

Friend *and* Foe?
The Dynamics of an Organizational Duality in a Natural Food Cooperative

Blake E. Ashforth
Horace Steele Arizona Heritage Chair
Department of Management
W.P. Carey School of Business
Arizona State University
Tempe, AZ 85287
blake.ashforth@asu.edu
480-965-0917 (fax: -8314)

Peter H. Reingen
Davis Distinguished Research Professor
Department of Marketing
W.P. Carey School of Business
Arizona State University
Tempe, AZ 85287
peter.reingen@asu.edu
480-965-4176

The authors are listed alphabetically. We're deeply indebted to Jim Ward for his tremendous assistance with every phase of this project, and to the members of the Co-op for opening their doors to us. We thank Kevin Corley, Spencer Harrison, Kristie Rogers, and the six anonymous reviewers for their very helpful comments. And we're very grateful to former Associate Editor Robin Ely who provided extremely insightful advice throughout the review process.

Friend *and* Foe?
The Dynamics of an Organizational Duality in a Natural Food Cooperative

Dualities are very common and consequential to organizations, but the processes through which they play out are poorly understood. Our ethnographic study found an inherent tension between idealism and pragmatism in the mission of a natural food cooperative and explores the dynamics through which the associated tension was managed and the duality was constructively engaged. The findings suggest that the value of each side of the duality was recognized at both the individual and organizational levels of analysis. Members' discomfort with the duality encouraged them to split the mission in two and project their less-favored half on others, creating an identity foil (an antithesis) and heated intergroup conflict. However, ingroup members nonetheless identified with the outgroup 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 paradoxically enabled other ingroup members to work more effectively with the outgroup. The duality was kept continually in play through oscillating decisions and actions, 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.

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 multiple organizational logics (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., Koot, Sabelis, and Ybema, 1996; El-Sawad, Arnold, and Cohen, 2004), dilemmas (e.g., McLaren, 1982; Weber and Messick, 2006), paradoxes (e.g., Smith and Berg, 1987; Smith and Lewis, 2011), double binds (e.g., Soldow, 1981; Tracy, 2004), tensions (e.g., Ashcraft and Trethewey, 2004; Meisenbach, 2008), oxymorons (e.g., Ashforth and Pratt, 2003; Boyd, 2004), ironies (e.g., Hatch, 1997; Johansson and Woodilla, 2005), and dialectics (e.g., Benson, 1977; de Rond and Bouchikhi, 2004) is revealing 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 fields and internal 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 process imperatives for continuity and change, competition and cooperation, exploration and exploitation, analysis and intuition, and top-down and bottom-up mobilization, and structural imperatives for differentiation and integration, tight coupling and loose coupling, formal and informal structure, a global focus and local focus, 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). Indeed, Sánchez-Runde and Pettigrew (2003: 246) go 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.”

As heralded by the preceding statement, our focus is more specifically on the overarching concept of *duality*, defined by Graetz and Smith (2008: 270; see also Seo, Putnam, and Bartunek, 2004; Smith and Lewis, 2011) as “the simultaneous presence of competing and ostensibly contradictory” qualities.¹ As in the oppositional tendencies noted above, the qualities 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 qualities are “ostensibly contradictory,” a certain iterative tension may develop between the qualities as actions foster counter-actions (e.g., an assertion of managerial prerogative is met with employee resistance). Different groups may be attached to – or, as we will see in the present study, may informally coalesce around – each quality 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

¹Although there appears to be no widely accepted definition of either duality or paradox, definitions of duality and paradox tend to be very similar (cf. Ford and Backoff, 1988). For example, Lewis (2000: 25) defines paradox as “contradictory yet interrelated elements – elements that seem logical in isolation but absurd and irrational when appearing simultaneously.” Following Farjoun (2010: 204), a key difference for our purposes here 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 quoted above, 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). That said, we do not wish to put too fine a point on this distinction because of the diversity of definitions in the literature and because much of the literature on paradox is nonetheless very relevant to that of duality, and vice versa.

the dynamics can quickly become quite complex and unruly with a variety of potential secondary effects. Unfortunately, as Graetz and Smith (2008) note, the specific dynamics through which dualities actually play out and are, hopefully, managed are not well understood. To be sure, there are excellent theoretical frameworks, particularly those by Smith and Berg (1987) and Lewis (2000), that describe certain aspects of those dynamics; excellent empirical studies that document how a singular event or issue played out (e.g., Gilbert, 2006; Barge, Lee, Maddux, Nabring, and Townsend, 2008); and excellent conceptual and empirical papers that provide a more prescriptive stance on how dualities can be managed (e.g., Seo et al., 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 “‘Working through’ does not imply eliminating or resolving paradox, but constructing a more workable certainty that enables change.” As we discovered in the present inductive study, when a duality is embedded in an organization in the form of a hybrid identity, that duality may need to be kept *in play* over time rather than “resolved” once and for all. This insight suggests three important questions, elaborated upon later, that our study will address: (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 means of managing tensions enable the organization to sustain itself over time?*

Thus, 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, her emphasis), 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 of Organizational Dualities

Dualities have at least five 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 the sense 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), as noted, forming “a unified whole” (Smith and

Lewis, 2011: 387). Indeed, each tendency may help constitute the other, as in Giddens' (1984) discussion of structure and individual agency. However, 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) refer 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, in effect, “have it both ways” (e.g., Lewis, 2000; Seo et al., 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, our emphasis; Hedberg et al., 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) document 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 probably because the absence of a necessary minimal threshold for the negative quality makes them far easier to address. Further, it is likely this notion of a minimal threshold that underlies 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, as discussed, given the simultaneous presence of interdependent, oppositional

tendencies, *dualities are characterized by tension* (Evans, Pucik, and Barsoux, 2002; Seo et al., 2004). Indeed, 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 where 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 Cunha, 2002). However, the notion of dynamism does not mean that dualities necessarily destabilize the organization. In the earlier example of organizational control vs. individual autonomy, the iterations of managerial action and employee 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 system that incorporates that duality in its mission statement). However, as in the present study, we suspect that groups are frequently 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 if each group fulfills its particular function the overall welfare of the organization will be promoted (Mintzberg, 1983). Similarly, as noted, dualities are often decoupled by assigning different facets to different subunits or levels. Second, given how consequential dualities can be to the organization, networks and groups may form around each side of a duality. That said, although excellent empirical studies document how a singular event or issue actually played out (as mentioned), what remains unclear is what causes multiple events and issues to be regularly interpreted by stakeholders in terms of oppositional tendencies. Thus, our first research question is: *“What makes both sides of the duality salient?”* In other words, why would a network or group be predisposed to interpret a variety of occurrences in terms of a duality rather than some other frame?

As also discussed, excellent theoretical frameworks describe some of the social-psychological dynamics of dualities, along with studies of how a singular event or issue played out. These conceptual and empirical works provide a wealth of concepts and intriguing leads for research. In particular, Lewis (2000) discusses how the tensions associated with a paradox (duality) may fuel paralyzing psychodynamic defense mechanisms that merely reinforce and perpetuate the tension, and Smith and Berg (1987) articulate 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 mentioned that excellent conceptual and empirical papers have offered

prescriptive processes for managing dualities. For example, Seo et al. (2004) review organization development approaches to managing dualities in planned organizational change, Lüscher and Lewis (2008: 228) describe a managerial intervention that fostered collaborative means of “working through paradox,” and Battilana and Dorado (2010) contrast how two organizations dealt with a hybrid identity – these authors endorse human resource management practices that provided a more integrative managerial approach. As these and other papers suggest, 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 tendencies that comprise 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 means of managing tension explored in our second research question – developed expedient and serviceable methods of respecting the oppositional tendencies. As such, our final research question is: “*How do these means 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

Adding to our contribution, the study will focus on a common but seldom examined type of duality. 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 another set, but the latter nevertheless remains necessary for organizational health and survival, and thus “pragmatic.” Examples include a symphony orchestra where the pursuit of artistic excellence vied with the pursuit of fiscal responsibility (Glynn, 2000), new product design consulting firms where the pursuit of creative passion contested with budgetary pressures (Gotsi, Andriopoulos, Lewis, and Ingram, 2010), managed health care where patient service often conflicts with cost concerns (Shore, 1998), and commercial microfinance organizations where 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.

