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KEEPING AN EYE ON THE MIRROR: IMAGE AND IDENTITY IN ORGANIZATIONAL ADAPTATION

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This article addresses how individuals make sense of their organization's response to a nontraditional and emotional strategic issue. The reported research also concerned microprocesses involved in organizational adaptation. We describe how the Port Authority of New York and New Jersey, a regional transportation agency, dealt with the many homeless people at its facilities and use that description to build a new view of organizational adaptation. Our view is that an organization's image and identity guide and activate individuals' interpretations of an issue and motivations for action on it, and those interpretations and motivations affect patterns of organizational action over time. The article develops the constructs of organizational identity and image and uses them to link ideas from work on impression management with ideas about organizational adaptation.

The homelessness problem is perhaps a blight on that professionalism that we like to display, and that we are so proud of, and I think this is of great concern there. Again, there may be some conflicting issues on spending money to help solve the problem, but I think that's a value. We build beautiful facilities, we take pride in that, and the homelessness issue is something that obviously affects the perceptions of us (facility staff member, Port Authority of New York and New Jersey, 1989).

THEORETICAL PERSPECTIVE

Models of how environments and organizations relate over time have typically assigned causal primacy to either environmental or organizational forces. Advocates of institutional theory, resource dependence, and population ecology have highlighted the environmental, and strategic choice theorists have emphasized the organizational. Still other theorists have assigned primacy to some combination of the two forces (e.g., Hambrick &

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Finkelstein, 1987; Hannan & Freeman, 1984; Singh, Tucker, & House, 1986; Tushman & Romanelli, 1985). None of these theories treat in depth the processes by which environments and organizations are related over time. Although the language theorists have used implies that a process determines how environments and organizations are connected—organizations chose strategies in response to environmental changes, or environmental selection mechanisms favor one structural form more than others—views of the process through which these relationships are accomplished are currently limited (Sandelands & Drazin, 1989).

In this research, we developed a framework for conceptualizing the process through which organizations adapt to and change their environments. Conceptually and empirically, we took seriously the assertion that organizations respond to their environments by interpreting and acting on issues (e.g., Daft & Weick, 1984; Dutton, 1988b; Dutton & Duncan, 1987; Milliken, 1990). Patterns of actions in response to issues over time create patterns of organizational action that in turn modify an organization's environment. Our claims were built from a case study of how the Port Authority of New York and New Jersey¹ has defined and responded to the issue of the rising number of homeless people present in the facilities it operates.

The case study was used to generate a framework for understanding how organizations and their environments interrelate over time. We employed the idea that organizations have identities (Albert & Whetten, 1985; Ashforth & Mael, 1989) that influence how individuals interpret issues as well as how they behave toward them. The assertion that organizational identity affects issue interpretations and actions has received some support from other studies of organizational adaptation (Meyer, 1982; Miles & Cameron, 1982). The present study also built on ideas from impression management (e.g., Tedeschi, 1981), suggesting that individuals seek to influence how others see and evaluate their organization. The article crosses between macro and micro organizational theory to explain how the Port Authority has dealt with the homelessness issue.

Issues as a Starting Point

Our perspective is that some organizational actions are tied to sets of concerns that we call issues. Issues are events, developments, and trends that an organization's members collectively recognize as having some consequence to the organization. Issues can arise from changes inside the organization, such as employees threatening to stage a strike or a new technology transforming a product or service, or changes originating externally, such as a demographic trend, a regulatory act, or a supply shortage.

The definition of an issue by a collectivity is a "social construction" (Hilgartner & Bosk, 1988). Issue definitions often emerge and evolve over time, and they can be contested (Dutton, 1988a; El Sawy & Pauchant, 1988;

¹ We may subsequently refer to the agency as the Port Authority.

Feldman, 1989; Isabella, 1990; Weiss, 1989). Which issues gain attention and how they are interpreted are important concerns, as issues represent focal points that galvanize interest and direct attention in organizations because of the consequences associated with action or inaction. In some cases, issues activate decisions; in other cases, issues incite neglect or intentional inaction (Bachrach & Baratz, 1972).

A focus on issues as a starting point for interpretation and action in organizations charts a different course for seeing patterns of organizational action than a traditional decision-making view. Researchers who look at decisions as creators of patterns in organizational actions (e.g., Mintzberg, Raisinghini, & Théorêt, 1976; Nutt, 1984) have used the end point of a process—a choice or an absence of choice—as the defining referent and described who and what were involved in producing a certain pattern of action. Typically, researchers define a decision and trace backward from that point to find interpretations for it and actions relevant to it. In contrast, a focus on issues begins with an issue or a collective construction that some datum, fact, or event is of concern for an organization and then proceeds forward from this recognition point to find relevant actions and interpretations. Like the “garbage can model” of decision making (Cohen, March, & Olsen, 1972), an issue focus underlines the importance of attention allocation and sensitivity to context. Unlike the garbage can model, an issue focus is open to changes in issue interpretations over time. The present research adds to research on the temporal dimensions of interpretations (e.g., Dutton, 1988a; Isabella, 1990) by describing how organizational context contributes to how and when issue interpretive changes occur.

