associations with valued constituents strengthens the congruency that organisations are likely to see between themselves and their stakeholders (Brickson, 2007; Gomez-Mejia et al., 2007). This operational logic enables relational identity orientation organisations to cultivate identity traits that are both unique to them and congruent with the claims of their stakeholders (Albert & Whetten, 1985; Scott & Lane, 2000).

Previous literature suggested that sustainable banks as organisations with high corporate responsibility credentials may possess the relational identity orientation (Brickson, 2005; 2007; Freeman et al., 2004; Thompson & Doherty, 2006). Guided by their community development logic, sustainable banks aim to support self-selected, underprivileged or disadvantaged customers (Austin & Leonard, 2008). Therefore, the establishment of strong and lasting ties with these stakeholders becomes a central objective of sustainable finance institutions, which may not always collide with increased profitability or enhancement of broader community wellbeing.

Collectivistic Organisational Identity Orientation

Collectivistic identity orientation refers to an organisational self-concept of a member of a broader community connected to all members of a social group. This type of identity orientation is more system centred, emphasising relationships based on service alliances, strong coalition-based ties and cooperative approaches (Brickson, 2007). Collectivistic identity organisations are focused on fostering broad social welfare without targeting any particular community, for example by "promoting the ecological sustainability of the earth" (Brickson, 2005: 577). Organisations with a collectivistic identity orientation further view stakeholders as collaborators, who experience the effects of their corporate behaviour (Freeman, 1984). Contributing to the welfare of its members reinforces the identity of collectivistic organisations as those that make stakeholder contributions that are consistent with their values (Albert & Whetten, 1985). Collectivistic identity orientation organisations establish their stakeholder relationships driven by common purpose, but similar to individualistic identity orientation organisations they view these relationships as a means to an end (Wickert, 2015). Nonetheless, the shared agenda is focused on the wellbeing of a larger community and, therefore, is driven by motivations that are very different from self-interested goals of individualistic identity orientation organisations (Brickson, 2007).

Existing studies claimed that the collectivistic identity orientation is adopted by many socially oriented organisations (Thompson & Doherty, 2006; Wickert, 2015). Findings from this study, however, contradict this prevailing assumption and propose that sustainable banks maintain the relational identity orientation towards their stakeholders. They develop strong ties with particular customers, usually underserved and previously excluded from the agendas of conventional financial institutions, and avoid supporting a broad but unspecified community development agenda.

Research Cite and Methods

The GABV banks represent different business models, but have a common banking model focused on serving human needs. These financial institutions have managed to turn the relationship between profit and community development goals, traditionally perceived as a win-lose, into a win-win by reassessing the definition of win in each of the categories (Hoffman et al., 2012). The GABV banks can be described as both market-oriented and mission-centred (Boyd et al., 2009) organisations, for whom dignity, social, economic and environmental focus, and close connectivity to their communities are a standard lens through which they evaluate their operations.

The Alliance is currently comprised of 54 highly diverse financial institutions and 10 strategic partners operating globally. They collectively hold up to $127 billion USD of assets under management, and serve over 41 million customers in countries across different continents. It unites institutions that use finance to support underserved communities and the environment. The GABV is a Chief Executive Officer network providing a unique space for collaboration for leaders who are committed to values-based banking. Membership is based upon a charter to use finance to find global solutions to international problems and to promote a positive, viable alternative to the current financial system.

In order to obtain sufficient answers to research questions in qualitative studies, multiple data sources are recommended to be combined and synthesised (Yin, 2009). Three data sources commonly used in multiple case study research (Yin, 2009) have been applied to derive answers to my research question, namely:

interviews: 46 semi-structured interviews with representatives from 12 GABV member banks from 10 countries and the GABV Secretariat employees;

documents: annual reports published by the GABV member banks, performance reports published by the Alliance Secretariat, member banks' stories published on the GABV website and websites of member banks;

participant observations during the GABV Governing Board Forum annual meetings in Denmark (2015) and Nepal (2016).