In sum, by investigating the ongoing tension between “idealists” and “pragmatists” at a natural food co-op, our study seeks to articulate a process model of how organizational dualities play out at the group level. Specifically, we investigate 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 these means of managing tensions enable the organization to sustain itself over time. We combine insights from participant observation, archival data, semi-structured interviews, and surveys to 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.

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” sits 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 sits a building 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 elections, 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 customers 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 Cooperative Board supervises a salaried manager who was encouraged to lead employees in a consultative style. As in many voluntary 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 members 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 thus references to “members” will typically refer to these individuals

rather than to others who never or rarely participated in governance.

Research Process

One author 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 the ethnographer was a professor interested in studying the dynamics of human relations in a cooperative, members asked him to “contribute 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 questions 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 (indeed, he appreciated the strengths that each lent to Natura). Over a period of 23 months, the ethnographer collected data by participant observation, examination of archival materials, and semi-structured interviews (see Table 1). The ethnographer continued to shop and participate at the Co-op for a year after the conclusion of the formal ethnography and also continued to collect archival data.

Insert Table 1 about here

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 meetings. Participants were observed during meetings at the Co-op, informal gatherings at members’ homes, as they talked in the aisles of the store, 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, audio tapes of meetings were consulted. Archival material was also examined, including financial records, documents pertaining to Natura's history, records of Cooperative Board meetings, newsletter articles, 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 that 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 member homes. From these observations, two informal groups emerged that we eventually named the “idealists” and “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. However, the great 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, observes that, “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 co-ops might seem “idealistic” to an outside observer.

Despite the heated arguments between the two groups at such 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. Indeed, 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. Members of the conflicting groups were interviewed as well as members not clearly aligned with either group. The interviews, ranging from 1-2 hours, included questions about the member's history of involvement in Natura, why s/he continued to participate, and opinions of 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 (the notion of dualities as a meta-framework occurred later as the data were analyzed), 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). The ethnographer also engaged in ongoing discussions with an "outsider" coauthor to help gauge what was being learned and calibrated emergent insights via member 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 surfaced not only convergences but “disjunctures” (Arnould and Wallendorf, 1994) that revealed 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 same questions were asked, 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 how the divisiveness of conflict contrasted starkly with the amicability of interactions at other times – our theoretical framework of dualities emerged (summarized later in Figure 1). As we will describe, the very notion of duality was institutionalized in the Co-op’s mission, by-laws, and policies, providing a clear fount for conflict. 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 the sensemaking of members.

Survey Data

Along with our qualitative inquiry, we developed a questionnaire. Following Edmondson and McManus (2007: 1166), a blend of qualitative and quantitative – or “hybrid” – methods allows researchers “to discern unexpected relationships, to check their interpretation of qualitative data, and to strengthen their confidence in qualitatively based conclusions when the two types of data converge.”

Guided by the ethnographic data collected during the first 11 months of study, 24 individuals who were highly active in Natura’s governance were offered \$10 to complete a survey. Twenty individuals (nine idealists and 11 pragmatists) did so; 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 with the exception of 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, individuals were given a list of the participants and asked to nominate those whom 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). The analysis revealed 17 cliques that clustered within 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 vs. 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 who 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

Figure 1 provides an overview of our conceptual model of the dynamics of duality, which emerged from our analysis of the data. To foreshadow the findings, the organizational duality was internalized by individual members, and the resulting tension appeared to foster two groups via a social-psychological dynamic of splitting-projection-projective identification (we say “appeared” because the duality and the groups predated the study). Each group embodied one half of the duality, allowing the halves to be actively counterposed at the group level. The resulting intergroup clashes gave rise to several means – lightning rods that 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. The results below are divided into three headings from the research questions: (1) salience of the organizational duality; (2) managing the associated tensions; and (3) engaging the duality constructively.

Insert Figure 1 about here

Salience of the Organizational Duality

This section addresses our first research question, *what makes both sides of the duality salient?* After describing Natura’s overarching identity, we explore how the salience of the idealism-pragmatism duality at both the organizational and individual levels of analysis helped

frame members' interpretations at the Co-op.

Setting the stage: A common identity among individual members. At Natura, core members appeared to share a common identity. Members referred to themselves as “co-ops,” participated in the Co-op’s governance process, and were prone to refer to the Co-op as “their community.” Indeed, members seemed at home at Natura. 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 debated. 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 that, “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 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 plans” seen as inherent in corporate run retail stores.

The salience of Natura’s duality at the organizational level. However, underneath this sense of common identity, different value emphases lurked. Tension between idealistic vs. pragmatic goals was present since early in Natura’s history. One long-time member described this tension between idealistic and pragmatic goals 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) describe 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 the hybrid identity of Natura.

Natura's by-laws – 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 by-laws 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." However, the Co-op could not pay the mortgage or for the activities of its Member Services Department 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. As one example, 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”). As another, 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, by-laws, 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 by-laws), fights constantly erupted – between individuals who endorsed idealism more strongly than did others and individuals who endorsed pragmatism more strongly than did others – 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, the co-ops repeatedly noted, often ruefully, that schism-driven conflict was endemic in the governance process. For example, a pragmatist² 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.” Prompted by this same meeting, an idealist said, “What’s happening

² Participants will usually be identified generically as “idealists” or “pragmatists” to protect their identities. Names, when used, are androgynous pseudonyms, and the appellation of “she” or “he” is randomly assigned.

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. 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. In sum, co-op insiders perceived significant intergroup conflict to be an enduring aspect of Natura’s 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 that, “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 the pragmatist was assaulting sacred ideals. (The Rochdale Principles guided one of the first workers’ cooperatives, founded in Britain in 1841.) 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; 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 idealist

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 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 appeals as an excuse 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 symbolic of its good intent and the “wrong” choice as symbolic of the other side’s dark motives or naiveté. 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. Similar recurring examples could be adduced for the other major issues.

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 practice or, in the words of an idealist, a “fairly reprehensible” corruption of the product selection process? Were changes in store layout and product placement routine means of enhancing sales or unethical, “antagonistic” manipulations 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 expression? In short, contention provoked by a hybrid identity suffused

organizational life at the Co-op. The assertion of one viewpoint made the other yet more salient, creating overt conflict, spiraling emotions, and the temptation for each group to project blame on the other.

As suggested by these examples, Natura members found the tension created by the salient frames of pragmatism and idealism to be a vexing problem. Members found themselves locked in contention over the priority to be accorded idealistic and pragmatic goals on matters small and large. The result was continuing angst, debate, and policy change by the member-owners. 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.”

The salience of Natura’s duality at the individual level. One could argue 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 *individual* members the need to internalize both value sets. However, our data suggest otherwise.