For organizations, some issues are routine and expected, and organizational members can easily classify them. The issues fit existing categories and, once classified, elicit a well-learned response (Starbuck, 1983; Starbuck & Milliken, 1988; Weick, 1988). The well-learned responses are types of organizational “recipes,” or patterns of routinized behaviors that are easily available and rewarded in an organization (Weick, 1979). Other issues are not as easily interpreted or processed, however. Issues may be problematic because they are nontraditional: they have not been encountered in the past and thus do not easily fit well-used categorization schemes. Alternatively, issues may be problematic because of the feelings they evoke. Current models of issue diagnosis and organizational adaptation reveal very little about how the level of emotion an issue evokes affects individual and collective processes. Issues that are hot—those that evoke strong emotions—represent different types of stimuli and activate different responses from individuals and organizations than cooler, less affectively charged issues.

The Purpose of the Present Study

Our interest in how individuals and organizations make sense of and act on nontraditional and emotional strategic issues drew us to the case of the Port Authority of New York and New Jersey and its dealings with the issue

of homelessness. The study was designed to generate new theory on how individual interpretations and organizational action on an issue are related over time.

In brief, our analysis revealed that an organization's identity and image are critical constructs for understanding the relationship between actions on and interpretations of an issue over time. Both constructs emerged clearly from a theme analysis of the data. An organization's *identity*, or what organizational members believe to be its central, enduring, and distinctive character (Albert & Whetten, 1985), filters and molds an organization's interpretation of and action on an issue. Organization members monitor and evaluate actions taken on issues because others outside the organization use these actions to make character judgments about it (Alvesson, 1990) and, by implication, its members. Organization members use an organization's *image*, which is the way they believe others see the organization, to gauge how outsiders are judging them. Deterioration of an organization's image is an important trigger to action as each individual's sense of self is tied in part to that image. Thus, individuals are motivated to take actions on issues that damage their organization's image (Ashforth & Mael, 1989; Cheney, 1983). At the same time, the organization's identity limits and directs issue interpretations and actions. These actions in turn may gradually modify the organization's future identity or make certain features of the identity more or less salient. Figure 1 presents a brief summary of the role of organizational identity and image in the Port Authority's response to homelessness.

METHODS

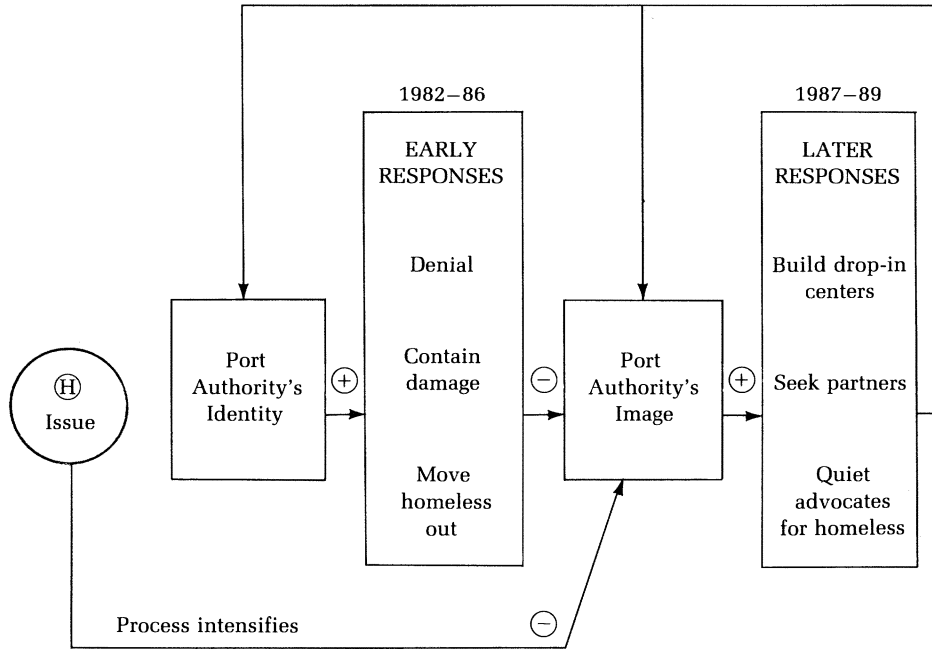
A case study methodology was well suited to our goal of generating and building theory in an area where little data or theory existed (Yin, 1984), where we could study a process as it unfolded over time, and where we could use "controlled opportunism" to respond flexibly to new discoveries made collecting new data (Eisenhardt, 1989: 539).

