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OnlineFirst Version of Record - May 23, 2014

What is This?

Functions of Dysfunction: Managing the Dynamics of an Organizational Duality in a Natural Food Cooperative

Blake E. Ashforth[1] and Peter H. Reingen[1]

Abstract

We report the results of an ethnographic study of a natural food cooperative in which we found an inherent tension in its mission between idealism and pragmatism, and we explore the dynamics through which that tension was managed and engaged in day-to-day governance and activities. Insights from participant observation, archival data, semi-structured interviews, and surveys provide a detailed and holistic account of the intergroup and intragroup processes through which the co-op negotiated its dualistic nature, as embodied in its hybrid organizational identity. The findings suggest that the value of each side of the duality was recognized at both the individual and organizational levels. Members' discomfort with the duality, however, led them to split the mission in two and identify with one part, while projecting their less-favored part on others, creating an identity foil (an antithesis). This splitting resulted in ingroups and outgroups and heated intergroup conflict over realizing cooperative ideals vs. running a viable business. Ingroup members favoring one part of the mission nonetheless identified with the outgroup favoring the other because it embodied a side of themselves they continued to value. Individuals who exemplified their ingroup's most extreme attributes were seen by the outgroup as prototypical, thus serving as ''lightning rods'' for intergroup conflict; this dynamic paradoxically enabled other ingroup members to work more effectively with moderate members of the outgroup. The idealist–pragmatist duality was kept continually in play over time through oscillating decisions and actions that shifted power from one group to the other, coupled with ongoing rituals to repair and maintain relationships disrupted by the messiness of the process. Thus ostensible dysfunctionality at the group level fostered functionality at the organizational level.

Keywords: organizational duality, organizational mission, intergroup conflict, food cooperatives, hybrid identity

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Organizations are often messy things, with mixed agendas and bruising politics. Growing research on hybrid organizational identities (e.g., Albert and Whetten, 1985; Battilana and Dorado, 2010) and pluralism (e.g., Kraatz and Block, 2008; Pache and Santos, 2010) indicates that organizations often embody and pursue seemingly conflicting goals, values, beliefs, practices, and so on. And research on the role of contradictions (e.g., El-Sawad, Arnold, and Cohen, 2004), dilemmas (e.g., Weber and Messick, 2006), paradoxes (e.g., Smith and Lewis, 2011), double binds (e.g., Tracy, 2004), tensions (e.g., Ashcraft and Trethewey, 2004), oxymorons (e.g., Ashforth and Pratt, 2003), ironies (e.g., Johansson and Woodilla, 2005), and dialectics (e.g., de Rond and Bouchikhi, 2004) reveals the disorderly complexities of organizational life. What these literatures share is a focus on the dynamics of oppositional tendencies: how the complexity, ambiguity, and turbulence of organizational life engender various perceived inconsistencies and how these inconsistencies affect various levels of analysis—from individuals to dyads, and groups to organizations. As Kraatz and Block (2008: 257) mused, ''The deep-rooted tensions that are built in to the pluralistic organization seem to make its mere ability to hang together something of a mystery.''

Examples of commonly discussed oppositional tendencies include imperatives for continuity and change, competition and cooperation, exploration and exploitation, top-down and bottom-up mobilization, formal and informal structure, organizational control and individual autonomy, and interdependence and independence. Such oppositional tendencies have been argued to be endemic to organizations and therefore inevitable and ongoing (Ford and Backoff, 1988; Handy, 1994). Sánchez-Runde and Pettigrew (2003: 246) went so far as to state that ''most valued qualities of a social system 'have a complementary quality . . .' (Evans and Doz, 1992: 87)'' such that ''much of what is problematic and challenging in organizations reflects underlying dualities.''

The overarching concept of duality has been defined by Graetz and Smith (2008: 270) as ''the simultaneous presence of competing and ostensibly contradictory'' qualities. Definitions of duality and the related concept of paradox tend to be very similar (cf. Ford and Backoff, 1988). For example, Lewis (2000: 25) defined paradox as ''contradictory yet interrelated elements—elements that seem logical in isolation but absurd and irrational when appearing simultaneously.'' According to Farjoun (2010: 204), a key difference is that formulations of paradox often appear to view the elements as ''necessarily antithetical'' or ''mutually exclusive'' (Cameron and Quinn, 1988: 2), whereas, as suggested by Graetz and Smith's (2008) definition, formulations of duality often appear to view the elements as ''ostensibly'' contradictory or ''opposites that exist within a unified whole'' (Smith and Lewis, 2011: 387). The notions of ostensible contradiction and a unified whole provide more conceptual space for exploring how the elements may in fact be complementary (Evans and Doz, 1992; Johnston and Selsky, 2006). As in the oppositional tendencies noted above, the elements are complementary in that each is necessary but not sufficient for the well-being of the organization. For example, organizations need to exercise control over their operations even as they need to allow employees some autonomy to determine how best to operate. Because the elements are ''ostensibly contradictory,'' a certain iterative tension may develop between them as actions foster counter-actions (e.g., an assertion of managerial prerogative is met with

employee resistance). Different groups may be attached to each element such that each group comes to define itself vis-à-vis the other.

   Given this iterative tension between ostensibly contradictory views, it seems likely that the dynamics can quickly become quite complex and unruly with a variety of potential secondary effects. Unfortunately, as Graetz and Smith (2008) noted, the specific dynamics through which dualities actually play out and are managed are not well understood. To be sure, there are theoretical frameworks, particularly those by Smith and Berg (1987) and Lewis (2000), that describe certain aspects of those dynamics, empirical studies that document how a singular event or issue played out (e.g., Gilbert, 2006; Barge et al., 2008), and conceptual and empirical papers that provide a more prescriptive stance on how dualities can be managed (e.g., Seo, Putnam, and Bartunek, 2004; Lüscher and Lewis, 2008; Battilana and Dorado, 2010). But what is far less evident are empirical studies that explore how a duality actually plays out and is managed across multiple events. As Sánchez-Runde and Pettigrew (2003: 248) state, ''We have many more conceptual distinctions about dualities and theories about how they might be managed than we have solid empirical studies of the phenomena of dualities in contemporary organizations.''

   Lüscher and Lewis (2008: 234), writing about paradox, concluded that '''[w]orking through' does not imply eliminating or resolving paradox, but constructing a more workable certainty that enables change.'' When a duality is embedded in an organization in the form of a hybrid identity, members may need to keep that duality *in play* over time rather than ''resolve'' it once and for all. This insight suggests three important questions: (1) What makes both sides of the duality salient?; (2) How do members manage the tensions that arise from the duality?; and (3) How do these mechanisms of managing tensions enable the organization to sustain itself over time? The purpose of this paper is to address these three questions by developing a more process-oriented theory of dualities, using a longitudinal ethnography. Following Langley (1999: 692), a process theory explains phenomena by looking for ''patterns in *events*,'' whereas the more traditional variance theory explains phenomena ''in terms of relationships among dependent and independent *variables*.'' Through analysis of qualitative and other data, we seek to explain the patterned social-psychological dynamics through which a duality may emerge and play out.

THE NATURE AND DYNAMICS OF ORGANIZATIONAL DUALITIES

Dualities have various characteristics (Hedberg, Nystrom, and Starbuck, 1976; Evans and Doz, 1992; Sánchez-Runde and Pettigrew, 2003; Graetz and Smith, 2008; Farjoun, 2010; Smith and Lewis, 2011). First, the oppositional tendencies that define a duality are simultaneously present. Given that dualities are endemic to organizations, oppositional tendencies cannot simply be wished away. That said, a given duality is not necessarily experienced by every organization; while some dualities are seemingly universal, such as formal and informal structure, others are not, such as the particular value differences described later in our study. Further, while an organization can seek to decouple the ostensible opposites that define the duality by separating them in time (engaging in each sequentially; e.g., exploring and then exploiting what is discovered) or space (assigning them to different hierarchical levels or subunits; e.g.,

exploring to R&D, exploitation to Operations), the oppositional tendencies per se do not disappear.

Second, the oppositional tendencies are relational and interdependent in that each tendency and entity associated with it (1) is defined at least in part by the other, often like a mirror image (e.g., decentralization/centralization), (2) at least seemingly contradicts the other (e.g., the presence of competition suggests little cooperation), and yet (3) is complementary (e.g., informal structure lubricates formal structure), thus forming ''a unified whole'' (Smith and Lewis, 2011: 387). Each tendency may even help constitute the other, as in Giddens' (1984) discussion of structure and individual agency, but it is not accurate to say that oppositional tendencies necessarily exist on a continuum and are mutually exclusive, that more of one means less of the other. This is why Smith and Graetz (2006: 232, our emphasis) referred to dualistic qualities as ''mutually *inclusive*.'' Thus research on dualities, particularly involving organizational design or organizational change, indicates various ways by which organizations can transcend the opposition to ''have it both ways'' (e.g., Lewis, 2000; Seo, Putnam, and Bartunek, 2004; Farjoun, 2010). For example, research on organizational ambidexterity suggests that organizations can simultaneously pursue exploration and exploitation (Raisch and Birkinshaw, 2008; Cao, Gedajlovic, and Zhang, 2009).

Third, a ''minimal threshold of each [quality]'' must be maintained so that the wider system, the organization, does not sacrifice one of the qualities (Graetz and Smith, 2008: 270; Hedberg, Nystrom, and Starbuck, 1976; Evans and Doz, 1992). This characteristic reflects a tacit assumption in the literature that each quality is necessary for organizational health. For example, Lawrence and Lorsch (1967) documented that organizations need a certain level of both differentiation and integration. Conversely, oppositional tendencies such as honesty–dishonesty and support–abuse are not considered in the dualities literature presumably because the absence of a necessary minimal threshold for the negative quality makes them far easier to address. Further, the notion of a minimal threshold seems to underlie frequent prescriptions in the literature for ''dynamic balance'' or ''dynamic equilibrium'' between oppositional tendencies (Evans and Doz, 1992; Sánchez-Runde and Pettigrew, 2003; Graetz and Smith, 2008; Smith and Lewis, 2011).

Fourth, given the simultaneous presence of interdependent, oppositional tendencies, dualities are characterized by tension (Evans, Pucik, and Barsoux, 2002; Seo, Putnam, and Bartunek, 2004). If each tendency is affiliated with distinct actors, such as organizational subunits or hierarchical levels, the tendencies may be actively juxtaposed. And because a minimal threshold of each is desirable, even prescriptions for transcending the original terms of the duality stop short of collapsing the duality into a ''singularity'' (e.g., Smith and Graetz, 2006). Instead, notions of ''creative tension'' (e.g., Cameron, 1986; Palmer and Dunford, 2002) speak to the salutary effects of actively juxtaposing or ''layering'' (Evans and Doz, 1992) the tendencies.

Finally, given this ongoing tension between ostensible opposites (and any associated entities), the interplay between the tendencies is typically dynamic. As suggested by research on dialectics, even when the oppositional tendencies—the thesis and antithesis—have seemingly been resolved into a new synthesis, the forces for each continue, ultimately fueling a new apparent synthesis (Ford and Backoff, 1988; da Cunha, Clegg, and e Cunha, 2002). But

the notion of dynamism does not mean that dualities necessarily destabilize the organization. In the example of organizational control vs. individual auton-omy, the iterations of managerial action and employees' counter-action may ultimately create little substantive change. The upshot of this simultaneous need for each oppositional tendency is again a certain dynamic equilibrium over the long term.

Social-psychological Dynamics of Dualities

An organizational duality can play out at any level (or between any levels) of analysis, from the individual (e.g., a prison official who wrestles with the rehabilitation–punishment duality) to the organization itself (e.g., a prison sys-tem that incorporates that duality in its mission statement), but groups are fre-quently the arena for duality dynamics (cf. Smith and Berg, 1987). First, given structural differentiation, organizations often constitute and empower groups to pursue specific functions under the assumption that each group fulfilling its par-ticular function will promote the overall welfare of the organization (Mintzberg, 1983). Similarly, as noted, dualities are often decoupled by assigning different facets to different subunits or levels. Second, given how consequential duali-ties can be to the organization, networks and groups may coalesce around each side of a duality. That said, although empirical studies have documented how a singular event or issue actually played out, what remains unclear is why a net-work or group would regularly be predisposed to interpret multiple events and issues in terms of a duality rather than some other frame. Thus our first research question is, What makes both sides of the duality salient?

Studies describing some of the social-psychological dynamics of dualities, as well as how a singular event or issue played out, provide intriguing leads for research. Lewis (2000) discussed how the tensions associated with a paradox may fuel paralyzing psychodynamic defense mechanisms that merely reinforce and perpetuate the tension, and Smith and Berg (1987) articulated how these defense mechanisms may be manifested at the group level. The present study combines and extends these theoretical accounts by describing the role that three psychodynamic defenses—splitting, projection, and projective identification—played in the rich social-psychological dynamics that occurred both within and between groups representing each side of a duality. The result is a holistic account of the social-psychological dynamics of duality over time that addresses our second research question: How do members manage the tensions that arise from the duality?