As noted, core members of Natura completed two surveys several weeks apart that 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. 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 ($M=9.3$ vs. $M=7.8$; $F=7.40$, $p \leq .01$). 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 ($M=6.2$ vs. $M=3.6$; $F=9.71$, $p \leq .05$). 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, with idealists attaching more importance than pragmatists to equality, social justice, and peace and less importance to competition, profit, and success. It's also important to remember that individuals implicitly *chose* their group, reinforcing the argument that the duality was indeed salient.

When co-op members reflected personally on Natura's goals, they often acknowledged both sides of the duality. 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 that, "we need to adopt a financial strategy to give us the sustainable business resources we need to do all of those things." Both commentators place cooperative goals over business goals. But pragmatists, more so than idealists, viewed business success as a critical enabler of cooperative ideals.

In sum, while the members shared the view that Natura was a natural food co-op, the mission, by-laws, and policies institutionalized the hybrid elements of that identity – idealism and pragmatism – at the organizational level. Idealism and pragmatism served as salient frames for interpreting multiple events and issues, precipitating ongoing conflicts about the priority to accord each. It should be underscored that idealism and pragmatism are not only oppositional tendencies but elements of a larger whole that were viewed relative to one another. As the exchanges over the store manager's authority suggest, it's precisely because of a pragmatist

stance toward a given issue that idealism is asserted – and vice versa – and the stronger the assertion of one, the stronger the counter-assertion of the other. Further, the survey data indicate that idealists and pragmatists accorded at least some importance to both idealistic and pragmatic governing values, suggesting that the duality that informed Natura’s hybrid identity was internalized to some extent by members.

Managing the Associated Tensions

This section focuses on the second research question, *how do members manage the tensions that arise from the duality?* We discuss the psychodynamic processes of splitting, projection, and projective identification, and how the moral vs. pragmatic flavor of the duality influenced the resulting intergroup conflict.³

Splitting, projection, and projective identification. *Splitting* is defined by Smith and Berg (1987: 68) “as the partitioning of a set into two subsets.” 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. 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; Newman and Caldwell, 2005). 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 “[t]hose 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 of analysis,

³ Because the existence of the groups preceded our data collection, we have inferred rather than observed the process of group formation flagged in Figure 1.

namely, in the interactions between the two sides at the interpersonal level (if the splitting and projection involve dyads) or group level (if the splitting and projection involve sets of individuals, as in the present case). Indeed, 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. However, Smith and Berg (1987: 68-69) add that "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." 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. Each telltale sign is described below.

(1) *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, accented 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 emphasizes 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 that, “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., customers will 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 corporate motives onto pragmatists often arose during contentious meetings, manifesting in overstated 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.” At this and other meetings, idealists accused pragmatists of favoring authoritarian management policies and pursuing profits over cooperativist goals. For example, an idealist wrote a critique of a policy that enhanced manager’s authority, arguing that adoption of the policy suggested the Cooperative Board endorsed having a manager “with the authority, if not all the trappings of a corporate CEO, president, czar, or whatever name by which the director of doing decides to be known”; further, such a policy “may be appropriate for the operation of a corporation that is heartless, soulless, and has profits as its sole objective,” but not Natura. On another occasion, an idealist accused pragmatists of having “lost sight of our mission as a cooperative” while doing “an excellent job running the retail grocery store.” To pragmatists, these 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 not in 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.”

She criticizes not just idealists’ proposals, but idealists themselves. The speaker implies 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 and naïve about business, raising the fear of insolvency if the idealist agenda prevailed. Pragmatists also accused idealists of being impetuous and disruptive. For example, idealist 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. The idea, she argues, is consistent with Rochdale’s principles of cooperative organization.

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

Pragmatist: Upset. Calls the AdMac concept “newspeak” and an “egalitarian, utopian, fantasy.” He asserts 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,” that is, unlikely to succeed in reality. Indeed, 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.

Note in these examples that both idealists and pragmatists defined their outgroup according to the ingroup's frame of reference rather than the outgroup's (what Westenholtz [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; cf. mutual disidentification, Fiol, Pratt, and O'Connor, 2009).

(2) *Projection sparked by conflict over value differences.* Despite attempts to frame idealistic and pragmatic goals as complementary (e.g., the phrasing of the by-laws), 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. 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 co-ops often struggled with the balance between profitability goals and cooperative ideals in workplace management. Consider an exchange at a meeting concerning (in part) 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 to a concern only with money as an end in itself, and the pragmatist's concern with the workers not wearing appropriate dress to a trial over 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.

(3) *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, self-conflict, and projection were motivating the conflict.⁴ 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 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 this to his fellow co-ops, 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?”

In this passage, the idealist struggles to understand the pragmatists’ hostility. He feels it wasn’t personal, but then wonders what would motivate such behavior. He intuits that the hostility is “part of a group,” suggesting a suspicion of the underlying intergroup dynamics.

⁴ 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 their experiences (e.g., Beck and Clark, 1997).

“Meeting evaluation” sessions were usually prompted by prior group confrontations and attempted to analyze the cooperative process, diagnose the reasons for conflict, and offer suggestions for improvement. At one session, a 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 a process like projective identification – of sensing that an actor one has disowned (via projection) nonetheless embodies an aspect of oneself on one’s behalf – in propelling conflict. Members are rallying to fight the establishment, but the establishment may be a projected part of themselves. Other co-ops spoke, at times, of how members were “schizophrenic,” “fighting ghosts,” or were their “own worst enemy” as they struggled to negotiate policy.

(4) *A reluctance of either side to actually exile or silence the other.* Consistent with projective identification, each group appeared to recognize the other as a necessary evil, as part of a greater whole. Co-ops 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.”

Indeed, co-ops on both sides of the value divide seemed 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. Two examples illustrate this inclusive tendency. When idealists sought a greater voice in the Co-op's governance, the pragmatist-dominated Cooperative Board appointed members to attend the idealist's informal caucuses and invited them to provide input to the Board. In another instance, idealists succeeded in replacing a Cooperative Board Chair, who had been unfriendly to their initiatives, with their own candidate. However, immediately after the vote, the idealists encouraged the former Chair to stay on as the Co-Chair (a position subordinate to the Chair, but still influential).

Besides their reluctance to rid themselves of the other side, the co-ops displayed a reverence for debate that seemed, at times, to reflect a desire or *need* to hear the other side. Rather than a negative, 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." Co-ops planned meetings to allow time for the airing of opposing views and were typically reluctant to foreclose debate. Membership meeting agendas were open to the inclusion of topics by co-ops of any stripe 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 their 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, the member 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. The willingness of members 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.

Beyond these examples, 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 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.

In sum, while any one example could be interpreted in multiple ways, the *pattern* of findings suggests a larger dynamic, that of splitting-projection-projective identification. The organizational duality of idealism (cooperative values) and pragmatism (business values) was associated with what one member called a “split personality.” Faced with this psychologically uncomfortable duality, members appeared to divide it: rather than view the duality holistically, as a symbiosis – “two sides of the same coin” (Lewis, 2000: 761) – members (perhaps nonconsciously) separated it into bipolar concepts and polarized their views of each. Following the psychodynamic notion of splitting, this partitioning of messy reality into black and white

abstractions provided an incomplete but more psychologically comfortable experience. Rather than wrestle with the inherent messiness of the duality, individuals can retreat to their “good” side of the coin and project the “bad” side – along with blame for problems and conflicts – onto the other side. When the two sides confronted divisive issues, they were prone to attribute negative motives to one another and feel hard-to-control hostile emotions. After such interactions, the two groups were typically saddened and puzzled. In their attempts to explain the conflict, some describe a process akin to splitting and projection. All the while, the two factions felt a need and concern for their opponents and the disowned aspects of the duality they carried. Thus, each side was reluctant to decisively exile or silence the other and worked to keep members involved in the governance process, whatever their ideology. The duality was kept alive and simmering.