We selected the case of how the Port Authority of New York and New Jersey has responded to the issue of homelessness because of the issue's social relevance and its visibility to both organization members and outside constituencies. In this sense, the case meets the criteria for an "extreme case," one in which the process of theoretical interest is more transparent than it would be in other cases (Eisenhardt, 1989).

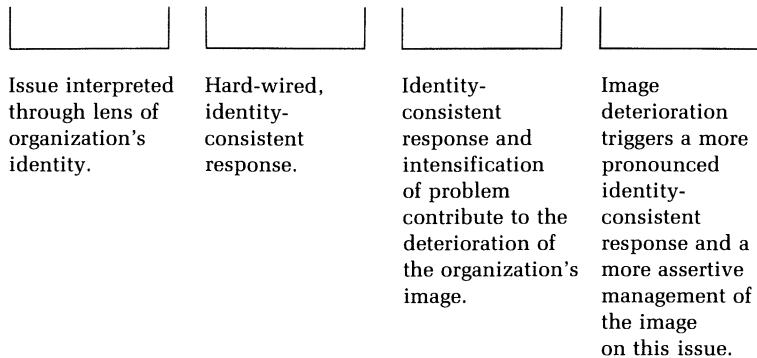
Data Sources

The story of how the Port Authority and the issue of homelessness are related was built from five sources: (1) open-ended interviews with 25 employees of the Port Authority conducted from September 1988 to May 1989, (2) all reports, memos, and speeches prepared within the Port Authority on homelessness from November 1982 until March 1989, (3) articles from regional newspapers and magazines published from March 1986 through No-

FIGURE 1
Simplified Depiction of the Role of Organizational Identity and Image in the Port Authority's Response to Homelessness



Process summary:



Legend

- Ⓜ = homelessness
- ⊕ = positive relationship
- ⊖ = negative relationship

vember 1988 that mentioned both the Port Authority and homelessness, (4) regular conversations with the head of the Homeless Project Team, a temporary task force of Port Authority employees charged with examining the corporation's response to the issue of homelessness, and (5) notes from an all-day training session with Port Authority facility staff members sponsored by the Homeless Project Team in May 1989. All informants were full-time employees of the Port Authority.

Informants. Individuals from four groups with different types of contact with and responsibility for the homelessness issue were informants. We interviewed the Port Authority's executive director and three top-level managers who were involved with the issue; all six members of the Homeless Project Team, line managers with responsibility for the facilities that were actively trying to deal with the issue; five staff members from the public affairs, corporate planning, and budget offices with responsibility for developing and analyzing ideas for a Port Authority response to the issue; and finally four people who dealt hands-on with the homeless in various Port Authority locations, including police officers and customer service managers.

Our initial research objective was to explore differences in how groups in the organization interpreted and responded to the issue. The objective was consistent with research on organizational culture (e.g., Martin & Meyerson, 1988) and the creation of meaning in organizations (e.g., Donnellon, Gray, & Bougon, 1986), which led us to expect a high degree of inconsistency, disagreement, and ambiguity in how organization members interpret strategic issues. However, the data generated by the informants indicated a surprisingly consistent pattern of issue interpretations. Thus, the pattern of interpretations revealed in this study emphasizes the dominant logic (Prahalad & Bettis, 1986), collective beliefs (Walsh, Henderson, & Deighton, 1988), and consensual elements (Gioia & Sims, 1986) in how the homelessness issue was interpreted over time.

Interview questions. The interview guide targeted data on five clusters of variables, which Table 1 describes. The average interview lasted two hours, with one researcher asking questions while the other took notes. More than half of the interviews were tape-recorded and transcribed verbatim.

Data Analysis

"Analyzing data is at the heart of building theory from case studies" (Eisenhardt, 1989: 11). Two analyses were critical for the purposes of this article: construction of the issue's history as depicted in interpretations, actions, and events from 1982 into 1989 and use of theme analysis to explain the pattern of interpretations and actions over time. Both analyses emerged from an identifiable set of steps.