Finally, we noted that conceptual and empirical work has offered prescriptive processes for managing dualities. For example, Seo, Putnam, and Bartunek (2004) reviewed organization development approaches to managing dualities in planned organizational change, Lüscher and Lewis (2008: 228) described a managerial intervention that fostered collaborative means of ''working through paradox,'' and Battilana and Dorado (2010) contrasted how two organizations dealt with a hybrid identity and discussed human resource management prac-tices that provide a more integrative managerial approach. As such work sug-gests, the processes prescribed in the normative literature on managing dualities are generally intended to foster actors' active awareness of the duality along with techniques for integrating or transcending the oppositional tenden-cies of the duality. In contrast, the present study will describe an organization

that stopped short of integration or compromise on major issues, and yet—following on the mechanisms of managing tension explored in our second research question—developed expedient and serviceable methods of respecting the oppositional tendencies. Thus our final research question is, How do members' mechanisms of managing tensions enable the organization to sustain itself over time? Thus the study adds to the prescriptive literature on dualities and offers relatively novel implications for managerial practice.

Moral vs. Pragmatic Duality

The duality we focus on in our study is a common but seldom examined type. Consistent with the hybrid identity of the natural foods co-op studied here, we found strong conflict between two major informal groups whom we dubbed ''idealists'' and ''pragmatists.'' Idealists endorsed social idealism (e.g., cooperative and environmental values) more strongly than did pragmatists, whereas pragmatists endorsed financial viability more strongly than did idealists. We define a moral vs. pragmatic duality as one in which organizational members as a whole endorse one set of values or goals as more righteous and just than the other set, but the latter nevertheless remains necessary for organizational health and survival, and thus pragmatic. Examples include a symphony orchestra, in which the pursuit of artistic excellence vied with the pursuit of fiscal responsibility (Glynn, 2000), new product design consulting firms, in which the pursuit of creative passion contested with budgetary pressures (Gotsi et al., 2010), managed health care, in which patient service often conflicts with cost concerns (Shore, 1998), and commercial microfinance organizations, in which a social development logic rivaled a conventional banking logic (Battilana and Dorado, 2010). Often in these and similar studies, one or more groups comes to embody the moral focus and one or more others, the pragmatic focus. One would then expect the social-psychological dynamics associated with a moral-pragmatic duality to play out with particular intensity. And although a moral-pragmatic duality need not be institutionalized in the organization's (hybrid) identity, as it was in the present study, the existence of such an identity is likely to add salience and urgency to the duality and further increase the intensity with which it plays out.

We investigate the ongoing tension between ''idealists'' and ''pragmatists'' at a natural food co-op to articulate a process model of how organizational dualities play out at the group level: what makes both sides of the duality salient such that multiple events and issues are regularly interpreted in terms of the duality, how members manage the tensions that arise from the duality, and how members' mechanisms of managing tensions enable the organization to sustain itself over time.

METHOD

The study focuses on a member-owned and operated natural foods co-op, Natura (a pseudonym), located in a large U.S. city. Founded in the 1970s, Natura had over 2,000 member households at the time of the study. Members designed the co-op as a U-shaped compound. On one side of the ''U'' is a store with over 4,000 square feet of retail space and several dozen employees (a number that fluctuated over time). The store was open to co-op members, but

most revenue came from non-member shoppers. On the other side is a build-
ing primarily devoted to member governance and member services. In contrast
to the commercial orientation of the store, Natura's Member Services
Department, staffed with a handful of employees, facilitates the cooperative
governance process and promotes the cooperative movement and associated
causes (e.g., world peace, social justice, environmental stewardship). Member
Services runs recruitment campaigns and orientation meetings, facilitates
member committees, schedules member labor contributions, helps run elec-
tions, and runs a variety of special events and classes. Store revenues finance
virtually all of Natura's activities.

   Members are in the unusual position of being owners, managers, and cus-
tomers of the co-op. They govern through an elected member cooperative
board, a number of additional committees dedicated to overseeing almost
every major function, and general meetings held several times a year.
Members are elected to the cooperative board semi-annually but could join the
other committees virtually at will. The board supervises a salaried manager
who is encouraged to lead employees in a consultative style. As in many volun-
tary associations, only a subset of core members (20–30) and a more peripheral
group (about 50) are routinely active in co-op governance. The majority of mem-
bers joined primarily to receive a discount on natural foods. The study focused
on members who were active in the co-op's governance process, and refer-
ences to ''members'' typically refer to these individuals rather than to others
who never or rarely participated in governance.

Research Process

One person acted as the principal ethnographer. Prior to the study, he was not
a member or regular shopper at the co-op. Entry began by simply hanging
around Natura, observing, and talking to habitués. After initial conversations
satisfied the members that he was a professor interested in studying the
dynamics of human relations in a cooperative, members asked him to ''contrib-
ute his energy'' and invited him to meetings and gatherings at the co-op and
members' homes. His presence at the co-op soon no longer prompted ques-
tions or special attention. After several months, he paid a small fee to become
a member of the co-op but was careful to position himself as neutral with
regard to the ongoing conflict between idealists and pragmatists. Over a period
of 23 months, he collected data by participant observation, examination of
archival materials, semi-structured interviews, and surveys. He continued to
shop and participate at the co-op for a year after the conclusion of the formal
ethnography and continued to collect archival data.

   Participant observation and archival material. During the 23 months of
study, the ethnographer spent over 300 hours on participant observation, taking
field notes, and writing theoretical memos. He assumed the schedule of an
active member, visiting the co-op to shop, chat, and attend events and meet-
ings almost every week. Participants were observed during meetings at the co-
op, informal gatherings at members' homes, as they talked in the aisles of the
store or had lunch at the store's deli, and so on. The ethnographer noted who
associated with whom, what various individuals and groups thought of one

another, and what issues seemed to be salient to the members. In addition, he consulted audio tapes of meetings and examined archival material, including financial records, documents pertaining to Natura's history, records of cooperative board meetings (over 900 pages), newsletter articles (about 175 pages), pamphlets and posters, meeting handouts, and articles in the local popular press about the co-op.

Initial qualitative insight into the social structure. Early in the study, the ethnographer repeatedly observed two sets of members who clustered together during membership meetings, sometimes at opposite ends of a table or room, confronting one another. He began to track the policies advocated by various members, who supported whom during debates and votes, and who attended informal policy caucuses held at the co-op deli and members' homes. From these observations, two informal groups emerged that we eventually named the "idealists" and the "pragmatists" because their confrontations often involved debate on the priority that should be placed on idealistic concerns (e.g., co-op governance, member services, organic purity) vs. more pragmatic business concerns (e.g., profitable management, saving money, increasing sales). Not all who attended governance meetings were clearly aligned with one group or the other, but the majority of persistently active members fell into one or the other camp. Our choice of the idealist and pragmatist labels was influenced by Lawless (2003: 2), who in a review of the philosophical underpinnings of the cooperative movement observed, "At the risk of oversimplification, cooperative proponents can be divided historically into two distinct camps: idealists and pragmatists." Like Lawless, we do not wish to oversimplify. Within each camp, individuals had varying shades of idealistic or pragmatic opinion, and all the members might seem idealistic to an outside observer.

Despite heated arguments between the two groups at meetings, members of each often mixed at parties and celebrations, worked together on volunteer projects, and chatted one to one in a friendly manner, perhaps because policy conflicts were not as salient at such times. The two groups seemed very similar in terms of their appearance, demographic characteristics, and the variety of their skills and interests.

Semi-structured interviews. After about six months of accumulating observations and archival materials, the ethnographer conducted 20 semi-structured interviews. Having noted the ongoing conflict between the idealist and pragmatist groups, he sought a deeper understanding of why the conflict was endemic to the co-op. He interviewed members of the conflicting groups, as well as members not clearly aligned with either group. The interviews, ranging from one to two hours, included questions about the member's history of involvement in Natura, why he or she continued to participate, and opinions about member relations and issues facing the co-op.

Analysis

As the study evolved, the ethnographer tacked between the data and the themes that they appeared to suggest (e.g., issues that aroused conflict, intergroup dynamics), the literature on group dynamics, and emergent theorizing.

Based on this process, he wrote theoretical memos and returned to the field to collect relevant data in an iterative fashion (Locke, 2001; Charmaz, 2006). He also engaged in ongoing discussions with an ''outsider'' coauthor to help gauge what was being learned and calibrated emergent insights via checks with co-op insiders. In the spirit of the constant comparative method (Glaser and Strauss, 1967), we triangulated emerging insights across the multiple data sources (was the insight/phenomenon evident in, say, the interviews and archival data?), across multiple situations (e.g., different committees, social events, cliques), and across multiple iterations of similar situations (e.g., meetings of the cooperative board). For example, initially the ethnographer asked where and when cooperation or conflict was evident and between whom. Triangulation revealed not only convergences but ''disjunctures'' (Arnould and Wallendorf, 1994) that provided important insights. As an illustration, participants often asserted the importance of cooperation and lamented the ongoing conflict but in the next meeting were observed initiating further conflict. As data accumulated and time passed, the ethnographer asked the same questions, but at the level of specific issues (e.g., managerial authority).

Early on, insight emerged about the conjunctions between the co-op's social structure (subgroups) and contested issues. As insight deepened, the focus shifted to understanding the dynamics of conflict and cooperation between groups and over time. To help make sense of the data, we used various data displays (Miles and Huberman, 1994), notably a map of the social network structure and lists of issues fostering conflict, key players, and events. As we began to discern recurring patterns in what issues prompted conflict, who was most involved, and how interactions unfolded—and the stark contrast between the divisiveness of conflict and the amicability of interactions at other times— our theoretical framework of dualities emerged. We revisited our data, refining our general focus on conflict and cooperation into emergent constructs such as ''splitting'' the duality into halves, ''lightning rods'' who appeared to galvanize conflict, and ''rituals'' as signals of normative expectations. The co-op's numerous meetings served as the crucible for most overt conflicts and thus provided insight into the actions, words, and emotions involved in the enactment of these dynamics, while interviews and other one-to-one interactions deepened insight into members' sensemaking.

Survey Data

In addition to our qualitative inquiry, we administered a questionnaire to collect quantitative data. Guided by the ethnographic data collected during the first 11 months of study, we offered 24 individuals who were highly active in Natura's governance $10 to complete the survey. Nine idealists and 11 pragmatists agreed; the four who declined included idealists and pragmatists. The idealists included five women and four men, were virtually all Caucasian, and were 25–60 years of age except for two individuals, who were over 60. The pragmatists included six women and five men, were all Caucasian, and were 25–60 years of age (with a distribution of ages within this span comparable to the idealists) with the exception of two individuals over 60. Thus the demographic profiles of the two groups are very similar, suggesting that demographic faultlines (e.g., Jehn and Bezrukova, 2010) were not the cause of the intergroup conflict. Further, each group contained individuals from a mix of occupations, with no

particular field standing out in one group or the other, and members of each group were usually represented on the co-op's various committees.

Social network ties. To confirm the division of study participants into idealist and pragmatist groups, we gave individuals a list of the participants and asked them to nominate those who they thought (1) to be a friend; (2) viewed certain value sets as guiding principles for managing the co-op; (3) placed a high priority on running the co-op as a successful business and/or according to cooperative principles; and (4) had very similar views to their own on major issues about running the co-op. Participants who nominated one another on all four questions (i.e., as a friend, same guiding principles, same priority on how to run the co-op, sharing very similar views) were considered to be tied. We subjected the matrix of social ties among the 20 survey participants to a clique analysis (Freeman, 1996; Burmeister, 2000), which revealed 17 cliques that clustered in two groups—the pragmatists and idealists—with no participant belonging to both groups. The nine idealists had a more tightly knit social structure (based on the density of the cliques) than the 11 pragmatists. Further, certain individuals were more ''embedded'' in their group, that is, were members of many more cliques.

Value differences. As noted, the ethnographer observed that conflict at the co-op often revolved around tension between idealistic and pragmatic values. These divergent values correspond roughly to two value sets from Schwartz and Bardi's (2001) typology of universal values. Thus we measured endorsement of the value sets: (1) equality, social justice, and peace, which are a subset of Schwartz and Bardi's universalism value set; and (2) competition, profit, and success, which are an organizational analogue of Schwartz and Bardi's achievement value set. Several weeks after the social network measure was administered, participants were given a list of people for ''Group #1'' and ''Group #2'' based on the ethnographic data and confirmed by the social network data. The participant's own name was omitted. Participants indicated the extent to which each group would endorse each value set as ''guiding principles for managing the co-op.'' The response scale ranged from 1 = not at all to 10 = extremely.