Dynamics of a moral vs. pragmatic duality. Of the two aspersions noted above – pragmatists were said to be too corporate (too devoted to top-down management and profitability goals) whereas idealists were said to be naive – the former was most at odds with core cooperative values. Given the notion of a moral vs. pragmatic duality, to be naive was unfortunate, but 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 the 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 notes feeling "burdened with the task" of reporting Natura is losing money. Attributing the problem to labor costs growing faster than sales and to member discounts, which he argues should decrease, the pragmatist laments that "recommending changes to the discount structure will not make me any new friends." He states, "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 adds, "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 dark motives, of advocating policies contrary to cooperative values, especially "corporate" and "authoritarian" methods of management and a focus on "profits vs. people." Idealists saw their aggressive behavior as morally justified (Efron 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, this member asserted, "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.”

Could the idealist-pragmatist dynamics be attributed to status differences between the groups (O’Brien and Major, 2009)? Because the idealists’ views were more in keeping with the Co-op’s moralistic stance, one might assume they were generally accorded more status. However, in day-to-day interactions, idealists did *not* appear to be accorded more status, judging from the dearth of expressive status cues such as others’ less forceful gestures, less sustained eye contact, deferential posture, or less confident voice tone (Fişek, Berger, and Norman, 2005).

In sum, given that the idealists’ position embodied the moral high ground of the Co-op’s mission, idealists tended to express their views in a more aggressive manner than did pragmatists (cf. Effron and Miller, 2012). In contrast, pragmatists felt unappreciated and frustrated, advocating views they believed were important to the health of Natura but that were maligned by idealists as antithetical to the Co-op’s mission. Moreover, because pragmatists believed in the good that Natura was attempting to accomplish, they evinced some ambivalence about acting as

the naysayers to idealists' ideas.

Engaging the Duality Constructively

Splitting, projection, and projective identification keep a duality in play but create the potential for the organization to disintegrate as individuals flee the resulting conflict or one side “wins” and thus destroys the organization’s dualistic essence. This section, then, focuses on our final research question, *how do the means of managing tensions enable the organization to sustain itself over time?* We identified three little documented such mechanisms: (1) “lightning rods” who initiate and absorb conflict for their group; (2) rituals of conflict management, tolerance, forgiveness, and respect; and (3) oscillation over time in the dominance of each aspect of the duality.

Lightning rods. We noted that the idealists and pragmatists completed lagged survey measures indicating who was in their social network and whom they viewed as prototypical or representative of each group. The results document that the more embedded a person was in their 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 these ingroup prototypes were seen as standard bearers by fellow ingroup members. For example, the pragmatists viewed Jayden as prototypical of their members. He helped guide the Co-op’s financial affairs. He shared pragmatist views about the need to reduce the member discount, constrain spending on member services, and support a degree of managerial authority. However, Jayden 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 ingroup, whom we dub “lightning rods.” For instance, many idealists viewed Rowan as prototypical of the pragmatists, and many pragmatists viewed Riley as prototypical of the idealists. Lightning rods like Rowan 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.

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 “egged on” 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 into a controversy

behind a lightning rod, and thus stoke the controversy. For example, at a meeting devoted to financial issues, an exchange between idealist and pragmatist lightning rods seemed to raise the tension between both sides. The idealist condemned a pragmatist speaker'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 members 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, threw their spirited support behind the idealist position. As these examples show, the lightning rods' passion could be contagious. By taking the initiative in controversies, the lightning rods may have partially absolved their group for the blame and concern that might later be expressed in meeting evaluations for not acting "in cooperation."

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. Indeed, some of the stronger invective seemed not only to be received by the latter but be initiated by them as well. Members appeared

to reconcile the injunction to cooperate with the need to fight by attributing the negativity to the outgroup's prototypes, while judging others more temperately. In this way, members could relate amiably to their non-prototypical opponents.

Rituals. At the day-to-day level, various soothing rituals signaled normative expectations and were enacted before, during, and after meetings – the forum for most conflict. Given that members subscribed to Natura's overarching albeit hybrid identity, these rituals appeared to help keep the Co-op reasonably cohesive in the face of the divisive duality resulting from the identity. 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 intervene if participants seemed to go “out of bounds” by making personal attacks or being disruptive. At some meetings, “vibes” watchers were formally appointed. A co-oper 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.” This role description prescribes intervention in the case of excessive emotion or conflict. The formal intent of “calling vibes” (which could also be called through comments like “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" where they complimented members for their contributions. These compliments had 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 flashpoint issue (e.g., managerial authority, member discounts). Importantly, 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 held that focused 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 their 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). Smith and Berg (1987) assert that groups 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. While the contents of the rituals 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, given the salience of the organizational duality and the ongoing conflict between idealists and pragmatists, how were decisions and actions ever determined? 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. And what mechanisms appeared to regulate these oscillations? Tacit reciprocity, 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.

Casey, 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 Casey'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. Casey 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 2 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. Participant 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.

Insert Table 2 about here

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, 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 re-allocated 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 Cooperative Board powers to management was framed as too authoritarian and voted down. Instead of 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 member 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 over management control. In addition, idealists supported hiring several new employees for the Member Services Department, despite pushback 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.

However, in Years 4 to 5, 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 that: "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.

In sum, what appeared to keep the Co-op engaged constructively in an otherwise divisive duality were tendencies to: (1) scapegoat perceived lightning rods among the outgroup, allowing the ingroup to engage other outgroup members more constructively; (2) engage in ongoing rituals to repair and maintain relationships that were strained by the messiness of the process; and (3) keep both the idealistic and pragmatic values in play through a series of oscillating actions and decisions.

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 addressed calls for empirical research on the nature of organizational dualities (Sánchez-Runde and Pettigrew; 2003; Graetz and Smith, 2008). Specifically, the study sheds light on three questions, as 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, by-laws, 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. Further, members internalized this duality, according at least some importance to both idealistic (i.e., equality, social justice, and peace) and pragmatic (i.e., competition, profit, and success) 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 nonconsciously) to split the duality into its elements and rally around their preferred element, projecting the disavowed attributes onto those who rallied around the “opposing” element. 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, that is, as the very antithesis of one’s ingroup (Ashforth et al., 2011). Each group bore a disavowed aspect of the other, which took the onus off individual members to reconcile their own internal conflict: it’s often easier, after all, to fight with others than with oneself. Further, this dynamic 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. As suggested by Fiol’s et al.’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. The result is heated, ongoing intergroup conflict. 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. At the same time, ingroup members appeared to nonetheless identify somewhat with the outgroup. This projective

identification (Klein, 1975; Petriglieri and Stein, 2012) was particularly evident in the reluctance of either group to actually exile or silence its identity foil.

Additionally, because the idealists' position represented the moral high ground of Natura's mission, idealists often espoused their position more aggressively than did pragmatists. For their part, pragmatists felt that their half of the duality, though essential to the well-being of the Co-op, was less valued, inducing frustration. What's more, because pragmatists also saw the Co-op as a moral entity, they experienced some ambivalence about their de facto stance as the naysayers to the idealists' wants.