I relied on the interviews as the main source of data on pluralistic organisational identity and organisational identity work, with the observations and documentation data serving as important triangulation and supplementary sources for understanding the phenomenon and its presentation to various constituencies and discrepancies among participants' perspectives, and as a means of gaining additional perspectives on key issues (Jick, 1979; Miles & Huberman, 1994). Data collection tools included interviews with the GABV secretariat members and representatives from the GABV member banks. This study aimed at obtaining views and perspectives of Board directors, as they occupy a key position in organisational decision making process and possess a subtle understanding about organisational values, mission and vision (Sobh & Perry, 2006). My data sources included written and oral stories told by the GABV and its member banks and shared through their published documents about the work they do to improve the quality of life for individuals and communities in which they operate.

I coded data in an attempt to understand how the identities of sustainable banks are expressed in their stakeholder relations through their identity orientation. I engaged in open coding with codes ascribed from the observed phenomena (Harrison & Leitch, 2014). I continued data collection until no new codes emerged, and then merged codes that addressed similar phenomena. My next step, axial coding, involved uncovering the relationships between and among categories which would then allow their grouping into higher-order themes (Langley & Abdallah, 2011). In this step, I drew on research on stakeholder relations, which informed my analysis but could not satisfactory explain my data. I developed more abstract and theoretical informed dimensions from the first-order themes.

Findings

In this chapter, I evaluate how the relational stakeholder orientation of sustainable banks, which reflects their dualistic identity combining the financial resilience and the community development goals.

Sufficient Participation and Inclusion of Affected Communities

Even though participation, stakeholder dialogue and partnership could be employed by organisations with any type of stakeholder relations orientation, relational organisations stand out by ensuring selective inclusion of local communities affected by their operations. Contrary to organisations with individualistic and collectivistic standing, relational identity orientation of sustainable banks guides them towards ensuring sufficient attention to the particular groups of beneficiaries that are directly affected by their operations.

Many participants of this study mentioned that a large part of defining sustainable banking was extending financial services to previously excluded or underserved categories of customers. The GABV member from the U.S., Beneficial State Bank, is a great example of offering financial services to support important initiatives within the American farming industry. Washington state farmers have long witnessed pressures from low milk prices and real estate developments forcing small family run companies out of business. Young entrepreneurs from a local community came up with an idea that renewable energy might offer a way to sustain small farms and help reverse a long-term trend in America: the loss of precious farmland and farmers. In 2007, the Maas brothers founded Farm Power[1], a collaborative organisation that builds and operates manure digesters for dairy farms in Northwest Washington State, to provide local dairy farmers with the solutions they were looking for. Their business idea included using communally shared milk digesters, producing renewable energy out of waste products, which would be collectively operated by a group of local farmers to share costs and revenues. Such collectivistic approach of Maas brothers would allow to reduce cost for cow bedding, increase bacterial control and water quality, and provide local farmers with opportunities for revenue sharing. Kevin Maas shared:

"I was looking for a way that energy could bring new value to farms, not just repackage the old values."

It should be noted that by the time Kevin and Daryl Maas founded their company, the benefits of renewable energy technologies was explored by very few dairy businesses in America. Despite the successful experience of these technologies being implemented across many European countries, American dairymen of that time remained sceptical about reliability of renewable energy solutions. Their skepticism towards the collectivistic approach of Maas brothers was further powered by the U.S. system of price controls for milk and dairy products.

Before putting in operation their first digester, Maas brothers spent considerable time to inform local communities of Northwest Washington about their business promise and build relationships with farmers. Kevin Maas shared:

"We enacted the concept of no sudden moves, because the last thing that we wanted to happen with a project like this is that people would get surprised and start to feel the, "not in my backyard" syndrome."