Prototype nominations. In an effort to better understand whom members of the groups viewed as most representative of each group, we measured ''prototypical popularity,'' that is, the ''relative overselection [of a given participant] by others in terms of prototypicality'' (Hogg and Hardie, 1991: 176) of the ingroup or outgroup. Again several weeks after the social network measure was administered, participants were asked to list up to three persons ''most typical'' of the people listed for ''Group #1'' and ''Group #2.'' The number of nominations received by a participant from ingroup and from outgroup members constitutes the measure of perceived prototypicality as an ingroup member and outgroup member, respectively.

RESULTS

A conceptual model of the dynamics of the idealism–pragmatism duality emerged from our analysis of the data. The very notion of an idealism–pragmatism duality

was institutionalized in the co-op's mission, bylaws, and policies, providing a clear fount for conflict. As we describe below, the duality was internalized by individual members, and the resulting tension appeared to foster two groups via a psycho-dynamic process of splitting, projection,and projective identification that predated the study. Each group embodied one half of the duality, allowing the halves to be actively counterposed at the organization level. The resulting intergroup clashes gave rise to several mechanisms—lightning rods, who served as scapegoats; rituals that smoothed over bruising conflict; and oscillating decisions and actions that enabled each side to be upheld over the long term—that helped sustain the organization itself in the midst of conflict and the messiness of the process. In describing our findings, we usually identify participants generically as idealists or pragmatists to protect their identities. Names, when used, are androgynous pseu-donyms, and the pronoun ''she'' or ''he'' is randomly assigned.

Salience of the Organizational Duality

Setting the stage: A common identity among individual members. At Natura, core members appeared to share a common identity. They referred to themselves as ''co-opers,'' participated in the co-op's governance process, were prone to refer to the co-op as ''their community,'' and seemed at home there. During the participant observation, core members routinely referred to other members as ''we,'' identified other members as central to their social network, and described the co-op's values as convergent with their own and distinctive from the capitalist, corporate values of other retailers and most citizens of the city around them. At a meeting attended by many of Natura's core members, the organization's goals were discussed. One participant rose to say:

> The co-op is our world. We're not just individuals. We're working together. We're teaching cooperation. I want that cooperation to go beyond [this city]. It's a whole lot different if you walk into [a local non-cooperative natural foods supermarket]. The energy there is bizarre. I don't want that energy. I want our energy. That's what I'm about.

These remarks were promptly applauded. The themes of shared identity, common struggle to realize the cooperative dream, and a special ''energy'' at Natura obviously resonated.

In an article in Natura's newsletter, a member addressed whether Natura still fulfilled a need:

> [Natura] is not a grocery store. [Safeway] is a grocery store, or [Albertson's]. [Natura] is not just a health food store. Leave that to Trader Joe's or Wild Oats. [Natura] is a community, a ''unified body of individuals.'' Our community has a rich heritage with caring, understanding, and strength. Our future is rich with possibilities. With respect and commitment, we will continue to nourish our community and our society at large.

Like the member who saw a special ''energy'' at Natura, this member saw the co-op as ''not just a health food store'' but a community with a special mission to ''nourish'' that community *and* the larger society by offering, as the writer states elsewhere in the article, ''respect for each other, a desire for peace and freedom, and the willingness to work together.'' Another member wrote in

Natura's newsletter, ''We have such a unique community here at [Natura]'' and the two ''trademarks'' of that community are the organic food store and the co-op's support for alternative values. The member added:

> It nearly blows me away when I hear people say that they shop elsewhere because they can get a better price. From my point of view, when I invest my money in Safeway, Trader Joe's . . . or any other grocery store, I am investing in someone else's game plan. When I shop at [Natura] I am investing in a community of people that I know.

Such statements of what members regarded as the essential Natura were echoed in committee meetings and social encounters and were typically met with approving responses. As the above statements suggest, pronouncements of Natura's identity usually had a moral coloring, connoting a shared belief that Natura's identity was right, good, and better than alternatives. For example, the above commentators rejected other stores' ''energy'' and the ''game plan'' seen as inherent in corporate-run retail stores.

The salience of Natura's duality at the organizational level. Underneath the sense of common identity, however, different value emphases lurked. Tension between idealistic vs. pragmatic goals had been present since early in Natura's history. One long-time member described this tension as the ''classic schism that existed at the co-op from the get-go.'' At a new-member orientation, another Natura veteran indoctrinated a small class of neophyte members into the principles of cooperation. After recounting Natura's founding, he said that controversies soon arose: Should the co-op focus on growing the store or fighting for social justice? How could the store be run effectively but cooperatively? Should the co-op carry products the public wanted vs. products that were ethical? Observing that members have always been divided on such issues, he cautioned that struggle over how to balance idealistic goals with the reality of running a business was an intrinsic part of Natura's governance process.

In short, while Natura's members subscribed to the common identity of a natural food co-op, this identity was actually a hybrid (Albert and Whetten, 1985; Battilana and Dorado, 2010) in that the co-op sought to realize utopian ideals in ''a sound business manner'' (from the mission statement). Rothschild and Whitt (1986: 191) described cooperative enterprises as innately hybrid organizations that seek to ''integrate the world of work with the sentiments of play'' and thus ''put process before product.'' Like other cooperative enterprises, Natura struggled continually to balance the demands of cooperative process with capitalist production; the duality of idealism–pragmatism was inherent in its hybrid identity.

Natura's bylaws—crafted and continually revised by member committees through a consensus-seeking process—clearly reveal the dual, seemingly incompatible goals at the core of the co-op's identity: ''In carrying out its business, the Cooperative is committed to engaging in the production and distribution of high quality goods and services at low cost in a manner that is in harmony with ecological principles and social freedom.'' Here, members across the board commit to economic success by capitalist, corporate metrics (''high quality'' at ''low cost'') yet insist that this success will be achieved ''in

harmony'' with cooperative ideals. The bylaws further state that Natura ''shall operate an economically democratic, sound, and efficient cooperative business'' but add, ''in doing so, the concerns of quality for people shall be deemed more paramount than profit.'' This last passage reaffirms members' idealistic concern for ''people vs. profit.'' The co-op could not pay the mortgage or for the activities of its Member Services Department, however, without generating a surplus from its natural foods store.

In turn, members wove idealism and pragmatism into the fabric of the co-op's policy at every level. The charter of one committee mandated that Natura purchase ''high quality'' foods as defined by four quite disparate criteria: nutritional value, environmental impact, political factors, and economic value (the latter including ''economic impact on the Co-op''). The member-produced pamphlet, ''Cooperative Strategic Planning Guide,'' explicitly acknowledged that ''balancing the two seemingly incompatible 'industries' [selling food and being a cooperative] is a challenging task, and one which forces constant change as we grow and learn from our own, and others' mistakes.'' Thus the mission, bylaws, and policies of Natura institutionalized the duality of idealism and pragmatism in the form of a hybrid identity and thereby institutionalized a certain tension between utopian ideals and mundane business concerns. The intent was that idealism and pragmatism, like two hands clapping, would foster organizational excellence.

As members under this institutional order, individuals internalized the duality such that idealism and pragmatism became salient but oppositional frames for making sense of specific events and issues. Despite attempts to frame idealistic and pragmatic goals as complementary (e.g., the phrasing of the bylaws), fights constantly erupted over the priority to accord each value set in particular situations. Much like buttons waiting to be pushed, members were predisposed to interpret a given event or issue in terms of the idealism–pragmatism divide. The result was frequent and often impassioned conflict.

Subjectively, members repeatedly noted, often ruefully, that schism-driven conflict was endemic in the governance process. For example, a pragmatist commented that a contentious meeting ''was indicative of the way we have continued to operate with an attitude of us and them for so long.'' In reaction to this same meeting, an idealist said, ''What's happening here is we have a lot of defensiveness on both sides'' and added that unless the co-op devoted itself to bottom-up cooperative governance, ''we're all just going to be fighting with each other instead of working with each other.'' Despite the desire for cooperation, conflict continued, and co-op insiders perceived significant intergroup conflict to be an enduring aspect of Natura's governance process. For instance, months later a candidate for the cooperative board addressed members, lamenting a ''recent year-long battle'' between factions and the continuing ''divisiveness'' in the governance process.

During the ethnography, idealists and pragmatists clashed over numerous issues, but three were most salient: the authority accorded hired management, whether to reduce the member discount on store purchases, and the size of the Member Services Department's budget. While idealists favored distributing management authority, maintaining a generous discount, and expanding the member services budget, most pragmatists held contrary views. Underlying and driving these specific conflicts were the oppositional frames of idealism and pragmatism. For example, at a meeting concerning how much authority

the store manager should have over store employees, a pragmatist asserted, ''if the Co-op is going to survive and prosper, we need a store manager with the authority to manage.'' This comment quickly provoked an idealist to retort, ''hierarchical authority is against the Rochdale principles!,'' implying that the pragmatist was assaulting sacred ideals.[1] In response, a second pragmatist quipped, ''This isn't Rochdale,'' painting the idealist as utopian and out of touch. With the duality salient and both sides stinging from implied insults—that the pragmatist stance trampled cooperative ideals and that idealists were naïve about business reality—the combatants took the debate to the next level of abstraction, divorcing the discussion from the immediate issue. A second ideal- ist proclaimed, ''Natura is more than a grocery store. We're here to show the world that economic democracy can work. Let's put principle over profit!'' This remark, trumpeting ''principle over profit,'' again implied that the pragmatists favored the latter, a cutting remark at the co-op. Reinforcing the impracticality of the idealists, a third pragmatist joined in, reminding the group, ''if we go out of business, we won't be an example to anyone.'' Not chastened, the second idealist shot back, ''We can't let fear drive us. We shouldn't let Natura slip into a corporate dictatorship.'' This retort hinted darkly that the pragmatists were using fear to turn the co-op into a corporate tyranny, a fate that would no doubt horrify the pragmatists themselves. As debate about whether to accord the store manager more or less authority was framed in terms of the organizational duality, the choice was abstracted. Each side saw the ''right'' choice as sym- bolic of its good intent and the ''wrong'' choice as symbolic of the other side's dark motives or naïveté. In discussions of this and other major issues, the assertion of one perspective provoked a stronger counter-assertion of the other, creating conflict that often became divorced from the underlying issue and increasingly emotional.

Heated conflicts made the co-op's dueling values salient, such that even seemingly minor questions often became flashpoints for conflict: Was the acceptance of vendor compensation for display space a sound business prac- tice or, in the words of an idealist, a ''fairly reprehensible'' corruption of the product selection process? Were changes in store layout and product place- ment routine means of enhancing sales or unethical, ''antagonistic'' manipula- tions of shoppers? Did the installation of more stainless steel cold cases represent a needed modernization of the store or the adoption of a cold steel and glass look at odds with Natura's commitment to nature? Did employee dress codes enhance the store's image or repress workers' freedom of expres- sion? In short, contention provoked by the hybrid identity suffused organiza- tional life. The assertion of one viewpoint made the other yet more salient, creating overt conflict and spiraling emotions. The result was continuing angst, debate, and policy change. Musing on conflict at the co-op, a member remarked, ''Community is like the scene in the movie 'Parenthood,' where Steve Martin throws up his hands and says, 'It's so messy!' Community is messy.''

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[1] The Rochdale Principles guided one of the first workers' cooperatives, founded in England in 1844 (Conover, 1959).

The salience of Natura's duality at the individual level. One might assume that, although the duality was institutionalized at the organizational level, individual members did not actually value or even recognize both sides of the duality. After all, the presence of idealist and pragmatist cliques, described in detail in the next section, may have spared a given individual the need to internalize both value sets. Our data, however, suggest otherwise.

The two surveys that core members of Natura completed confirmed the ethnographic sorting of specific individuals into the idealist and pragmatist groups and indicated the value sets each group was thought to endorse for the co-op's governance.[2] The members of both groups favored the value set of equality, social justice, and peace the most as guiding principles, although the idealists favored it more than the pragmatists (mean = 9.3 vs. mean = 7.8; F = 7.40, $p \leq$ .01). And the members of both groups ranked the value set of competition, profit, and success second, although the pragmatists favored it more than the idealists (mean = 6.2 vs. mean = 3.6; F = 9.71, $p \leq$ .05). Thus members of the two groups actually agreed on the ranking of the two value sets and accorded each set at least some importance, suggesting that individuals and groups alike had internalized to some extent the moral vs. pragmatic duality at the heart of Natura's hybrid identity. Where the members disagreed was on the *emphasis* to be given the value sets. It is also important to remember that individuals implicitly *chose* their group, reinforcing the inference that the duality was indeed salient.

When co-op members reflected personally on Natura's goals, they often acknowledged both sides of the duality as necessarily co-existing, and all members identified to some extent with both sides. Referring to the conflict between cooperative and business goals, an idealist said, ''I don't think it is a problem, that is, a mutually exclusive problem. I think you can have all the principles of cooperation—and still be efficient and compete.'' Similarly, a pragmatist said the co-op was created to provide members with food, community, and education (vs. to make a profit) but added, ''we need to adopt a financial strategy to give us the sustainable business resources we need to do all of those things.'' Both commentators placed cooperative goals over business goals. But pragmatists, more so than idealists, viewed business success as a critical enabler of cooperative ideals. Nevertheless, tensions resulting from the duality did arise. Our analysis showed that members managed these tensions through the psychodynamic process of splitting, projection, and projective identification.