Step 1: Devising and coding using a contact summary form. Following the procedures Miles and Huberman (1984) recommended, we used a contact summary form for recording the main themes, issues, problems, and

TABLE 1
Interview Guide

Variable Clusters	Illustrative Questions
Issue interpretation	
Emotionality	As you think about the homelessness issue, what adjectives would you use to describe the issue?
Distinctiveness and similarity to other strategic issues	How do you see this issue as different from other strategic issues facing the Port Authority?
Perceived hotness	Imagine there was a thermometer for gauging how hot the homelessness issue was. Please indicate how hot you believe this issue is on a 7-point scale and explain the basis for your rating.
Interrelationships with other issues	What other issues inside or outside of the Port Authority is the homelessness issue related to?
Personal involvement in the issue	
Time spent on it	Describe your involvement in the issue.
Amount of direct contact with homeless people	When did you first get involved? How much of your time do you spend dealing with the issue? How has your involvement changed over time?
Change in involvement	
Organizational processing and actions on the issue	
When first noticed	Describe how and when the homelessness issue first became an issue at the Port Authority.
Major milestones	What have been the major milestones in the processing of the issue?
Major setbacks	What have been the major setbacks in the process?
Major successes	What have been the major points of success?
Perceived effectiveness of issue processing	
Costs and benefits of the Port Authority's involvement	What do you believe will be the major benefits and costs of the Port Authority's involvement in the homelessness issue?
Evaluation of the Homeless Project Team's handling of the issue	How has the Homeless Project Team affected you and how will you know if it's been a success?
Organizational context for the issue	
Shared values at the Port Authority	If you were to describe the values that people share at the Port Authority, what would they be?
Institutional mission	How would you describe the overall mission of the Port Authority?

questions in each interview; one researcher originated each form and the other coded it. We defined themes as recurrent topics of discussion, action, or both on the part of the actors being studied (Bjorkegren, 1989). Like a recurring melody in music, a theme captures the central ideas or relationships in an interview (Bjorkegren, 1989).

Step 2: Developing a complete theme list. The contact summary forms for the 25 interviews generated 84 themes, which we collapsed into seven major groupings based on a very general classification of theme substance. For example, “organizational reactions to homelessness” and “the identity of the Port Authority” were broad theme categories. The first broad category included 14 different themes, each addressing unique ways that the Port Authority responded to the homelessness issue, such as denying being in the social service business or reacting negatively to other agencies’ failures to take responsibility for the issue. We used the themes for two distinct purposes: to isolate commonalities in how Port Authority members interpreted homelessness and to suggest an explanation for the issue’s history in terms of our dominant theme categories—the importance of organizational image and identity. Next, each theme was assigned a separate sheet on a coding form in preparation for step 3.

Step 3: Coding the interview data onto the themes. Each interview was coded sentence by sentence onto a theme list in order to document and evaluate the degree and breadth of support for particular themes across informants. After completing the theme-based coding process, we were able to evaluate the degree of support for each theme indicated by the number of theme-related points mentioned both within and across interviews.

Step 4: Constructing an issue history. We used questions on the meaning of the issue and on milestones in its processing to construct a history of how the Port Authority interpreted and responded to the issue over the period studied. Informants consistently identified 1982 as the year in which homelessness became an issue for the organization. Thus, we did not set the starting date but saw it emerge from informants’ accounts of milestones in the issue’s processing. Information from memos, speeches, and meeting minutes served as important supplements to interview data in constructing the issue history. We consulted members of the Homeless Project Team to validate the issue history once it was completed.

The Issue

The presence of homeless people has always been part of the scene at transportation facilities. Several informants noted the qualitative shift that took place in the early 1980s, when people previously referred to in the transportation trade as “bums, winos, and bag ladies” were transformed into “the homeless.” During the last several years, the number of homeless people living and spending time at transportation facilities has dramatically increased. For the Port Authority, an agency that runs many diverse transportation-related facilities, the rising number of homeless people at its fa-

cilities caused increasing problems with the delivery of quality transportation service. One of our informants described the change this way:

Well, a lot of it had to do with the change in the type of people. . . . And the bus terminal always had its share of down-and-out people, but you were able to move them along and get some kind of arrangement with them. But as the numbers increased, you couldn't do that. And the nature of the people began to change, and they began to get younger, and in some respects the people [the Port Authority's patrons] became more afraid of them because they were rowdier, they were more imposing.