A chorus of rejections from conventional banks brought Kevin and Daryl Maas to a sustainable lender, Beneficial State Bank, who was the first financial services provider to see the value and market potential in the idea of mitigating dairybusiness risk through collectivistic approach. Farm Power Northwest LLC currently owns and oper ates five farm power sites in the Pacific Northwest of the United States, providing local dairy productions with up to 4.25MW of renewable electricity. Beneficial State Bank regards this investment as a case that benefited multiple areas of their identity, mission and values. Kevin Maas further said:

"Our financing of community-based dairy biogas projects in the Pacific Northwest has been supported by Beneficial State Bank from its very beginning and over a number of years. Beneficial State Bank was a key support for our innovative approach to achieving our goal of creating new revenue streams for small local dairy farms."

Full Incorporation of Local Needs

Existing literature has long reported on a problematic function of thorough stakeholder consultation processes, raising critical questions about the potential for grassroots actors to challenge this kind of institutionalisation. These processes are often not targeted towards the needs and contestations of local actors with regard to social development, nor do they address what organisation are responsible for and whom they are accountable to. The failure or

[1] http://www.farmpower.org

inability of organisations to adequately incorporate and prioritise the needs of local communities has been considered as a major weakness of participatory processes. On the contrary relational identity orientation of sustainable banks empowers their superior approach to discovering, prioritising and addressing the needs of communities in which they are embedded.

Vancouver area of Canada has long faced a problem of providing local parents and caregivers with access to fully certified and ethically run daycare centres. Budding Children's Garden and Daycare, co-owned by Talia and Lawrence Erickson, offers flexible, occasional childcare that parents can schedule online or through a smartphone application. Talia explained the concept:

"People can use it for one hour at a time or they can book with an hour's notice if something pops up. Parents often have spontaneous childcare needs and we offer scheduling that suits their needs."

Moreover, the centre practices environmentally friendly approach with organic snacks, low-water-usage washing, an indoor worm compost and a small herb garden, where kids can learn about growing organic food.

Such environmentally friendly approach, combined with the value of its business model, made Buddings centre a natural fit for Vancity's micro-loan program. However, to start their centre, Talia and Lawrence Erickson required an amount of money that Vancity could not approve single-handedly. Determined to support entrepreneurs in addressing community needs through their sustainable business approach, Vancity partnered with Tale'awtxw Aboriginal Capital Corporation (TACC), who shared the bank's vision and was able to offer additional loan through the First Citizens Fund and a grant from the Aboriginal Business Development Program. Together Vancity and its partners made Vancouver's parents dream possible.

Soon after opening in 2011, the demand for such child-care services proved to be very high. Talia noted that the centre has been particularly popular among self-employed, home-based business people and stay-at-home parents. Talia commented on it:

"Childcare in Vancouver is in very high demand, and there aren't a lot of options for families. A lot of families end up being in a position where they don't really get what they need."

She elaborated on their welcoming inclusive relations with the Budding Children's Garden and Daycare customers: "We have an environment where the whole spectrum of Vancouver lifestyles fit with us. We have families of all different cultures. We have people with all different types of jobs. We're inclusive."

Philanthropic Inclusiveness

Previous research suggested that even though organisational initiatives like building of schools, clinics, community centres, the provision of recreational activities and other infrastructural projects are often characterised as community development efforts, a large share of them is underscored by philanthropic motivations (Visser, 2007). As opposed to long-term sustainable activities that guarantee the well-being of beneficiaries, philanthropy usually consists of short-term handouts issued by an organisation that possesses the absolute discretion to choose who benefits from them. The few who do benefit are portrayed as representative of the entire population affected by an organisation's work. This phenomenon has been referred to as 'philanthropic selectivism' or tokenism (Imbun et al., 2015). On the contrary, sustainable banks practice similar inclusiveness of selected communities in their philanthropic initiatives as they do in their core activities.

Triodos Bank (Europe) has been involved in the enterprise Bristol Together from its very beginning. Bristol Together is a Community Interest Company that provides employment to ex-offenders, enabling them to have a fresh start in life. It offers ex-offenders jobs at construction sites of properties purchased at auctions, which would equip them with the skills necessary to become builders and eventually get back into full-time employment.