Managing the Associated Tensions

Splitting, projection, and projective identification. Faced with the anxiety provoked by a duality—in this case, anxiety stemming from the tension between idealism and pragmatism—individuals may (perhaps nonconsciously) partition the duality and focus on one half, largely disowning the other. Smith and Berg (1987: 68) defined splitting ''as the partitioning of a set into two subsets.'' Splitting is often coupled with *projection*, ''the transfer of conflicting attributes or feelings, often onto a scapegoat or repository of bad feelings'' (Lewis, 2000: 763; see also Smith and Berg, 1987, and Newman and Caldwell, 2005).

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[2] Because the existence of the groups preceded our data collection, we have inferred rather than observed the process of group formation.

That is, individuals may project or displace the disowned half of the duality onto one or more others such that the latter are now seen to own that half and be responsible for it. And given that ''those being projected upon are usually doing their own fair share of splitting and projecting'' (Smith and Berg, 1987: 70–71), each side comes to view itself as the bearer of ''its'' half of the duality. Thus, while the discomfort caused by the duality is reduced at the individual level, the duality itself remains alive at a higher level, namely, in the interactions between the two sides at the interpersonal level—if the splitting and projection involve dyads—or intergroup level—if the splitting and projection involve sets of individuals, as in the present case. Given the need for both sides of the duality—here, to realize the co-op's hybrid identity—the two sides are locked together in a kind of symbiotic relationship, each expressing one side of a greater whole. At the same time, ''the self engaging in the projection [nonetheless] feels a strong identification with the other, because the other embodies an aspect of the self on the self's behalf'' (Smith and Berg, 1987: 68–69). The upshot of this ''projective identification'' (Klein, 1975; Petriglieri and Stein, 2012) is that individuals remain psychologically invested in *both* sides of the duality even while denouncing one side.

Telltale signs of an interactive splitting-projection-projective identification dynamic include (1) advocating one side of a ''split personality'' while denouncing the other; (2) projection sparked by conflict over value differences; (3) inklings that splitting and projection, or some social-psychological dynamic like it, was driving conflict; and (4) a reluctance of either side to actually exile or silence the other. Putting these signs together, the overarching hallmark of this process is persistent or recurrent conflicts that revolve around the same subtext of complementary but ostensibly contradictory values.

Advocating one side of a ''split personality'' while denouncing the other. A member commented about Natura's ''split personality'': ''Our problem is that part of the co-op thinks we are [a business] and part of the co-op thinks we're not. The co-op is in denial.'' For their part, idealists appreciated the emphasis of the cooperative movement on realizing principle in practice, that is, in operating successful worker owned and run enterprises in the real world (Rothschild and Whitt, 1986). Moreover, idealists knew that Natura's continued existence depended on store revenues. Nevertheless, their passion was the realization of cooperativist theories of workplace organization, and thus they cast themselves as the guardians of cooperative principles. They disowned suspect business goals, projected the profit motive onto pragmatists, and in so doing, highlighted the antagonisms between making money and working cooperatively. Here is how a veteran idealist contrasted the idealists with the pragmatists:

> The people who spoke out [idealists] at the last meeting really care. We're not driven by fear. We want to build a just community. Principle should be more than profit, and in the long run members will stay with us because of that. If we let people like [refers to pragmatists] have their way, member interests will be pushed aside.

This person emphasized that the idealists are driven by principle, by the higher moral desire to build a ''just community'' and by faith that member involvement will keep the co-op alive. By quoting the idealist rallying cry of principle over profit, the speaker implies that pragmatists value the latter too greatly. Another idealist poetically stated, ''Money is less valuable than life. Life is more valuable

than capital. As we have a healthy grocery, as we have a healthy cooperative, people will come.'' In this speaker's view, nurturing the ''life'' or vitality of the co-op trumps the profit motive. Moreover, ''people will come'' (i.e., patronize the store) as long as the co-op's community is vital and its foods wholesome. The implicit alternative is forsaking the co-op for a corporate grocery selling less healthy but more profitable goods.

The projection of profit motives onto pragmatists often arose during contentious meetings, manifesting in overstated, sometimes distorted accusations. During a large meeting, pragmatists presented their perspectives on the co-op's finances, arguing for the need to reduce member discounts in order to meet competition. An audience member reacted by saying, ''What's coming down to me from you all is that what the co-op is about to you is a corporation that is competing for corporate values with corporate goals. And that's not what the co-op is about. The co-op is about people having a place to be people. It's not about profit.'' Idealists in the audience enthusiastically applauded. One idealist rose to say, ''I represent the other side. I don't believe a cooperative should be built like a corporate hierarchy.'' To pragmatists, such accusations no doubt seemed unfair, since they saw themselves as strongly dedicated to the success of the cooperative and its alternative agenda.

For their part, the pragmatists' focus on Natura's success as a business encouraged them to split and project an ostensibly contradictory aspect of themselves onto idealists. Although pragmatists felt a pressing need to nurture and guard Natura's commercial success, they appeared somewhat uncomfortable with championing business values, which were, after all, at odds with cooperative proscriptions against hierarchy, control, and excess profit (Rothschild and Whitt, 1986). To justify their focus on business ends, pragmatists caricatured idealists as impractical and out of touch with business realities. During an interview, a pragmatist remarked:

> [The idealists] should grow up. A bunch of us here understand that the co-op is in the natural foods industry, and that competition is coming. We have an idea about what needs to be done—like being responsible with money. If we don't get our act together, the co-op will fail . . . that would be a tragedy. [The idealists] are naïve. They're bent on having their way, even if it means disaster.

The pragmatist criticizes not just idealists' proposals, but idealists themselves, implying that they are immature, irresponsible, and naïve about business, and thus threaten Natura's continued existence. In interviews and meetings, pragmatists were prone to characterize idealists as overly doctrinaire, raising the fear of insolvency if the idealist agenda prevailed. Pragmatists also accused idealists of being impetuous and disruptive. For example, idealists' attempts to limit the authority of the manager were portrayed as efforts at ''micromanagement'' that disrupted store operations. Pragmatists could thus justify their focus on business ends by contrasting the consequences of their agenda with the havoc that could be wrought if their vision of the idealists prevailed in co-op politics.

The ongoing conflict over managerial authority further illustrates pragmatists' projection of the role of ''utopian dreamer'' onto idealists. Idealists favored a management team—consisting of co-equal managers of the store, member services, and other departments—while pragmatists felt that the co-op needed

a single general manager. The following debate comes from one of many meetings devoted to this issue:

Idealist 1: ''We need a GM, but not a dictator, and not someone called a GM.''

Idealist 2: Proposes hiring an ''Administrative Management Coordinator'' or ''AdMac'' to coordinate and facilitate consensus among equals on a management team, arguing that the idea is consistent with Rochdale's principles of cooperative organization.

Various idealists: Voice approval of the AdMac concept; start to debate the nuances of the position.

Pragmatist: Upset. Calls the AdMac concept ''newspeak'' and an ''egalitarian, utopian fantasy,'' asserting that Natura is in the natural foods business and must be able to make quick and decisive decisions, a goal not likely to be facilitated by the AdMac proposal.

The pragmatist's outburst reveals that the AdMac concept is upsetting because it's a ''utopian fantasy,'' unlikely to succeed in reality. Throughout many conflicted meetings, pragmatists rarely accused idealists of taking a position inconsistent with cooperative principles. Instead, pragmatists typically argued that idealists were too dogmatic or naïve to understand that their preferences threatened store profits and might ultimately bankrupt the co-op. Given this framing, pragmatists could feel it was *they* who were really on the side of the cooperative movement, not the idealists.

In these examples, both idealists and pragmatists defined their outgroup according to the ingroup's frame of reference rather than the outgroup's—what Westenholz (1993: 51) alluded to as ''self-referential frames of reference.'' Thus idealists were prone to see pragmatists not as pragmatic per se but as un-egalitarian or authoritarian, and pragmatists saw idealists not as idealistic per se but as un-pragmatic to the point of being willfully naïve. In short, each group saw the other as an ''identity foil,'' the antithesis of itself (Ashforth, Rogers, and Corley, 2011).

Projection sparked by conflict over value differences. Despite attempts to frame idealistic and pragmatic goals as complementary, as in the phrasing of the bylaws, the two groups fought constantly over the priority to be accorded each value set in particular situations. Such conflict emerged during 32 of 37 co-op meetings observed. Meetings often turned into angry exchanges in which the motives and character of the two groups, rather than the issue at hand, became the focus. Consistent with the notion of an identity foil, each side tended to exaggerate the extent to which the other held opposing views. The result was that each group cast the other as the problem rather than as part of the solution. For example, the members often struggled with the balance between profitability and cooperative ideals in workplace management, as shown in one exchange, during a meeting, concerning policy at a department in the co-op's store:

Pragmatist: We need to get the sales up at [this department] before anything else. We're losing money there. We can't keep losing money.

Idealist: The purpose of the [store] is greater than profits. The [store] should be about energizing the community. If we make money, okay. But focusing only on money can lead to no good. . . .

> Pragmatist: That's not what I said. Look, let me repeat, we will go out of business if we can't be profitable. The [store] workers aren't wearing [appropriately laundered clothes]. They just stand around. How can you sanction that?
>
> Idealist: Are you advocating dress codes? That's authoritarian. The workers have a right to express themselves and take breaks.
>
> Pragmatist: Our profession as a co-op is providing healthy, clean food. You're the one who's undermining us. [That department] is out of control.

Here, the idealist quickly transforms the pragmatist's concern with losing money into a concern only with money as an end in itself, and the pragmatist's concern with the workers not wearing appropriate dress into a challenge to workers' freedom of expression. Concrete events and behaviors were reframed, in short, as overarching values, heightening conflict. The argument rapidly spirals out of control, becomes emotional and personal, with accusations about dark motives (e.g., ''authoritarian,''''undermining'') being traded. Such polarization provoked lively debate, but at the cost of each group coming to have negative attitudes toward the other.

The projection of dark motives from one party to another exacerbated and prolonged conflict to the point that participants remarked that the co-op's governance process could, at times, seem frustratingly slow. One member observed that ''we have a process here that is quicksand,'' referring to its propensity to suck participants in and move slowly. Another complained that ''we talk, and talk, and talk, and don't get anywhere.'' Yet another complained of ''haggling and nitpicking over the little details.'' As we will see, the co-op was able to make significant turns in its strategy but the lengthy meetings and debate attendant to such changes seemed taxing to some participants.

Inklings of the social-psychological dynamics driving the conflict. The intensity of intergroup conflict was disturbing to many participants, provoking blame, dismay, and head-shaking about the reactive emotions that seemed to propel conflict. Reflecting on a fractious meeting, a member expressed disappointment that it had descended into a ''rude shouting match'' and added, ''I don't know what's causing it, but there is something there. I got a lot of feelings of distress from people.'' Commenting on another conflicted meeting, a participant said:

> There's still a lot of dysfunction in the cooperative. There's dysfunction from different directions. I think what happened is that emotions ran high and took over, and that's what is always going to happen when you have basically good people who have a framework that's inadequate to keep them going in the same direction.

The paradoxical aspect of heated conflict within a ''cooperative'' puzzled members, prompting some to speculate about the underlying social-psychological processes. At least a few members intuited that half-glimpsed processes involving intergroup dynamics, individuals' internal conflicts, and projection were motivating the conflict.[3] A pragmatist, evaluating a meeting, said he felt ''attacked'' by opponents and went on to say he had struggled to understand their motives but realized that ''people are not attacking me . . . they're

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[3] Although the psychodynamic origins of splitting-projection-projective identification emphasize the nonconscious nature of such dynamics, research on anxiety suggests that individuals may be able to reflect on such experiences (e.g., Beck and Clark, 1997).

attacking their own fear or attacking their own problems.'' His realization that the attacks were impersonal, aimed at aspects of the attackers' own selves rather than him personally, suggests a process akin to splitting and projection. Reflecting on a different meeting, an idealist said to his fellow members, including several pragmatists, ''I'd like to address the animosity I feel coming to these meetings from several members . . . I don't understand it. I haven't done anything to anyone personally here and it upsets me a great deal. . . . Why is there animosity? Has it become part of a group?'' The idealist struggles to understand what motivates the pragmatists' hostility, intuiting that the hostility is ''part of a group,'' which suggests suspicion that covert processes are operating within the group.