It's important to note the role that the holographic nature of Natura's hybrid identity played in these dynamics. Albert and Whetten (1985: 271) define a *holographic* hybrid identity as one where "each internal unit exhibits the properties of the organization as a whole," whereas an *ideographic* hybrid identity exists where different units attend to different facets of the hybrid (e.g., R&D to exploration, Operations to exploitation). Because Natura did not formally assign the moral vs. pragmatic facets of the hybrid to different units, members were left to their own devices to reconcile the facets. However, given the cognitive difficulty of such a reconciliation and the likely anxiety that results, splitting and projection were employed 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 nonconsciously) strive to convert a holographic identity into a more psychologically comfortable ideographic identity. And then, through projective identification with the identity foil, individuals may essentially make themselves "whole" again. Indeed, splitting-projection-projective identification may well be a common dynamic in organizations with holographic hybrid identities. For example, the findings of Battilana and

Dorado (2010) regarding BancoSol can be usefully interpreted through this frame.

Finally, given the splitting-projection-projective identification dynamic, *how do the means of managing the tensions associated with the duality enable the organization to sustain itself over time?* Because we believe our most novel and important findings bear on this question, we will discuss them at length. The idealists and pragmatists were not simply two groups engaged in conventional conflict (as in a contest, say, for scarce resources). Rather, each group represented a crucial half of the organizational duality – two sides of one coin – and thus, implicitly needed each other to sustain the Co-op. However, given the difficulty of using conventional means of managing group conflict (i.e., integration and compromise, as explained below), little-studied means of engaging the duality constructively evolved. Part of the appeal of these means is that they did *not* require members to psychologically transition from splitting-projection-projective identification to engaging the duality constructively – to recalibrate their mindsets, as a quick read of Figure 1 might erroneously suggest. Instead, the means by which the duality was engaged are essentially an *extension* of splitting-projection-projective identification. That is, the symbiotic relationship between the divided groups led to the following 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/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

their fight with the outgroup (cf. Haslam, Oakes, McGarty, Turner, and Onorato, 1995).⁵ Indeed, their provocative role was facilitated and even “egged on” by both sides. Given splitting and projection, each group was motivated 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. And because the groups competed for “their” side of the duality but needed to cooperate to ultimately 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 relational 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 paradoxical 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 where 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.

Further, the groups appeared to engage in a roughly oscillating or zig-zag pattern over time, trading the lead on particular issues. As a mechanism for keeping a duality in play, oscillation has been remarked upon but seldom investigated (Evans, 1999; Jay, 2013; cf. vacillation, temporal separation; Poole and Van de Ven, 1989; Seo et al., 2004; Tracy, 2004). An

⁵ 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 where 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.

oscillation represents a momentary and expedient resolution of the current manifestation of the duality, where the “winner” appears to depend on a tacit reciprocity, tempered by relative power. That is, the larger swings seemed to correspond at least in part to Natura’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). Thus, seeming dysfunctionality at the group level (interminable conflict) contributed to functionality at the organizational level.

We speculate that such periodic trades of power also eased the tension of living in a dualistic organization. Smith and Berg (1987: 70) observe that a key consequence of the splitting-projection-projective identification dynamic is that “individuals or subgroups carry the ‘baggage’ for others.” We noted earlier the tacit understanding that idealists had of the need for at least some pragmatism, and of pragmatists’ endorsement of cooperative values. Thus, idealists could be idealists – as committed to utopian principles as they cared to be – while knowing in the back of their mind that pragmatists 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 them or needing to seek their reconciliation. Although both groups appeared reluctant to admit it, the other group was the “perfect” partner.

Why not compromise or integrate? The pendulum swings beg the question of why the groups didn’t simply compromise or integrate their orientations to resolve major conflicts (da Cunha et al., 2002). (Our answer here is somewhat speculative because we are referring to non-

events.) To compromise on something that cuts to the very heart of what defines each group may be tantamount to compromising one's integrity – to “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 very 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* (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.”

Alternatively, the literatures on oppositional tendencies (particularly dialectics) and intergroup conflict often advocate that parties seek an integrative solution, that is, some means of 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). Compromise is a choice of either/or whereas integration involves both/and (Gharajedaghi, 1982). To be sure, there was evidence of attempts at a superficial integration, where 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.

Why might this be? (Again, our answer must be speculative.) First, integrative solutions are notoriously difficult to find, even under the best of circumstances, precisely because they

involve a holistic transcendence of the warring views. Second, given splitting and projection, it was probably difficult for individuals to not only marshal the goodwill and trust needed to openly explore integrative solutions but to even conceive of integration as a realistic possibility. In prepared remarks to a large membership meeting, a Natura member recognized the difficulty of unifying competing belief systems:

“I have gained a great deal of respect for people who contribute their time and energy for a cause greater than the dollar bill. So many times, however, I have observed (and experienced) burnout and discouragement because we fail to produce the results we had envisioned. I believe that one reason we don’t get anywhere is that we get wrapped up in trying to unify our belief systems. We start down the path of debate and negotiation with the unspoken goal of wanting everybody to see things the same before we can proceed with the issues at hand. Because we all come to the table with our own unique life experiences, it stands to reason we will never be able to see things 100% the same.”

Given 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 Cunha, 2002: 488) of lame compromise or “forced merger” (Seo et al., 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 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).

Importantly, given that individuals remained psychologically invested in both sides of the duality (via projective identification), even while disparaging one side, members displayed an

appreciation for the virtue of tension and conflict – however uncomfortable and seemingly chaotic the process could be. An idealist betrayed a rueful pride in the Co-op’s debates by noting that, “The beauty and ugliness of town hall democracy is that you are heard.” Members recognized the “ugliness” of the decision process but appreciated the “beauty” of how open conflict could contribute to Natura’s health. 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 so than of the individuals/groups who inhabit it (Bierly, Kessler, and Christensen, 2000; Ashforth, Rogers, Pratt, and Pradies, 2013).

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 et al. (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, then in a real sense the ingroup would have to create one (Smith and Berg, 1987). Thus, we suspect that if, say, 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.

The messiness of the process by which the duality was constructively engaged appears to be the antithesis of traditional notions of orderly organizations, where hierarchy, rules, rewards,

and so on encourage conformity (Morgan, 1997). Yet it's this very messiness and the resulting oscillations in emphasis on idealism vs. pragmatism that helped Natura adapt and survive.

Perhaps, then, management theories would do well to rethink the relative value of order and "chaos" – to look for method in ostensible madness (Hamel, 2007).

A vicious circle or a virtuous circle? Figure 1 depicts a feedback arrow from the group level means of managing tensions to the organization level salience of the duality, such that the process comes full circle. Why the arrow? Each of the three means by which Natura engaged the idealism-pragmatism duality constructively helped "resolve" a particular event or issue in favor of either idealism or pragmatism (again, compromise and integration tended not to occur), 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/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) document 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 means described for engaging the duality constructively enabled Natura to maintain its vital hybrid identity, even if individuals and groups primarily extolled their favored side. Again, the “wisdom” inherent in the dynamics seems to be a property of the system rather than of the actors within it.

Moral vs. pragmatic duality. We defined a moral vs. pragmatic duality as one where 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. In the case of Natura, because idealists saw themselves as morally superior, it was easy for them to adopt particularly negative attitudes toward the pragmatist camp (Wright et al., 2008). In their view, pragmatism – and by extension those who advocated it – had a dark side. 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. As a result, pragmatists appeared more ambivalent about their position and themselves as a group. Second, the presumed moral superiority of those gravitating to the moral side, coupled with their more salutary self-perceptions, likely empowers them to behave in a more aggressive manner than their counterparts (cf. Efron 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.

In closing, the irony of a moral vs. pragmatic duality is that, while both aspects may be necessary to organizational health, those who gravitate toward the former are more inclined to aggressively dismiss their counterpart and yet feel morally superior for doing so.