Triodos Bank took part in the development of this initiative since the project stage. It has offered the founders support and expertise in building this business from concept to a viable investment proposition. Triodos Bank's specialist told the story:

"Triodos Bank's work goes beyond that of a conventional bank, providing advice and support along the way. This was crucial to the idea taking off."

As a true believers in the power of impact investing for delivering social and financial returns, Triodos Bank could see the high social impact of the Bristol Together idea. Nonetheless, the project lacked a proven pilot model, which was making it a risky investment that could hardly be defended on strictly commercial grounds. Triodos Bank was the right partner in the process to take a long-term view, and help entrepreneurs develop a vision of scaling the model and replicating tit in other cities across the UK. Developing meaningful long-lasting relationships with entrepreneurs, who have potential to promote social change and development, fully represents Triodos Bank's investment strategy:

"Entrepreneurs should feel that Triodos Bank is truly on their team, bringing all its expertise to make their ideas work."

Over the years, Bristol Together has proven to be sustainable as a business model. Nowadays, it is a self-financing project, which is not dependant on grant funding. The benefits of the initiative go beyond the immediate people they support. Bristol Together addresses wider societal issues around the UK's housing shortage and the cost to the taxpayer of ex-offenders reoffending. For Triodos Bank, the success of Bristol Together reinforces their trust in the idea of finding the opportunity to support small-scale projects, which often remains overlooked by conventional banks, and help them grow to deliver impact and social growth.

Transparency and Power Balance among Stakeholders

Organisation's stakeholders are usually characterised by varying and often inconsistent ambitions, needs and priorities. Yet, the viability of relational identity orientation depends on its reception by key partners such as community leaders, chiefs, NGOs, local government representatives and ordinary community members. To ensure the sustainability of their projects and to fulfil their mission of community development, sustainable banks' governance system consists of innovative development committees with local representatives.

Banks from the sample are highly embedded in their local communities and name stretching their services to reach previously under-served categories of customers as one of the core goals of their activities. Crédit Coopératif bank (France) shared a story about their work with Groupe SOS – an initiative started in 1984 to help people escape from social exclusion. The initiative began with creation of an association SOS Drogue International aimed at addressing drug addiction problems in French society through its programmes against drug abuse. The second initiative undertaken by Groupe SOS was SOS Habitat et Soins, formed to respond to the growing HIV epidemic in 1985. In 1994, the third association, SOS Insertion et Alternatives, was launched by Groupe SOS to tackle social exclusion.

Nowadays, Groupe SOS consists of 44 social enterprises and non-profit associations operating all across France, la Réunion, Guyane and Mayotte. It employs 10,000 people and manages around 300 facilities: hospitals, nurseries, retirement homes, educational facilities for minors, social housing and integration facilities for disabled people. Crédit Coopératif bank has long shared the philosophy of meeting the fundamental needs of society: health, education, employment, elderly care and housing. They saw a lot of potential in Groupe SOS to help hundreds of thousands people, who are in an economically or socially vulnerable position, through the integrated support approach. One of the interviewees shared:

"As an actor within the social economy, Crédit Coopératif shares common values with Groupe SOS: transparency, solidarity, respect for the human being and commitment to a fairer society."

With the help of Crédit Coopératif bank, Groupe SOS has developed a financially resilient model to support its operation. It has founded a shared-services company, Alliance Gestion, which provides professional management skills such as human resources, accounting, communication, fundraising, law, finance and marketing across the whole group. Furthermore, to address financial difficulties of social enterprises, Groupe SOS has launched Le Comptoir de l'Innovation to invest in, support and promote social businesses, as well as provide them with the sector specific expertise. Our interviewee commented on the partnership:

"Crédit Coopératif has supported large structural projects and the smaller organisations in the Groupe SOS. We are well versed in the issues facing social enterprises, so we are able to support them efficiently."