''Meeting evaluation'' sessions were sometimes held following group confrontations and were attempts to analyze the cooperative process, diagnose the reasons for conflict, and offer suggestions for improvement. At one session, one member worried that the antagonism between idealists and pragmatists had been worsened by both sides ''reacting defensively.'' After some discussion, another member summarized the situation by saying, it's about ''us and them.'' The worried member then responded, ''I don't see that's ['us and them'] really necessary, given the cooperative nature of a co-op. On the other hand, I do understand that there are some people that are going to be against the establishment, no matter what the establishment is . . . *even if it's them*'' (emphasis added). This member seems to glimpse the possibility that a process like splitting and projection—sensing that a viewpoint one has disowned nonetheless represents an aspect of oneself—is fueling conflict. Members are rallying to fight the establishment, but the establishment may be a projected part of themselves. Other members spoke at times of how members were ''schizophrenic,''''fighting ghosts,'' or were their ''own worst enemy'' as they struggled to negotiate policy.

A reluctance of either side to exile or silence the other. Consistent with projective identification—wherein each group receives vicarious gratification from the other group's enactment of the parts of itself it has split off and projected onto that group (Smith and Berg, 1987)—each group appeared to recognize the other as a necessary evil, as part of a greater whole. Members were prone to liken themselves to a family, implying mutual love in spite of conflict. As one idealist observed, ''The co-op is like a family, maybe a dysfunctional family. We love one another and need one another, but we fight a lot. In the end, we do okay.'' And members on both sides of the value divide did seem remarkably committed to one another. In broader political and social life, groups opposed to one another's values often seem driven to impose their values on the other group and may even seek to suppress, silence, or exile their opponents (Van Vugt, 2012). Natura's pragmatists and idealists, in contrast, went to unusual lengths to keep their opponents involved in the governance process. When idealists sought a greater voice in the co-op's governance, for example, the pragmatist-dominated cooperative board appointed members to attend the idealists' informal caucuses and invited them to provide input to the board. Similarly, idealists succeeded in replacing a cooperative board chair, who had been unfriendly to their initiatives, with their own candidate, but immediately after the vote, the idealists encouraged the former chair to stay on as the co-chair (subordinate to the chair but still influential).

Besides their reluctance to rid themselves of the other side, members displayed a reverence for debate that seemed at times to reflect a desire or need to hear the other side, and Natura members saw spirited debate as intrinsic to the process of cooperative governance. As one member put it, debate at the co-op ''opens people's minds to an alternative, directly democratic way to live.'' Members planned meetings to allow time to air opposing views and were typically reluctant to foreclose debate. Membership meeting agendas were open for members of any stripe to include topics and typically included a ''member concerns'' portion in which anyone was invited to speak. Larger membership meetings were planned to last four hours and might go on longer. When debate started, agenda items scheduled for a short time would often be extended multiple times to let everyone have his or her say. Rather than win a vote at any cost, members often seemed reluctant to press an advantage. For example, during a debate over whether to pay off the mortgage, idealists called for a vote, and had the numbers present to impose their preference, but after the question was called, one idealist asked to prolong the discussion, saying that he did not wish to ''railroad'' the issue. Also, regarding the mortgage pay-off controversy, a member of the Finance Committee distributed a memo recommending that ''BEFORE the [Board] or Membership votes on this issue, the Finance Committee recommends further precise research and thorough diffusion throughout Membership of ALL information gathered. Let us POSTPONE the decisive vote.'' The memo went on to recommend gathering and publishing input from all interested parties prior to any decision. Of course, each faction did at times impose controversial policies by out-voting the other, but the groups nevertheless seemed unusually committed to listening to one another prior to major decisions. Members' willingness to hear one another out, attend interminable meetings, repeatedly extend the meetings, and forbear winning decisively speaks to their passion to witness and react to the other side's perspective.

In addition, Natura's policies and customs seemed designed to foster inclusive governance. Any member could run for the cooperative board, and members were encouraged to run regardless of their ideology. All candidates were given an equal opportunity to communicate their views via candidate forums. Thus, like family members who fight together but stay together, members on both sides of the conflict displayed an unusual commitment to the co-op and one another, and the duality was kept alive and simmering. While the resulting intergroup conflicts were unsettling, they may have been less disturbing to members than the intrapsychic discomfort of holding seemingly contradictory value sets within themselves—value sets to which members of both groups clearly subscribed.

Dynamics of a moral vs. pragmatic duality. Of the two aspersions noted above—pragmatists were said to be too corporate whereas idealists were said to be naïve—the former was most at odds with core cooperative values. Whereas to be naïve was unfortunate, to be too corporate was immoral. Pragmatists, lacking the moral high ground of the idealists, tended to express their position somewhat tentatively. When they argued for ''pro-business'' positions, they rarely touted the positive virtues of competition, profit, or management control as a capitalist apostle might. They did not argue that implementing such values would make the co-op or the world a better place.

Instead, they argued that such alternatives were better than loss of the cash flow that sustained Natura. In short, the pragmatists found themselves in the uncomfortable position of advocating practices seemingly at odds with the moral high ground. As an example, a pragmatist on a committee tasked with monitoring Natura's finances wrote in the co-op's newsletter about a projected loss. He noted feeling ''burdened with the task'' of reporting that Natura was losing money. Attributing the problem to labor costs growing faster than sales and to member discounts, which he argued should decrease, the pragmatist lamented that ''recommending changes to the discount structure will not make me any new friends.'' He stated, ''I do not want to seem opposed to the Co-op's practice of sharing its prosperity with its members, I am only opposed to sharing what we don't have,'' and apologetically added, ''If I seem to be focused on the bottom line and not enough on people, please remember that our retail operation is the basis and source of funding for all our member programs.'' The report concludes with a plea: ''We must be (dare I say it?) cooperative to arrive at changes which will benefit the Co-op while minimizing the losses incurred by members.''

For their part, idealists accused pragmatists of advocating policies contrary to cooperative values and saw their own aggressive behavior as morally justified (see Effron and Miller, 2012). In a printed call to action, an idealist argued that members should fight against top-down control at the co-op. In reference to recent confrontations, she asserted that ''sometimes the ends do justify the means'' and went on to justify energetic confrontation with pragmatists in the name of defending cooperative principles. In general, idealists were more prone than pragmatists to describe themselves as ''aggressive,'' ''outspoken,'' or ''passionate'' in their approach to advancing their views. They were not hesitant in connecting their forthright approach to the importance of defending Natura. As psychological research suggests, moral conviction may lessen tolerance for discrepant views (e.g., Wright, Cullum, and Schwab, 2008). Because pragmatists, like idealists, believed in the mission of Natura, the aggressive accusations struck them as unfair. They thought that their dedication to the co-op was not only often unrecognized by idealists, but scorned. As a pragmatist put it, ''Running the co-op profitably can be a thankless task. Some people here see any attempt at management as an attempt at dictatorship. I believe as much in cooperation as anyone. I just want the co-op to survive and prosper.''

The upshot of these dynamics was that pragmatists were prone to feel unappreciated and frustrated. At the conclusion of member committee meetings, participants were sometimes invited to summarize their thoughts about the group's process. After a meeting featuring sharp exchanges between idealists and pragmatists, a pragmatist lamented ''being yelled at in a morally superior tone'' and said of the conflict, ''it's exhausting, it's grating, and it's very unpleasant.'' Another pragmatist complained that idealist members ''feel it is they who hold everyone else to ethical practices.'' Nevertheless, we found no evidence that idealists held higher status despite their views being more in keeping with the co-op's moral stance.

Mechanisms Enabling the Organization to Sustain Itself

Splitting, projection, and projective identification keep a duality in play but create the potential for the organization to disintegrate if individuals were to flee

the resulting conflict or if these processes broke down and one side were to ''win,'' thus destroying the organization's dualistic essence. But our analysis also revealed three little-documented mechanisms by which members managed tensions, enabling the organization to sustain itself over time: (1) ''lightning rods,'' who initiate and absorb conflict for their group; (2) rituals of conflict management, tolerance, respect, and forgiveness; and (3) oscillation over time in the dominance of each aspect of the duality.

Lightning rods. The results of our social network survey document that the more embedded a person was in his or her group, the more he or she was seen as prototypical by ingroup members: the correlation between the number of cliques an individual belonged to and the number of ingroup prototype nominations received was .46 ($p \leq$ .05). Ethnographic data indicate that fellow ingroup members see these ingroup prototypes as standard bearers. For example, the pragmatists viewed Jayden, who helped guide the co-op's financial affairs, as prototypical of their members. He shared pragmatists' views about the need to reduce the member discount, constrain spending on member services, and support a degree of managerial authority, yet he was gentle and respectful in asserting these positions. He was seen as a highly involved member but not as a combatant for the pragmatists. Importantly, idealists and pragmatists did not agree on who were the prototypes for each group: the correlation between the ingroup and outgroup prototype nominations each respondent received was –.13 (n.s.). The outgroup nominated individuals who seemed to exemplify, from their perspective, the *most extreme* aspects of the other group; we dub these individuals ''lightning rods.'' For instance, many idealists viewed Kim as prototypical of the pragmatists, and many pragmatists viewed Riley as prototypical of the idealists. Lightning rods like Kim and Riley were prone to represent their side's perspective forthrightly, sometimes using passionate language. Their outspoken views could raise the emotional temperature of meetings, sometimes to a flashpoint, and draw other members into heated exchanges.

During the ethnography, when talk turned to controversy, outgroup members were prone to single out lightning rods for criticism. For example, one pragmatist described an idealist lightning rod as ''an extremist'' who encouraged others not to compromise. In turn, an idealist criticized a pragmatist lightning rod for favoring ''top-down management'' that could lead to a corporate ''dictatorship.'' After contentious meetings, members were prone to lament the stridency and speculate that Natura would be more ''cooperative'' if a few extremists (usually identified as those on the other side) could rein in their passion. That said, the lightning rods were respected, perhaps grudgingly, for their passionate dedication to Natura. If each side retained a degree of identification with the other, then the lightning rods represented that other side forthrightly and courageously, perhaps provoking ambivalent evaluations among outgroup members.

The lightning rods were not lone wolves. Their roles were intertwined in the larger pattern of intergroup conflict. Their passion in representing their side of the duality was facilitated and even encouraged by both their opponents and supporters. When opposing lightning rods clashed, they sometimes traded gibes that incited one another and their sympathizers. Spurred by emotional

language, supporters were tempted to pile onto a controversy behind a light-ning rod, thereby stoking it. For example, at a meeting devoted to financial issues, an exchange between idealist and pragmatist lighting rods seemed to raise the tension between both sides. The idealist condemned a pragmatist's analysis as biased and perhaps misleading, which in turn provoked a rebuke from the pragmatist lightning rod present. After this exchange, tension and excitement in the room increased, with the meeting's order breaking down at points as impassioned speakers on both sides, including the lightning rods, jumped into the fray to make their points.

At times, the lightning rods were applauded or cheered by their supporters for particularly dramatic statements of principle or smart rhetorical strikes at their opponents. Such approving reactions likely encouraged both audience members and lightning rods to express themselves forthrightly. For example, during a meeting devoted to member governance issues, an idealist lightning rod made a passionate statement about the need to give rank-and-file mem-bers more power to make decisions about Natura's management. Sympathetic audience members erupted in applause and cheers. Perhaps roused by this demonstration, a ''stack'' (the co-op's term for a waiting list of speakers) quickly formed and, one after another, members threw their spirited support behind the idealist position. As these examples show, the lightning rods' pas-sion could be contagious. By taking the initiative in controversies, the lightning rods may have partially absolved their group of the blame that might later be expressed in meeting evaluations that their group had not acted cooperatively.

Thus the two groups had a Janus-like relational quality—a good face and a bad face—to present to the other; the ingroup prototypes were the amiable moderates and the outgroup prototypes were seen as more aggressive and extreme, and they not only seemed to receive some of the stronger invective but initiated it as well. Members appeared to reconcile the injunction to coop-erate with the need to fight by attributing the negativity to the outgroup's proto-types, while judging others more temperately. In this way, members could relate amiably to their non-prototypical opponents.

Rituals. Day to day, various soothing rituals signaled normative expectations and were enacted before, during, and after meetings, the forum for most con-flict. Given that members subscribed to Natura's overarching albeit hybrid iden-tity, these rituals appeared to help keep the co-op reasonably cohesive. First, large meetings routinely began with introductory remarks focused on keeping conflict within bounds. Details varied, but participants were usually reminded to focus on the collective good, leave egos at the door, and avoid personal attacks. Although such admonitions did not appear to forestall actual conflict, they reminded members of their superordinate identification with the co-op and provided members with a sort of comfort in the imagined boundaries for the coming strife (Gaertner and Dovidio, 2000).