Generalizing the Findings

Given our focus on a cooperative, and its handling of a moral-pragmatic duality in the form of a hybrid identity, it can fairly be asked how readily the theoretical implications may generalize to other organizations. 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 Nature in value-laden terms. 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 – 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 depicted in Figure 1; rather, it's 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 quite 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). Further, 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. Is it possible for pragmatic values and goals, such as cost effectiveness and profit maximization, to themselves be cast in moral terms? Certainly, as attested by Milton Friedman's (1970: SM17) famous statement that “The social responsibility of business is to increase its profits.” Even, then, however, a moral vs. pragmatic duality could be said to exist if other values and goals were still seen as simply pragmatic (e.g., increasing employee satisfaction in order to reduce costly turnover).

More broadly, we suspect that the iterative nature of the conflict documented here is quite common precisely because dualities and the uncomfortable tension they spawn are quite 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

Where does all of this leave management? 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 fully 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 – in turn, largely a function of environmental press). It's important for managers to help individuals and groups recognize that dualities embody complementary rather than truly contradictory qualities and that, in such circumstances, 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). For example, Lüscher and Lewis (2008: 235) discuss 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 oscillating 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 coin; 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

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.”

both sides; and a culture (including the kinds of rituals documented here) that encourages a full airing of disparate views in a respectful manner. We noted that, 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. Similarly, Seo et al. (2004: 101; see also Barge and colleagues, 2008) discuss the importance of fostering “connection” between the two sides of a duality such that “respect, empathy, and curiosity” lead to embracing the differences.⁷ Indeed, various intergroup interventions encourage perspective-taking or empathy (e.g., Galinsky, 2002).

Limitations and Conclusion

Several limitations of the study should be borne in mind. First, it is possible that our presence as an observer and the subsequent interviews may have sensitized Co-op members to our research questions, and this may have affected their subsequent thinking and behavior. However, we inquired about many things during the participant observation, did not inquire about dualities (this conceptual framework was inferred later), collected additional data that were not used in the present study, and the existence of the idealist and pragmatist groups predated our study. Thus, it is unlikely that individuals were particularly sensitized to our research questions. 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 grounded observations, interviews, and archival and survey data. Nonetheless, future research should attempt to more directly assess the processes we examined. Third, our study focuses on a single

⁷ Although Seo et al. conceive of connection as an alternative to integration and oscillation, we believe that an attitude of connection can help temper the bruising politics that often attend oscillations.

organization and a relatively small slice of the organization's life. As in any organization, the actors involved, their roles, and the organization's dynamics likely evolved prior to and after the study.

In closing, dualities are common and consequential to organizations. In the present study, groups arose that embodied different sides of the duality coin, coming to view each other as an identity foil and engaging in an oscillating style of decision making and action. For the sake of organizational effectiveness, such groups are – and likely must remain – both a friend *and* foe to each other.

REFERENCES

Albert, S. and D. A. Whetten

1985 "Organizational identity." *Research in Organizational Behavior*, 7: 263-295.

Arnould, E. J. and M. Wallendorf

1994 "Market-oriented ethnography: Interpretation building and marketing strategy formulation." *Journal of Marketing Research*, 31: 484-504.

Ashcraft, K. L. and A. Trethewey

2004 "Developing tension: An agenda for applied research on the organization of irrationality." *Journal of Applied Communication Research*, 32: 171-181.

Ashforth, B. E. and F. A. Mael

1996 "Organizational identity and strategy as a context for the individual." *Advances in Strategic Management*, 13: 19-64.

Ashforth, B. E. and M. G. Pratt

2003 "Institutionalized spirituality: An oxymoron?" In R. A. Giacalone and C. L. Jurkiewicz (eds.), *The Handbook of Workplace Spirituality and Organizational Performance*: 93-107. Armonk, NY: M. E. Sharpe.

Ashforth, B. E., K. M. Rogers, and K. G. Corley

2011 "Identity in organizations: Exploring cross-level dynamics." *Organization Science*, 22: 1144-1156.

Ashforth, B. E., K. M. Rogers, M. G. Pratt, and C. Pradies

2013 "Ambivalence in organizations: A multilevel approach." *Organization Science*, conditional acceptance.

Barge, J. K., M. Lee, K. Maddux, R. Nabring, and B. Townsend

2008 "Managing dualities in planned change initiatives." *Journal of Applied Communication Research*, 36: 364-390.

Bateson, G.

1935 "Culture contact and schismogenesis." *Man*, 35: 178-183.

Battilana, J. and S. Dorado

2010 "Building sustainable hybrid organizations: The case of commercial microfinance organizations." *Academy of Management Journal*, 53: 1419-1440.

Beck, A. T. and D. A. Clark

1997 "An information processing model of anxiety: Automatic and strategic processes." *Behaviour Research and Therapy*, 35: 49-58.

Benson, J. K.

1977 "Organizations: A dialectical view." *Administrative Science Quarterly*, 22: 1-21.

Bierly, P. E., III, E. H. Kessler, and E. W. Christensen

2000 "Organizational learning, knowledge and wisdom." *Journal of Organizational Change Management*, 13: 595-618.

Boyd, J.

2004 "Organizational rhetoric doomed to fail: R. J. Reynolds and the principle of the oxymoron." *Western Journal of Communication*, 68: 45-71.

Burmeister, P.

2000 "ConImp—Ein Programm zur formalen Begriffsanalyse." In G. Stumme und R. Wille (eds.), *Begriffliche Wissensverarbeitung: Methoden und Anwendungen*: 25-56. Berlin: Springer-Verlag. ["ConImp – A program for formal concept analysis." In G. Stumme and R. Wille (eds.), *Concept Analysis: Methods and Applications*: 25-56. Berlin: Springer-Verlag].

Cameron, K. S.

1986 "Effectiveness as paradox: Consensus and conflict in conceptions of organizational effectiveness." *Management Science*, 32: 539-553.

Cameron, K. S. and R. E. Quinn

1988 "Organizational paradox and transformation." In R. E. Quinn and K. S. Cameron (eds.), *Paradox and Transformation: Toward a Theory of Change in Organization and Management*: 1-18. Cambridge, MA: Ballinger.

Cao, Q., E. Gedajlovic, and H. Zhang

2009 "Unpacking organizational ambidexterity: Dimensions, contingencies, and synergistic effects." *Organization Science*, 20: 781-796.

Charmaz, K.

2006 *Constructing Grounded Theory: A Practical Guide through Qualitative Analysis*. London: Sage.

Clegg, S. R., J. V. da Cunha, and M. P. e Cunha

2002 "Management paradoxes: A relational view." *Human Relations*, 55: 483-503.

da Cunha, J. V., S. R. Clegg, and M. P. e Cunha

2002 "Management, paradox, and permanent dialectics." In S. R. Clegg (ed.), *Management and Organization Paradoxes*: 11-40. Amsterdam: John Benjamins.

de Rond, M., and H. Bouchikhi

2004 "On the dialectics of strategic alliances." *Organization Science*, 15: 56-69.

Edmondson, A. C. and S. E. McManus

2007 "Methodological fit in management field research." *Academy of Management Review*, 32: 1155-1179.

Effron, D. A and D. T. Miller

2012 “How the moralization of issues grants social legitimacy to act on one’s attitudes.”
Personality and Social Psychology Bulletin, 38: 690-701.

Eisenhardt, K. M.

2000 “Paradox, spirals, ambivalence: The new language of change and pluralism.” Academy of Management Review, 25: 703-705.

El-Sawad, A., J. Arnold, and L. Cohen

2004 “‘Doublethink’: The prevalence and function of contradiction in accounts of organizational life.” Human Relations, 57: 1179-1203.

Etzioni, A.