Crédit Coopératif further mentioned that they find it very gratifying to support a client like Groupe SOS, who they believe to have had become a major player in the social economy:

"Our core business fundamentally differentiates us from other banks. Our expertise makes us aware of the concerns of our social economy customers. And each of us benefits from the other's knowledge: we know the issues Groupe

SOS faces and they know the constraints we have as a bank."

Governmental Commitments

Michael (2003, p.126) posited that the community development discourse appears to "signal a new form of cooperation between government, business and civil society in the promotion of social objectives." Others suggested that the experience of organisational community involvement and business as a development agent suggests that "development ends can best be served when there is genuine collaboration whereby different sectors pursue shared or complementary poverty objectives" (Blowfield, 2010, p.145). This notion of 'shared' community development objectives fuelled the discourse of corporate citizenship. However, existing research pointed out that while collaboration and partnership between governments and organisations may facilitate development, governments could also hide behind these efforts to avoid their developmental responsibilities to their people. Research on the GABV banks shows that community development activities led by relational identity orientation may complement governmental efforts and commitments without replacing them.

Sustainable banks work together with local authorities and non-governmental initiatives to complement but not replace their services and duties.

VSECU bank (U.S.) shared an initiative they launched in cooperation with local authorities and entrepreneurs to strengthen local economy in Vermont by empowering members to invest locally.

Until 2014, local investment opportunities were exclusively available to high net worth accredited investors, who met strict conditions: earned $200,000 or more in annual income or had net worth greater than $1 million. Vermont Small Business Offering (VSBO) legislation removed previously existing barriers and opened local investment opportunities to all Vermonters. However, community still lacked financial education and effective tools to make a positive impact with their investment dollars.

In 2015 VSECU bank combined its efforts with Milk Money company and the Department of Financial Regulation (DFR) to breach this gap and connect small scale investors with entrepreneurs. Milk Money developed an equity platform to connect interested parties and equip them with educational and networking opportunities as well as investment options, however, they required both financial and legislative support to launch it. VSECU worked closely with DFR to create legal underpinning of the crowdfunding platform they created together with Milk Money and configure the platform to comply with DFR regulations. VSECU shared that the process involved many innovative decisions and learning opportunities for all parties due to the pioneering nature of the created platform.

At the core of the VSECU practices lays a shared believe that “what someone does with their money is an expression of their values.” Now, three years after the launch of the Milk Money platform, Milk Money, VSECU specialists believed that it has enhanced the financial paradigm of Vermont investment ecosystem. Successful cooperative effort of the Milk Money platform enabled people of Vermont to more directly support local businesses they value. This experience brought together three partners to accomplish something none of them could have done individually and provide benefits to all Vermonters. One of the VSECU co-workers shared:

“One small investment can lead to multiple investments that strengthen the local economy. This is small money making big change. As the Milk Money platform takes off and people increasingly recognise it as a way to raise working capital or make impactful local investments, Vermont will achieve greater social and economic sustainability. Financial institutions and advisors play a direct role in.”

Conclusion

Organisational identity has attracted considerable academic attention over the last few decades. Following the stakeholder relations theory, this paper supports the assumption that organisations should link their practices to various groups of stakeholders to whom they are accountable. It extends existing research, which tended to be predominantly internally focused, to study the role of organisational identity in corporate stakeholder relations expressed through the concept of organisational identity orientation.

Building on the organisational identity literature, it extracts novel knowledge on the orientations that organisations take towards their stakeholders and describes typical features of the three identity orientations – individualistic, relational and collectivistic. Stakeholder relations of sustainable banks, members of the GABV, were analysed to explore how these organisations frame their external relations guided by their identities. This work advances research on organisational identity by detailing the connection between organisational self-view and organisations' interactions with stakeholders, a connection that has previously received surprisingly little attention. It shows that sustainable banks guided by the financial resilience and the community development goals develop relational identity orientation towards their stakeholders. This helps them develop sustainable long-term partnership with the important constituencies and avoid mission drift, while simultaneously pursuing dualistic goals.

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