Second, during contentious meetings, members often attempted to inter-vene if participants seemed to go ''out of bounds'' by making personal attacks or being disruptive. At some meetings, ''vibes'' watchers were formally appointed. A member explained this role as follows: ''If I see something that is an emotional issue, I can say 'vibes' and break the dissension of the group without taking a position on right or wrong.'' The formal intent of ''calling vibes''

(which could also be called with "time-out" or "calm down") was to interrupt invective, calm emotions, and thus facilitate a cooperative, consensual process of decision making. In practice, interventions were prompted not so much by conflict per se but by personal attacks. For example, during a discussion of the co-op's budget, an idealist argued that the co-op should invest more in member services, while a pragmatist countered that anyone who could understand financial statements should know the co-op's priority should be cost cutting. The idealist nevertheless persisted in his argument, prompting the pragmatist to quip that the idealist must not understand the co-op's finances. This quip visibly distressed the idealist, who left the meeting. Others present quickly intervened, calling for a time-out and respect. The pragmatist, reminded that he had broken the rule to avoid personal remarks, immediately followed the idealist outside and apologized. As a result, the idealist continued to participate in discussions on this issue. Examples of other events that prompted calling vibes included name calling (e.g., calling an individual "no friend" of Natura) and even implicit attacks such as a disgusted look or sarcastic tone directed to a particular member. The formal norm (intervene if emotions rise) vs. the informal norm (intervene to stop personal attacks) is telling. Instead of stopping the emotional drama that flowed from splitting and projecting, the members most strongly sanctioned personal attacks that threatened to drive individuals away from the governance process. Thus the duality was kept intact and vibrant.

Third, at the end of meetings, participants often exchanged "good moves" in which they complimented members for their contributions in the form of "good move to member X for contribution or behavior Y." After controversial meetings, idealists were prone to use this occasion to thank pragmatists for their financial analyses, business expertise, or dedication, while pragmatists were likely to thank idealists for their dedication to cooperative principles. For example, an idealist extended a "good move" to a pragmatist for his care in preparing a set of financial analyses (whose conclusions were at odds with idealist policies), while at another meeting, a pragmatist complimented an idealist for having "taken a very difficult stand for members" at odds with pragmatist goals. In other words, both groups reinforced participation and the others' expertise even when that participation or expertise involved a divisive issue (e.g., managerial authority, member discounts). Tellingly, individuals were more likely to thank one another for their efforts on behalf of the co-op than for their conclusions or recommendations about contested issues. The "good moves" ritual made explicit why each group should value the unique perspective of the other, despite their earnest conflict, thereby reinforcing bonds across the two groups in the service of Natura's overarching identity.

Finally, formal meeting evaluation sessions were sometimes held, focusing on how to avoid future conflict and keep everyone engaged, and—especially after contentious meetings—"healing rituals" were conducted that might include apologies for emotional remarks. Less formally, after bruising incidents, combatants often expressed shock and regret about how they had treated one another. These were also occasions for apologies. For instance, after a contentious meeting over the co-op's bylaws, participants in a subsequent meeting lamented the level of conflict, offering suggestions for improvement. An idealist apologized to those attending for letting the previous meeting get out of hand. The apology ritual normatively requires the transgressor to acknowledge responsibility and profess regret for harm caused, while the other party

graciously accepts the statement and perhaps reciprocates with his or her own apology (Lazare, 2004). Former combatants would often be seen later in the week working together on a special event.

In each of these cases, the term ''ritual'' is apt because of the regular enactment of the activities, with more or less the same actors, settings, cues, and even scripts (Pacanowsky and O'Donnell-Trujillo, 1983; Islam and Zyphur, 2009; cf. Ren and Gray, 2009). Because a duality cannot be permanently resolved, such rituals may evolve to repair and maintain relationships that are strained by the messiness of managing the duality. While the contents of the rituals at Natura may or may not have been enacted sincerely, the *process* of the ritual—the very fact that a ritual was being conducted—signaled normative expectations for tolerance (prior to the meeting), reserve (during the meeting), and forgiveness and respect (after the meeting).

Oscillating decisions and actions. Finally, despite the salience of the organizational duality and the ongoing conflict between idealists and pragmatists, decisions were made and actions were taken. Long-time Natura insiders recounted a surprising pattern. They observed that the co-op had displayed an oscillating advocacy of each side of the duality, a kind of zig-zag pattern in decisions and major actions over time. The mechanisms that appeared to regulate these oscillations were tacit reciprocity or turn-taking, tempered by relative power: When economic conditions or other events pressed the co-op's cash flow, pragmatists and pragmatism would come to the fore to replenish financial resources, and when resources were plentiful, idealists and idealism would grow in influence.

Pat, a veteran idealist, said that Natura had gone through a number of ''cycles'' or alternations between ''autocracy'' (more focus on top-down control and profitability) and ''member control'' (more focus on egalitarian management and spending on member services). In Pat's view, the co-op was prone to veer toward autocracy when profits were threatened, but if the leadership became too autocratic, members would rise up to restore cooperative principles. Pat emphasized that ''you can't go too far. You need to find a middle ground where you can have economic democracy and a viable store.'' A veteran pragmatist, referring to the most recent struggles between pragmatists and idealists, said the same intergroup dynamic had been present at Natura 10 and even 20 years ago. Another long-time member confirmed that Natura's history had gone ''back and forth'' between the priority assigned to the ''grocery store and the Co-op.'' Yet another veteran said that members had risen up periodically to counter moves toward corporate hierarchy.

Natura went through such a cycle during the study. Table 1 shows trends in Natura's financial performance just before, during, and after the period of the ethnography along with salient trends in Natura's strategy. Formal participant observation began in the latter half of Year 3 and extended into Year 5. Participants' accounts and archival materials provided background on Years 1 and 2, while continuing visits to the co-op after the formal study's conclusion provided insight into events in the remainder of Year 5 and in Year 6.

Prior to the ethnography, Natura's sales and profits had been growing under the leadership of what many described as a cooperative board that favored relatively top-down control. A manager, with the support of pragmatist members,

Table 1. Natura Financial Performance and Strategy before, during, and after the Ethnography Period*

Year	Gross sales	Current ratio (i.e., current assets/ current liabilities)	Total cash reserve	Net profit or loss	Salient aspects of strategy/tactics
1	74	87	72	Positive	More authority for store manager Focus on operational efficiency
2	81	83	100	Positive	Investment in store technology and equipment Proposals to reduce member discount
3 (Formal study begins)	97	100	96	Positive	Managerial authority limited Move to management team
4 (Formal study continues)	93	100	85	Positive	Greater investment in member services Member discount preserved
5 (Formal study ends)	100	83	49	Negative	Member discount reduced Spending on member services curtailed
6 (Participation continues)	78	70	32	Negative	Move back to single general manager

* Highest gross sales, current ratio, and total cash reserve level presented as 100. Amounts less or more than 100 are shown as percentages of 100. For example, if the highest level of cash reserve was $100,000 in Year 2, Year 2 would be 100. Year 3, shown as 96, would then correspond to cash reserves of $96,000.

had won more authority for management, improvements to store equipment, and investment in new technologies (e.g., computerized cash registers). Table 1 shows that in Years 1, 2, and 3, gross sales, Natura's current ratio (current assets/current liabilities, a measure of liquidity), and the cash on Natura's balance sheet grew significantly. In Years 2 and 3, Natura was flush with cash, to the extent that members debated whether to pay off the co-op's mortgage. Nevertheless, the pragmatically inclined board as well as hired management continued to advocate sales growth, operational efficiency, and cost reduction as priorities for the co-op. In Year 3, the idealist members ''revolted'' (their term) at a general membership meeting, mobilized to ''take back'' (their term) the co-op from what in their perception was authoritarian rule. The idealists began voting in policies better aligned with cooperative principles (e.g., limiting the authority of management). A member described this movement as a ''planned uprising'' that was a part of the ''pendulum swinging back and forth, left and right,'' as it had at Natura for years. Besides reacting against what they saw as a trend toward top-down control, idealists felt that the co-op's plentiful resources should be reallocated to cooperative aims vs. being continually ploughed back into operational and capital improvements. In the year preceding the ''take-back,'' the cash on Natura's balance sheet crested and was still near its high during the following year.

During Year 3 and much of Year 4, idealist influence at Natura came to the fore. A policy delegating some of the cooperative board's powers to management was framed as too authoritarian and voted down. Instead of having a single manager, the co-op instituted a management team, consisting of a co-equal

store manager and member services manager, and a cast of other managers that evolved over time. The idealist rationale was both to distribute authority and to assure that members' interests (as represented by the member services manager) were co-equal at the administrative level with business interests (as represented by the store manager). Personnel policies changed, favoring worker control over management control. In addition, idealists supported hiring several new employees for the Member Services Department, despite push-back from pragmatists that the co-op would need to generate substantial additional sales to cover the cost. As an outgrowth of member services, the co-op's menu of classes and workshops was expanded with the aim of creating an alternative university. As Years 4 and 5 progressed, Natura offered an increasing and impressive array of services to its members, with a strong focus on education in alternative, cooperative, and natural lifestyles. Member discounts, which the pragmatists had wished to reduce, were left untouched.

In Years 4 to 5, however, Natura's financial situation began to deteriorate. While gross sales rose slightly, costs rose faster, reducing Natura's current ratio in Year 5, dramatically reducing the cash reserve, and resulting in a net loss. In the face of the impending entry of national chains and ''supernatural'' competitors like Whole Foods into Natura's market, this net loss jarred the co-op, causing alarm among both idealists and pragmatists. By Year 6, the new competition was blamed for steeply declining sales, and a further worsening of Natura's current ratio and cash position. As the concern over deteriorating finances grew, the pendulum began to swing back in the pragmatists' favor. A veteran idealist who was a member of the cooperative board wrote a report displaying surprising candor about the need for a pragmatist perspective in running the co-op. After acknowledging her lack of professional training in business management, she argued, ''We need to come through a major transition [in management], regain profitability, and at the same time build a climate of respect and responsibility, while strengthening our cooperative values.'' She went on to praise a pragmatist who had volunteered to join the board to help steer the co-op's finances. To justify this role, she extolled his ''knowledge of the inner workings of the co-op and the financial factors we need to bring us back to profitability.''

When meetings focused on negative financial results or the encroaching competition, it was often pragmatists who took the floor. As they presented financial analyses or competitive intelligence, often mixed with dire predictions about the co-op's financial future, idealists muted their objections, and as conditions worsened, yielded increasing influence to pragmatists. As Years 5 and 6 progressed, spending on member services was gradually curtailed, the member discount was reduced, and by Year 6, the co-op placed its trust in a single general manager. In a newsletter article, a member characterized these changes as a reaction to ''outside stress.'' In short, key idealist initiatives were partly rolled back to help the co-op cope with its new competition. Thus the two groups displayed a curious reciprocity. Rather than making conscious, political, day-by-day, tit-for-tat trade-offs on specifics, they appeared to trade power implicitly over time, as environmental conditions warranted. The existence and role of both idealistic and pragmatic perspectives in the overarching hybrid identity likely helped the pendulum swing.
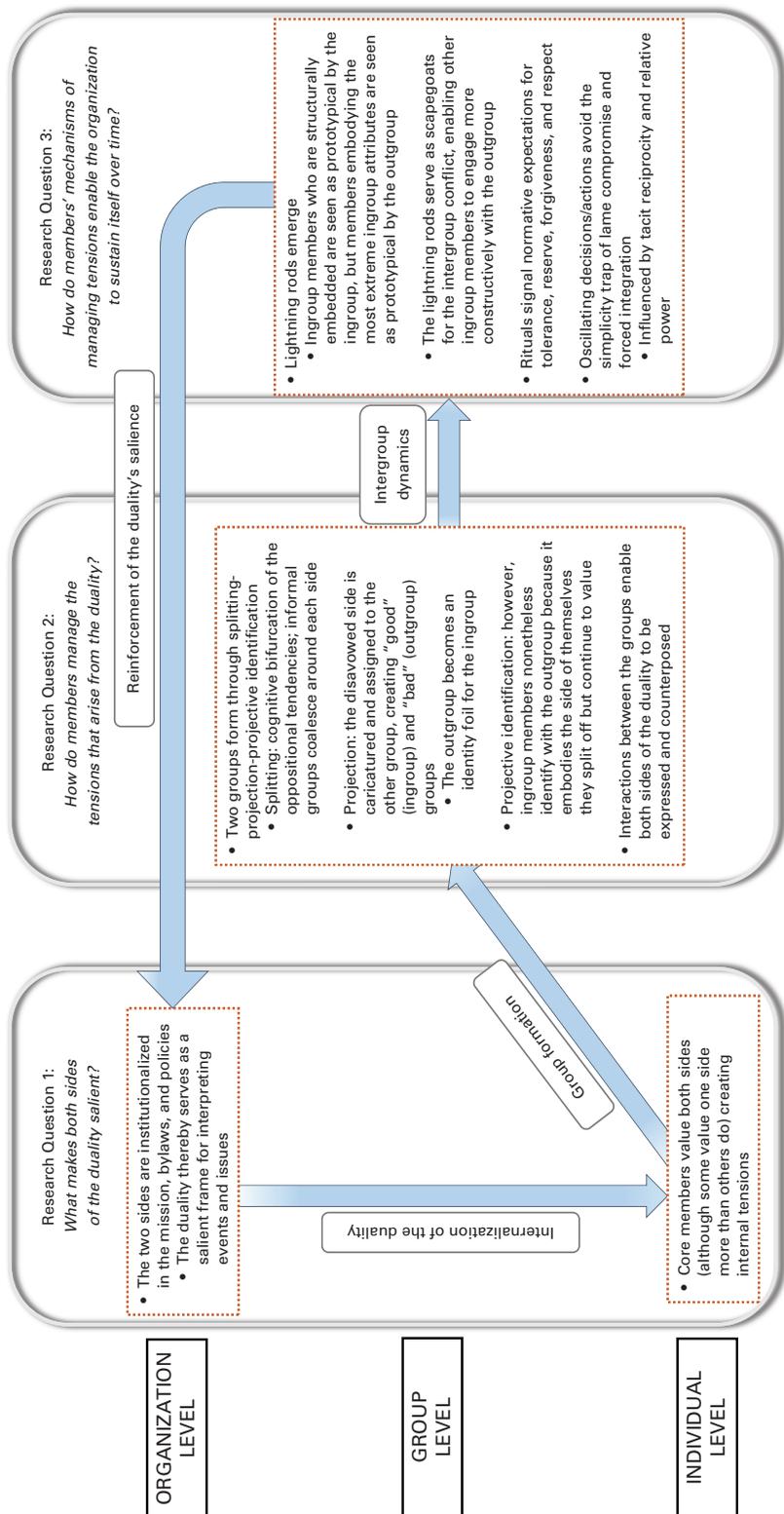
DISCUSSION