1975 A Comparative Analysis of Complex Organizations: On Power, Involvement, and Their Correlations, rev. ed. New York: Free Press.

Evans, P. A. L.

1999 “HRM on the edge: A duality perspective.” Organization, 6: 325-338.

Evans, P. A. L. and Y. Doz

1992 “Dualities: A paradigm for human resource and organizational development in complex multinationals.” In V. Pucik, N. M. Tichy, and C. K. Barnett (eds.), Globalizing Management: Creating and Leading the Competitive Organization: 85-106. New York: Wiley.

Evans, P., V. Pucik, and J.-L. Barsoux

2002 The Global Challenge: International Human Resource Management. New York: McGraw-Hill/Irwin.

Farjoun, M.

2010 “Beyond dualism: Stability and change as a duality.” Academy of Management Review, 35: 202-225.

Fiol, C. M., M. G. Pratt, and E. J. O’Connor

2009 “Managing intractable identity conflicts.” Academy of Management Review, 34: 32-55.

Fişek, M. H., J. Berger, and R. Z. Norman

2005 “Status cues and the formation of expectations.” Social Science Research, 34: 80-102.

Ford, J. D. and R. W. Backoff

1988 “Organizational change in and out of dualities and paradox.” In R. E. Quinn and K. S. Cameron (eds.), Paradox and Transformation: Toward a Theory of Change in Organization and Management: 81-121. Cambridge, MA: Ballinger.

Freeman, L. C.

1996 “Cliques, Galois lattices, and the structure of human social groups.” Social Networks, 18: 173-187.

Friedman, M.

1970 "The social responsibility of business is to increase its profits." New York Times Magazine, September 13, p. SM17.

Gaertner, S. L. and J. F. Dovidio

2000 Reducing Intergroup Bias: The Common Ingroup Identity Model. Philadelphia: Psychology Press.

Galinsky, A. D.

2002 "Creating and reducing intergroup conflict: The role of perspective-taking in affecting out-group evaluations." Research on Managing Groups and Teams, 4: 85-113.

Gharajedaghi, J.

1982 "Social dynamics (dichotomy or dialectic)." General Systems, 27: 251-268.

Giddens, A.

1984 The Constitution of Society: Outline of the Theory of Structuration. Berkeley, CA: University of California Press.

Gilbert, C. G.

2006 "Change in the presence of residual fit: Can competing frames coexist?" Organization Science, 17: 150-167.

Gioia, D. A. and K. G. Corley

2002 "Being good versus looking good: Business school rankings and the Circean transformation from substance to image." Academy of Management Learning and Education, 1: 107-120.

Glaser, B. G. and A. L. Strauss

1967 The Discovery of Grounded Theory: Strategies for Qualitative Research. Chicago: Aldine.

Glynn, M. A.

2000 "When cymbals become symbols: Conflict over organizational identity within a symphony orchestra." Organization Science, 11: 285-298.

Gotsi, M., C. Andriopoulos, M. W. Lewis, and A. E. Ingram

2010 "Managing creatives: Paradoxical approaches to identity regulation." Human Relations, 63: 781-805.

Graetz, F. and A. C. T. Smith

2008 "The role of dualities in arbitrating continuity and change in forms of organizing." International Journal of Management Reviews, 10: 265-280.

Hamel, G.

2007 The Future of Management. Boston: Harvard Business School Press.

Handy, C.

1994 *The Age of Paradox*. Boston: Harvard Business School Press.

Harrison, S. H., B. E. Ashforth, and K. G. Corley

2009 "Organizational sacralization and sacrilege." *Research in Organizational Behavior*, 29: 225-254.

Haslam, S. A., P. J. Oakes, C. McGarty, J. C. Turner, and R. S. Onorato

1995 "Contextual changes in the prototypicality of extreme and moderate outgroup members." *European Journal of Social Psychology*, 25: 509-530.

Hatch, M. J.

1997 "Irony and the social construction of contradiction in the humor of a management team." *Organization Science*, 8: 275-288.

Hedberg, B. L. T., P. C. Nystrom, and W. H. Starbuck

1976 "Camping on seesaws: Prescriptions for a self-designing organization." *Administrative Science Quarterly*, 21: 41-65.

Hogg, M. A. and E. A. Hardie

1991 "Social attraction, personal attraction, and self-categorization: A field study." *Personality and Social Psychology Bulletin*, 17: 175-180.

Islam, G. and M. J. Zyphur

2009 "Rituals in organizations: A review and expansion of current theory." *Group & Organization Management*, 34: 114-139.

Jay, J.

2013 "Navigating paradox as a mechanism of change and innovation in hybrid organizations." *Academy of Management Journal*, 56: 137-159.

Jehn, K. A. and K. Bezrukova

2010 "The faultline activation process and the effects of activated faultlines on coalition formation, conflict, and group outcomes." *Organizational Behavior and Human Decision Processes*, 112: 24-42.

Johansson, U. and J. Woodilla (eds.)

2005 *Irony and Organizations: Epistemological Claims and Supporting Field Stories*. Liber, Sweden: Copenhagen Business School Press.

Johnston, S. and J. W. Selsky

2006 "Duality and paradox: Trust and duplicity in Japanese business practices." *Organization Studies*, 27: 183-205.

Klein, M.

1975 "Notes on some schizoid mechanisms (1946)." In M. Klein, *The Writings of Melanie*

Klein, vol. 3: Envy and Gratitude and Other Works 1946-1963: 1-24. New York: Free Press.

Kohguchi, H., K. Sakata, and K. Fujimoto

2007 "The effects of leadership and prototypicality on group members' morale and leader perception." *Japanese Journal of Social Psychology*, 22: 245-257.

Koot, W., I. Sabelis, and S. Ybema (eds.)

1996 *Contradictions in Context: Puzzling over Paradoxes in Contemporary Organizations*. Amsterdam: VU University Press.

Kraatz, M. S. and E. S. Block

2008 "Organizational implications of institutional pluralism." In R. Greenwood, C. Oliver, R. Suddaby, and K. Sahlin (eds.), *The Sage Handbook of Organizational Institutionalism*: 243-275. Los Angeles: Sage.

Langley, A.

1999 "Strategies for theorizing from process data." *Academy of Management Review*, 24: 691-710.

Lawless, G.

2003 "Historic Foundations of Cooperative Philosophy," *Bulletin, University of Wisconsin Center for Cooperatives*, No. 7.

http://www.uwcc.wisc.edu/pdf/Bulletins/bulletin_09_03.pdf. Accessed March 19, 2013.

Lawrence, P. R. and J. W. Lorsch

1967 *Organization and Environment: Managing Differentiation and Integration*. Boston: Harvard University.

Lazare, A.

2004 *On Apology*. New York: Oxford University Press.

Lewis, M. W.

2000 "Exploring paradox: Toward a more comprehensive guide." *Academy of Management Review*, 25: 760-776.

Locke, K.

2001 *Grounded Theory in Management Research*. Thousand Oaks, CA: Sage.

Lüscher, L. S. and M. W. Lewis

2008 "Organizational change and managerial sensemaking: Working through paradox." *Academy of Management Journal*, 51: 221-240.

Margolis, J. D. and J. P. Walsh

2003 "Misery loves companies: Rethinking social initiatives by business." *Administrative Science Quarterly*, 48: 268-305.

McLaren, R. I.

1982 *Organizational Dilemmas*. Chichester, UK: Wiley.

Meisenbach, R. J.

2008 "Working with tensions: Materiality, discourse, and (dis)empowerment in occupational identity negotiation among higher education fund-raisers." *Management Communication Quarterly*, 22: 258-287.