With the increasing complexity, ambiguity, and dynamism of organizational life, organizational dualities and the inherent tensions they spawn are becoming more common. Our study provided insight into the nature of organizational dualities and how the tensions they spawned could be managed and the organization sustained. Seeming dysfunctionality at the group level (interminable conflict) enabled functionality at the organizational level. Specifically, the study sheds light on three research questions, resulting in the conceptual model summarized in figure 1. First, what makes both sides of a duality salient? Although Natura's members subscribed to the common organizational identity of a natural food co-op, this identity harbored the hybrid elements of idealism and pragmatism. Because both idealism and pragmatism were viewed as necessary to the organization's welfare, the duality was institutionalized in the organization's mission, bylaws, and policies, thereby providing a salient frame for interpreting events and issues. The tension associated with the oppositional tendencies was thus baked into the very DNA of the co-op. It was precisely because of an idealist stance toward a given issue that pragmatism was asserted, and vice versa, and the stronger the assertion of one, the stronger the counter-assertion of the other. Further, members internalized this duality, according at least some importance to both idealistic and pragmatic values. In short, the individual became a microcosm of the organization, complete with a dualistic self.

Second, how do members manage the tensions that arise from the duality? Tension between idealism and pragmatism appeared to encourage members (perhaps non-consciously) to split the duality into its elements and rally around their preferred element, projecting the disavowed side onto those who rallied around the ''opposing'' element (Smith and Berg, 1987). Partitioning messy reality into relatively black and white abstractions provided an incomplete but more psychologically comfortable experience. Thus the tension that pervaded Natura as a whole, and was internalized by individual members, was redefined as existing between the two resulting groups such that each was seen as an identity foil—the very antithesis of one's ingroup (Ashforth, Rogers, and Corley, 2011). As suggested by Fiol, Pratt, and O'Connor's (2009) concept of mutual disidentification, an identity foil plays to the tendency of groups to create a salutary identity through comparisons with an outgroup. Thus it becomes easy to blame the difficulty of negotiating the duality on one's ''opponents'' and develop polarized views (caricatures) of that foil. But members of each group nonetheless projectively identified with the other group because it embodied a side of themselves they continued to value (Klein, 1975; Petriglieri and Stein, 2012). The seductiveness of splitting and projection is evidenced by the fact that individuals actually knew the members of their outgroup personally and, away from situations that cued intergroup conflict, interacted amiably with them. And the seductiveness of projective identification was particularly evident in the reluctance of either group to actually exile or silence its identity foil.

Smith and Berg (1987: 70) observed that a key consequence of this splitting-projection-projective identification dynamic is that ''individuals or subgroups carry the 'baggage' for others.'' Idealists' tacit understanding of the need for at least some pragmatism and of pragmatists' endorsement of cooperative values meant that idealists could be idealists, as committed to utopian principles as they cared to be, while knowing in the back of their mind that pragmatists

Figure 1. The dynamics of an organizational duality: How seeming dysfunctionality at the group level fostered functionality at the organization level.

Research Question 1:
What makes both sides of the duality salient?

- The two sides are institutionalized in the mission, bylaws, and policies
  - The duality thereby serves as a salient frame for interpreting events and issues

Research Question 2:
How do members manage the tensions that arise from the duality?

- Two groups form through splitting-projection-projective identification
  - Splitting: cognitive bifurcation of the oppositional tendencies; informal groups coalesce around each side
  - Projection: the disavowed side is caricatured and assigned to the other group, creating "good" (ingroup) and "bad" (outgroup) groups
    - The outgroup becomes an identity foil for the ingroup
  - Projective identification: however, ingroup members nonetheless identify with the outgroup because it embodies the side of themselves they split off but continue to value
- Interactions between the groups enable both sides of the duality to be expressed and counterposed

Research Question 3:
How do members' mechanisms of managing tensions enable the organization to sustain itself over time?

- Lightning rods emerge
  - Ingroup members who are structurally embedded are seen as prototypical by the ingroup, but members embodying the most extreme ingroup attributes are seen as prototypical by the outgroup
  - The lightning rods serve as scapegoats for the intergroup conflict, enabling other ingroup members to engage more constructively with the outgroup
- Rituals signal normative expectations for tolerance, reserve, forgiveness, and respect
- Oscillating decisions/actions avoid the simplicity trap of lame compromise and forced integration
  - Influenced by tacit reciprocity and relative power

Reinforcement of the duality's salience

Intergroup dynamics

Group formation

Internalization of the duality

- Core members value both sides (although some value one side more than others do) creating internal tensions

ORGANIZATION LEVEL

GROUP LEVEL

INDIVIDUAL LEVEL

would ''take care of the shop.'' At the same time, pragmatists could strive to implement rational business practices while knowing idealists would prevent the co-op from becoming what they too dreaded: an authoritarian corporate environment. The groups were paradoxically linked, each bearing an aspect of the other and helping protect the other from its worst fear. As a result, the groups could each live out organizational lives governed by dual values without fully confronting the duality within themselves or needing to seek its reconciliation. Intrapersonal conflict was thus transformed into intergroup conflict: it is often easier, after all, to fight with others than with oneself. Further, these dynamics protected each group from its worst fear—for idealists, that they would ''sell out''; for pragmatists, that they would behave naïvely—allowing each group to believe that *it* had the best interests of the co-op at heart. Although both groups appeared reluctant to admit it, the other group was their ''perfect'' partner.

The holographic nature of Natura's hybrid identity played an important role in these dynamics. Albert and Whetten (1985: 271) defined a holographic hybrid identity as one in which ''each internal unit exhibits the properties of the organization as a whole,'' whereas an ''ideographic'' hybrid identity exists when different units attend to different facets of the hybrid (e.g., R&D to exploration, Operations to exploitation). Natura did not formally assign the moral vs. pragmatic facets of the hybrid to different units, and so members were left to their own devices to reconcile the facets. But because of the cognitive difficulty of such a reconciliation and the anxiety that likely arises as a result, members engaged in splitting and projection to essentially convert the holographic identity into an ideographic one wherein each of the resulting groups embodies only one side of the duality. Thus our findings contribute to the literature on hybrid identity by suggesting that individuals may (perhaps non-consciously) strive to convert a holographic identity into a more psychologically comfortable ideographic identity. And then, through projective identification with the identity foil, individuals can essentially make themselves ''whole'' again. Indeed, splitting, projection, and projective identification may well be a common dynamic in organizations with holographic hybrid identities. For example, Battilana and Dorado's (2010) findings regarding BancoSol can be usefully interpreted through this frame.

Finally, given the splitting-projection-projective identification dynamic, our third question was, How do members' mechanisms of managing the tensions associated with the duality enable the organization to sustain itself over time? We found that the mechanisms involved three intergroup dynamics: outgroup prototypes becoming lightning rods, institutionalized rituals emerging to mitigate the adverse effects of conflict, and the ongoing conflict manifesting itself as oscillating decisions and actions.

Regarding lightning rods, members who were the most embedded in their groups tended to be seen by the ingroup as most prototypical, becoming flag bearers for their group (cf. Kohguchi, Sakata, and Fujimoto, 2007), whereas members who exemplified the group's most extreme attributes tended to be seen by the outgroup as prototypical, becoming lightning rods in intergroup conflict (cf. Haslam et al., 1995).[4] Their provocative role was facilitated and

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[4] It should be reiterated that, in the present case, the groups were informal and thus did not map onto the formal structure. It seems likely that when warring groups do map onto the formal structure (e.g., Operations vs. Marketing), the lightning rods are more likely to be the formal leaders and boundary spanners.

encouraged by both sides. Given splitting and projection, each group was moti-vated to believe that the other group's lightning rods were typical of their group, thereby enabling them to promote their own views while disavowing the other group's views. Yet, given projective identification, each group was nonetheless motivated to have the other group's views be expressed, even if they were disparaged. Because the groups competed for ''their'' side of the duality but needed to cooperate to realize Natura's hybrid identity, they could blame the divisiveness of competition on the lightning rods, which enabled them to cooperate with other members of the rival group.

In short, it appears that each group was seen as having a Janus-like rela-tional quality consisting of prototypic members—the lightning rods that attracted conflict—and non-prototypic members with whom the outgroup could effectively collaborate. This Janus-like relational quality may explain the para-doxical tendency for the groups to confront one another in meetings but work and socialize together outside of meetings: each side could blame conflict more on the other side's firebrands. Such a paradoxical function may be distinctive to intergroup conflict when a duality is in play, creating conditions conducive to defining the rival group as both friend *and* foe, and certain members of the group as more one than the other.

Regarding rituals, the messiness of managing the duality was held some-what in check by regularized calls before meetings for keeping conflict in bounds, regularized interventions during meetings when conflict went out of bounds, and regularized compliments and thank-yous to opponents after con-tentious meetings. Smith and Berg (1987) asserted that collectives fear internal conflict because they fear destroying themselves. Given that a duality cannot be permanently resolved, it seems likely that mechanisms such as these rituals will evolve for keeping messy conflicts within bounds and repairing any damage done. Thus, at Natura, the specific content of the rituals may have been less important than the process—the fact that members regularly signaled norma-tive expectations for tolerance, respect, reserve, and forgiveness.

Finally, the groups appeared to engage in a roughly oscillating or zig-zag pat-tern over time, trading the lead on particular issues. As a mechanism for keep-ing a duality in play, oscillation has been remarked upon but seldom investigated (Evans, 1999).[5] An oscillation represents a momentary and expedient resolution of a current manifestation of the duality, in which who wins appears to depend on a tacit reciprocity of turn-taking along with environmental demands (with power flowing to the side that can best address current concerns). The larger swings at Natura seemed to correspond at least in part to the co-op's financial needs, with pragmatists gaining more influence when those needs pressed. The upshot is a sort of institutionalized ambivalence and dynamic equilibrium with potentially wide swings in behavior over time (Merton, 1976; Smith and Lewis, 2011). Such periodic trades of power may also ease the tension of living in a dualistic organization. What looks to be dysfunctional at the group level actually facilitated the functioning of the organization.

What is intriguing about these three mechanisms of managing the duality is that they did not require members to psychologically transition from splitting-projection-projective identification to engaging the duality constructively—to

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[5] Terms such as vacillation and temporal separation have been used to allude to similar dynamics (Poole and Van de Ven, 1989; Seo, Putnam, and Bartunek, 2004; Tracy, 2004; Jay, 2013).

recalibrate their mindsets. Instead, the mechanisms are essentially an *extension* of splitting-projection-projective identification.

Why Not Compromise or Integrate?

The pendulum swings beg the question of why the groups did not simply compromise or integrate their orientations to resolve major conflicts (da Cunha, Clegg, and e Cunha, 2002). We can only speculate here, but it would seem that compromising on something that cuts to the very heart of what defines each group may be experienced as tantamount to compromising one's integrity, "selling one's soul" (Ashforth and Mael, 1996: 52; Albert and Whetten, 1985). Further, assuming that each party is even willing to compromise, it may be difficult to find a workable solution that actually benefits both sides of the duality. Although seemingly antithetical, the interests of both the idealists and pragmatists are necessary to the long-run health of Natura. Thus a compromise of this essential duality may simply negate the essence of each side, turning necessary black and white into impotent grey (Ashforth et al., 2014; cf. Eisenhardt, 2000). For example, Murnighan and Conlon (1991: 177) found that less successful string quartets were more inclined to use compromise to manage conflicts over how to play a piece, whereas more successful quartets sought to preserve "the integrity of group members' opposing positions."

The literatures on oppositional tendencies (particularly dialectics) and intergroup conflict suggest another strategy for resolving conflict—that parties seek an integrative solution, reframing the issue or synthesizing the duality so that the decision or action becomes a win-win for the parties (e.g., Westenholz, 1993; Lüscher and Lewis, 2008; Jay, 2013). Whereas compromise is a choice of half of one and half of the other, integration involves both/and (Gharajedaghi, 1982). To be sure, there was evidence of attempts at a superficial integration, in which Natura members argued that utopian goals were only feasible if the co-op as a business produced sufficient revenue, that is, that pragmatism enables idealism (however, given Natura's mission, idealism was rarely argued to be an instrument of pragmatism). But, as with compromise, there was scant evidence of deeper integrative solutions. Given splitting and projection, it was probably difficult for individuals not only to marshal the goodwill and trust needed to openly explore integrative solutions but to even conceive of integration as a realistic possibility.

Because of the difficulties of compromise and integration, organizations may default to a certain tautness between the dualistic qualities so that they do not fall into a "simplicity trap" (Clegg, da Cunha, and e Cunha, 2002: 488) of lame compromise or "forced merger" (Seo, Putnam, and Bartunek, 2004: 76). A simplicity trap fails to realize the potential synergy of the duality. Whether by design or default, an ongoing relational tautness was quite apparent at Natura, as displayed by the oscillating emphasis on idealism vs. pragmatism. Although it was not integration per se, the groups approximated a both/and solution by an iterative series of either/or decisions and actions. Rather than struggle toward a possibly unattainable holistic and semi-permanent resolution as per the normative literature, each oscillation resolved a current duality-infused issue (e.g., employee dress) such that over time the micro either/or decisions and actions aggregated into a rough both/and meta-decision and meta-action (cf. "consistent inconsistency," Smith and Lewis, 2011: 392). Much like the *sturm*

und drang between Democrats and Republicans in the American political system or between prosecuting and defense attorneys in the legal system, the ultimate ''wisdom'' of the oscillations appears to be a property of the *system* more than of the individuals/groups who inhabit it (Bierly, Kessler, and Christensen, 2000; Ashforth et al., 2014).

Hybrid identities by definition yoke seemingly disparate definitions of the organization together. In valuing Natura's hybrid identity and each of the competing value sets, members appeared to recognize their chosen identity foil as a necessary evil. This in turn suggests an intriguing kind of ''doublethink,'' described by El-Sawad, Arnold, and Cohen (2004; see also Murnighan and Conlon, 1991) as an ability to seemingly forget one viewpoint in favor of a contradictory viewpoint and then to revert as circumstances warrant. More broadly, many of the dualities that result from hybrid identities are so critical to organizational effectiveness that if an outgroup did not exist as an identity foil to one's ingroup, the ingroup would have to create one (Smith and Berg, 1987). Thus we suspect that if the pragmatists suddenly left Natura en masse, a schism (Bateson, 1935) would soon develop within the idealist camp as some individuals began to fill the void left on the other side of the duality, articulating the need for pragmatic restraints.

A Vicious Circle or a Virtuous Circle?

Figure 1 depicts a feedback arrow from the three group-level mechanisms of managing tensions to the organization-level salience of the duality, such that the process comes full circle. Each of the mechanisms helped ''resolve'' a particular event or issue in favor of either idealism or pragmatism but at the same time reinforced the salience of the duality itself so that future events and issues would also be interpreted through the idealism–pragmatism frame. Lightning rods served as scapegoats, ruefully reminding outgroup ''opponents'' of the idealism–pragmatism gulf; rituals served to mend fences, not to tear them down; and oscillating decisions and actions reified idealism and pragmatism as decoupled options more than ostensible halves of a transcendent whole.

Do these dynamics suggest a vicious circle or a virtuous circle? In keeping with the notion of duality, we believe that both descriptions are apt. On one hand, the perceived decoupling of idealism–pragmatism (i.e., splitting and projection) at the individual and group levels suggests that attempts to resolve future events and issues will continue to fall short of integration or even compromise. As difficult as integration and compromise are to attain, studies by Lüscher and Lewis (2008) and Jay (2013) have documented how interventions can induce organizational members to recognize a paradox (duality) and begin to think more holistically about the ostensible contradiction involved. So while the feedback arrow in figure 1 indicates that engaging the duality constructively helped maintain the salience of the duality—a desirable feedback loop—the dynamics nonetheless played out in such a way that integration and compromise on major divisive issues were largely foreclosed. On the other hand, given the importance at the organizational level of maintaining each side of the idealism-pragmatism duality, the short-term oscillating decisions and actions actually upheld both sides over the long term while eschewing potentially unworkable integrative/compromise resolutions. Thus the mechanisms

described for engaging the duality constructively enabled Natura to maintain its vital hybrid identity, even if individuals and groups primarily extolled their favored side.

Revisiting the Moral vs. Pragmatic Duality

We defined a moral vs. pragmatic duality as one in which organizational members as a whole endorse one set of values or goals as more righteous or just than another set, but the latter remains necessary for organizational health. In effect, Natura members who gravitated toward idealism seemed to function as a sort of ''priestly cast,'' preserving the co-op's sacred mission, while pragmatists safeguarded the ''profane'' task of securing and husbanding the resources necessary to pursue the cooperative dream (cf. Harrison, Ashforth, and Corley, 2009). Given this divide and the fact that both idealism and pragmatism contributed to the overarching identity of Natura, the two groups would always be in conflict yet would always need the other to handle the opposite's tasks. Each group justified the other, making the other feel that its role was crucial.

   We believe that the dynamics summarized in figure 1 apply to organizational dualities generally but that the moral–pragmatic cast introduces two intriguing nuances. First, provided that the moral side of the duality is core to the mission of the organization, those gravitating to the moral side are likely to have more positive perceptions of the ingroup and more negative perceptions of the outgroup, and to be more cohesive, than those gravitating to the pragmatic side. Because idealists at Natura saw themselves as morally superior, it was easy for them to adopt particularly negative attitudes toward the pragmatist camp (Wright, Cullum, and Schwab, 2008). Conversely, because pragmatists, like idealists, endorsed the high-mindedness of the co-op's mission, they felt the discomfort of advocating pragmatic practices that seemed at odds with the co-op's moralistic stance and were more ambivalent than idealists about their position and themselves as a group. Second, ironically, the presumed moral superiority of those gravitating to the moral side, coupled with their more salutary self-perceptions, likely empowered them to behave more aggressively than their counterparts (cf. Effron and Miller, 2012). At Natura, idealists were more outspoken, strident, and condemning of their rivals. Conversely, although pragmatists felt this behavior was unfair, they gamely and doggedly continued in their efforts to inject pragmatism while continuing to respect the mission of Natura.

Limitations

This study has several limitations. First, it is possible that our presence as an observer and the subsequent interviews may have sensitized co-op members to our research questions, which may have affected their subsequent thinking and behavior, but this seems unlikely. We inquired about many things during the participant observation, did not inquire about dualities, collected additional data that were not used in the present study, and the existence of the idealist and pragmatist groups predated our study. Second, key concepts such as dualities, splitting, and projection were inferred from the data but not directly assessed. To be sure, these inferences emerged by triangulating the

observational, interview, archival, and survey data. Nonetheless, future research should attempt to assess more directly the processes we inferred from these data. Third, our study focused on a cooperative and its handling of a moral–pragmatic duality, raising the important question of how generalizable the findings are to other organizations.

Generalizing the findings. Like many voluntary associations, Natura was relatively small, the leadership was elected, and it vested no authority figure with sufficient power to resolve the intergroup conflicts. Further, members had no significant financial stake and viewed their tie to Natura in value-laden terms. Yet such voluntary associations are common and often face continuing tension between idealistic and pragmatic concerns. For example, volunteer groups that arise to protest political injustice, advocate causes, or pursue local civic issues must balance the idealistic desire to be outspoken with the pragmatic need for support from a broad base. An emergent form of voluntary association—online organizations that tap the power of mass collaboration (e.g., Reagle, 2010)—often struggle to balance the desire for bottom-up freedom of expression with the need for top-down quality control. Our point is not that these kinds of organizations necessarily experience each of the dynamics we have described; rather, it is that organizations with a hybrid idealistic-pragmatic identity are prone to do so.

Beyond voluntary associations, the value conflict between idealism and pragmatism may be common in many other organizations, having been documented not only in what Etzioni (1975) referred to as normative organizations—such as hospitals struggling with profitability (Potter, 2001) and universities pursuing favorable rankings (Gioia and Corley, 2002)—but also in utilitarian organizations struggling to balance ethics and corporate social responsibility with fiduciary responsibilities (Margolis and Walsh, 2003; Paine, 2003). Moreover, research on the meaning of work clearly indicates that individuals in all types of organizations often view their work and their workplace in value-laden terms (e.g., Pratt and Ashforth, 2003). Thus for-profit organizations may well privilege certain moral values and goals over pragmatic ones, although the ''stigma'' that attaches to the latter is likely to be somewhat muted.

More broadly, we suspect that the iterative nature of the conflict documented here is common precisely because dualities and the uncomfortable tensions they spawn are common. Further, organizations have to respond to diverse stakeholders and environmental contingencies and thus juggle multiple and at times conflicting goals (e.g., Mintzberg, 1983), whether or not the conflicting goals are actually institutionalized in a hybrid organizational identity (Albert and Whetten, 1985; Pratt and Foreman, 2000). Finally, while there was no powerful authority figure to suppress the conflict at Natura, the very nature of many dualities is that they cannot be resolved once and for all without jeopardizing an organization's long-term effectiveness. What sustains the duality is the pursuit of necessary but integration-resistant perspectives. Indeed, suppression of the conflict is likely to prove temporary as each side of the duality continues to ebb and flow with the vicissitudes of organizational life (cf. McLaren, 1982). Thus the findings appear quite generalizable to other organizations.

Practical Implications

The findings also have something to say to managers. As noted, the normative literature on conflict frequently advocates a more or less one-time integrative solution that transcends or reframes the duality. While the search for such a solution may succeed, finding a lasting solution is notoriously difficult and at times impossible given the need to keep both sides of a duality alive. The present study suggests that managers need to recognize that individuals in holographic organizations are predisposed to internalize organizational dualities and that the resulting internal tension may precipitate them gravitating to one side or the other. Again, the hallmark of this process is persistent or recurrent conflicts involving the same subtext of complementary but ostensibly contradictory values (or, more generally, beliefs, goals, etc.). And yet, despite the heat generated by such conflicts, individuals may display a curious reluctance to silence the other side, along with inklings of the underlying splitting-projection-projective identification dynamics that drive such conflicts.

Given the recurring nature of duality-fueled conflicts, managers should also recognize the utility of decisions and actions that *oscillate* between the two sides of the duality, depending on the norm of reciprocity and which side has more relative power. Managers can help individuals and groups recognize that dualities embody complementary rather than contradictory qualities and that such oscillations are not about capriciousness, hypocrisy, or short-term political battles but about realizing a longer-term holism that in fact facilitates organizational effectiveness (cf. Tracy, 2004). Lüscher and Lewis (2008: 235) described the judicious use of questioning by a facilitator to provoke ''paradoxical inquiry,'' that is, sensemaking ''that accommodates, rather than eliminates, persistent tensions.''

More broadly, we suggested that the wisdom of oscillation may be a property of the system rather than of the individuals and groups inhabiting it. This in turn suggests that management has a major role to play in establishing and maintaining a system that individuals and groups may not fully appreciate and may easily undermine if one side of a duality-fueled conflict overwhelms the other.[6] Keeping a duality in play and constructively engaged requires various practices: regular forums for actively juxtaposing the two sides of the duality; adequate resources in the form of diverse expertise and roughly egalitarian power sharing, so that each side can reasonably expect to prevail if circumstances warrant; ensuring that neither side is effectively destroyed by the other; recognizing that extreme members (lightning rods) do serve an important function, while making sure that more moderate members are truly heard by both sides; and a culture, including the kinds of rituals documented here, that encourages a full and respectful airing of disparate views. At Natura, idealists and pragmatists alike displayed grudging respect for both the regular meetings in which the duality was aired and for one other. For example, the ''good moves'' ritual encouraged members to acknowledge the participation and expertise of their ''opponents,'' even if they disagreed with their recommendations, which helped members continue to serve the best interests of the co-op as a whole with its overarching hybrid identity. An attitude of connection, like

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[6] Of course, the co-op studied here did not have senior managers in the conventional sense and so the approaches to engaging the duality documented in this study were emergent rather than ''managed.''

that evident in the healing rituals we observed, can help temper the bruising politics that often attend conflicts and oscillations in the day-to-day-functioning of organizations with dual missions. When groups embody different sides of a duality, organizational functionality may be attained at the price of apparent dysfunctionality at the group level, but the vitality of both sides remains intact.

Acknowledgments

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