Merton, R. K.

1976 *Sociological Ambivalence and Other Essays*. New York: Free Press.

Miles, M. B. and A. M. Huberman

1994 *Qualitative Data Analysis: An Expanded Sourcebook*, 2nd ed. Thousand Oaks, CA: Sage.

Mintzberg, H.

1983 *Power In and Around Organizations*. Englewood Cliffs, NJ: Prentice-Hall.

Morgan, G.

1997 *Images of Organization*, 2nd ed. Thousand Oaks, CA: Sage.

Murnighan, J. K. and D. E. Conlon

1991 "The dynamics of intense work groups: A study of British string quartets." *Administrative Science Quarterly*, 36: 165-186.

Newman, L. S. and T. L. Caldwell

2005 "Allport's 'living inkblots': The role of defensive projection in stereotyping and prejudice." In J. F. Dovidio, P. Glick, and L. A. Rudman (eds.), *On the Nature of Prejudice: Fifty Years After Allport*: 377-392. Malden, MA: Blackwell.

O'Brien, L. T. and B. Major

2009 "Group status and feelings of personal entitlement: The roles of social comparison and system-justifying beliefs." In J. T. Jost, A. C. Kay, and H. Thorisdottir (eds.), *Social and Psychological Bases of Ideology and System Justification*: 427-443. Oxford, UK: Oxford University Press.

Pacanowsky, M. E. and N. O'Donnell-Trujillo

1983 "Organizational communication as cultural performance." *Communication Monographs*, 50: 126-147.

Pache, A.-C. and F. Santos

2010 "When worlds collide: The internal dynamics of organizational responses to conflicting institutional demands." *Academy of Management Review*, 35: 455-476.

Paine, L. S.

2003 *Value Shift: Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance*. New York: McGraw-Hill.

Palmer, I. and R. Dunford

2002 "Managing discursive tension: The co-existence of individualist and collaborative discourses in Flight Centre." *Journal of Management Studies*, 39: 1045-1069.

Petriglieri, G. and M. Stein

2012 "The unwanted self: Projective identification in leaders' identity work." *Organization Studies*, 33: 1217-1235.

Poole, M. S., and A. H. Van de Ven

1989 "Using paradox to build management and organization theories." *Academy of Management Review*, 14: 562-578.

Potter, S. J.

2001 "A longitudinal analysis of the distinction between for-profit and not-for-profit hospitals in America." *Journal of Health and Social Behavior*, 42: 17-44.

Pratt, M. G. and B. E. Ashforth

2003 "Fostering meaningfulness in working and at work." In K. S. Cameron, J. E. Dutton, and R. E. Quinn (eds.), *Positive Organizational Scholarship: Foundations of a New Discipline*: 309-327. San Francisco: Berrett-Koehler.

Pratt, M. G. and P. O. Foreman

2000 "Classifying managerial responses to multiple organizational identities." *Academy of Management Review*, 25: 18-42.

Raisch, S and J. Birkinshaw

2008 "Organizational ambidexterity: Antecedents, outcomes, and moderators." *Journal of Management*, 34: 375-409.

Reagle, J.

2010 *Good Faith Collaboration: The Culture of Wikipedia*. Cambridge, MA: MIT Press.

Ren, H. and B. Gray

2009 "Repairing relationship conflict: How violation types and culture influence the effectiveness of restoration rituals." *Academy of Management Review*, 34: 105-126.

Rothschild, J. and J. A. Whitt

1986 *The Cooperative Workplace: Potentials and Dilemmas of Organizational Democracy and Participation*. New York: Cambridge University Press.

Sánchez-Runde, C. J. and A. M. Pettigrew

2003 "Managing dualities." In A. M. Pettigrew, R. Whittington, L. Melin, C. Sánchez-Runde, F. A. J. van den Bosch, W. Ruigrok, and T. Numagami (eds.), *Innovative Forms of Organizing: International Perspectives*: 243-250. London: Sage.

Schwartz, S. H. and A. Bardi

2001 "Value hierarchies across cultures: Taking a similarities perspective." *Journal of Cross-Cultural Psychology*, 32: 268-290.

Seo, M.-G., L. L. Putnam, and J. M. Bartunek

2004 "Dualities and tensions of planned organizational change." In M. S. Poole and A. H. Van de Ven (eds.), *Handbook of Organizational Change and Innovation*: 73-107. Oxford, UK: Oxford University Press.

Shore, K.

1998 "Managed care and managed competition: A question of morality." In R. F. Small and L. R. Barnhill (eds.), *Practicing in the New Mental Health Marketplace: Ethical, Legal, and Moral Issues*: 67-102. Washington, DC: American Psychological Association.

Smith, A. and F. Graetz

2006 "Organizing dualities and strategizing for change." *Strategic Change*, 15: 231-239.

Smith, K. K. and D. N. Berg

1987 *Paradoxes of Group Life: Understanding Conflict, Paralysis, and Movement in Group Dynamics*. San Francisco: Jossey-Bass.

Smith, W. K. and M. W. Lewis

2011 "Toward a theory of paradox: A dynamic equilibrium model of organizing." *Academy of Management Review*, 36: 381-403.

Soldow, G. F.

1981 "Change in the organization: The detriment and benefit of the double bind." *Group & Organization Studies*, 6: 500-513.

Tracy, S. J.

2004 "Dialectic, contradiction, or double bind? Analyzing and theorizing employee reactions to organizational tension." *Journal of Applied Communication Research*, 32: 119-146.

Van Vugt, M.

2012 "The male warrior hypothesis: The evolutionary psychology of intergroup conflict, tribal aggression, and warfare." In T. K. Shackelford and V. A. Weekes-Shackelford (eds.), *The Oxford Handbook of Evolutionary Perspectives on Violence, Homicide, and War*: 291-300. Oxford, UK: Oxford University Press.

Weber, J. M. and D. M. Messick

2006 "Improving managerial decision making: Lessons from experimental social dilemma research." In P. A. M. Van Lange (ed.), *Bridging Social Psychology: Benefits of Transdisciplinary Approaches*: 359-364. Mahwah, NJ: Erlbaum.

Westenholz, A.

1993 "Paradoxical thinking and change in the frames of reference." *Organization Studies*, 14: 37-58.

Wright, J. C., J. Cullum, and N. Schwab

2008 "The cognitive and affective dimensions of moral conviction: Implications for attitudinal and behavioral measures of interpersonal tolerance." *Personality and Social Psychology Bulletin*, 34: 1461-1476.

Table 1: Types of Data Collected

Participant Observation

- 23 months
- Over 300 hours on site
- Attendance at one or more meetings or events almost every week
- Data gathered primarily at the Co-op, but also at off-site meetings and members' homes

Archival Materials

- Meeting minutes (over 900 pages)
- Newsletters (about 175 pages)
- Financial records
- Pamphlets, posters, reports, meeting handouts (about 200 pages)
- Local popular press articles regarding the Co-op

Semi-Structured Interviews

- Conducted after about six months of participant observation
- 20 individuals
- 1-2 hours in duration
- Split between pragmatists and idealists

Survey Data

- Collected after almost a year of participant observation
- 20 individuals
- Measures:
 - Social network ties
 - Value differences (collected several weeks later)
 - Prototype nominations (also collected several weeks later)

Table 2: 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	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	-Move back to single general manager -Spending on member services curtailed
6 (participation continues)	78	70	32	Negative	-Member discount reduced

* **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.

Figure 1: The Dynamics of an Organizational Duality: How Seeming Dysfunctionality at the Group Level Fostered Functionality at the Organization Level