In addition to the trend of rising numbers and change in type, three other issue characteristics were mentioned by more than ten informants as distinguishing homelessness from other strategic issues of importance to their organization. First, informants consistently mentioned the issue's broad scope and its linkages to other regional issues such as decreasing housing availability and changes in the skills represented in the region's labor market. Second, they emphasized the links between homelessness and other negative issues such as drugs and crime—links that magnified the fear and aversiveness that individuals expressed about the issue. Finally, close to two-thirds of the Port Authority informants mentioned the lack of control that they felt the organization had over the issue and possible solutions. One facility manager's description of his frustration with the issue captures that assessment well:

I think with all of the building and fixing and all of those good, concrete, reassuring things that we did and still do, and the feeling, the good feeling that we got from being in control, I think this has been undermined in a way by the homeless problem. I think that it said to us, "Look, here is something that you really can't control, and you can't fix it, and you can't caulk it, you can't waterproof it, you can't dig it, and you can't make it go away."

This lack of control and other themes revealed in our analysis can be better understood in light of the distinctive features of the organizational context in which members of the Port Authority struggled to make sense of and respond to the homelessness issue. We describe the organizational context in two sections. First, we describe general features of the Port Authority. Next, we discuss aspects of the organization's identity as perceived by its members. Those perceptions proved crucial for explaining the evolution of interpretations of the issue and actions on it over time. Although we did not originally intend to make the organization's identity so central to the explanation of how the organization adapted to this issue, individuals' senses of the organization's identity and image were metathemes that emerged from our data analysis, and we believe they organize the evolutionary story in a compelling way. Following descriptions of five phases into which we divided the history of the issue, we return to the substance of the Port Author-

ity's identity and image to analyze how they give coherence to the evolution of interpretations, emotions, and actions and also to draw general inferences about the usefulness of these constructs for models of organizational adaptation.

The Site

General features. The Port Authority of New York and New Jersey was established on April 30, 1921, the first interstate agency ever created under a clause of the Constitution permitting compacts between states with congressional consent. Its area of jurisdiction, the "port district," is a 17-county bistate region encompassing all points within a 25-mile radius of the Statue of Liberty. The mandate of the agency was to promote and protect the commerce of the bistate port and to undertake port and regional improvements that it was not likely private enterprise would invest in or that either state would attempt alone. The Port Authority provides wharfage for the harbor the two states share, improves tunnel and bridge connections between the states, and, in general, undertakes trade and transportation projects to improve the region.

Most public authorities in the United States were established to develop and operate a single public improvement project like a bridge or an airport; the Port Authority was the first multipurpose public authority (Caro, 1974). Today it owns and operates 35 facilities, including the World Trade Center; the Port Authority Bus Terminal at 42nd Street; Journal Square Path Center; Kennedy, LaGuardia, and Newark airports; PATH train service,² and many tunnels, bridges, and marine facilities. The mission of the Port Authority remains very broad—to protect the economic vitality of the New York–New Jersey Port District. The organization defines itself as being in the business of transportation.

The Port Authority is the largest public authority in the United States, employing 10,000 people and having total assets of approximately \$5 billion and an annual budget of \$1 billion. It supports itself through issuing bonds and collecting user fees and leasing revenues. An executive director and a board of commissioners selected by the governors of the two states run the organization.

The identity of the Port Authority. Six attributes summarize the informants' views of the characteristics that distinguished their organization (Albert & Whetten, 1985). First, 100 percent of our informants called the Port Authority a professional organization with a uniquely technical expertise, ill-suited to social service activities. Second, informants (44%) referred to their organization as ethical, scandal-free, and altruistic. Third, 36 percent described it as a first-class, high-quality organization and a provider of superior service. Fourth, 36 percent of informants said the agency prided itself on its high commitment to the welfare of the region. Part of this dimension

² PATH stands for Port Authority Trans-Hudson commuter line.

of the Port Authority's identity was a sense that the organization "spoke for the region" and symbolized its successes and shortcomings. Fifth, informants (32%) mentioned the loyalty of employees and their sense of the Port Authority as family. Finally, a fourth of our informants expressed a view of their organization as distinctive in terms of being a fixer, a "can-do" organization. As the story will reveal, the organization's identity was an important element of members' interpretations of the issue, acting both to prompt and constrain issue-related action and resulting in issue-related emotions.

INTERPRETATIONS OF AND ACTIONS ON HOMELESSNESS

The Port Authority's struggle with the homelessness issue can be mapped onto five phases, each distinctive in terms of the interpretation of the issue current in the organization and its actions. Figure 2 presents a synopsis of the five issue phases as a timeline. The arrows indicate that once the actions so-designated were implemented, they continued over time. The arrows also show that the Port Authority's action repertoire expanded over the issue's history.

Although we present the five phases as though clear, identifiable signs separated one from another, they in fact shaded into each other. The path of understanding and responding to this issue can be thought of as an evolving history of interpretations, emotions, and actions. This history offers important insights into the organizational processes at work in creating patterns of action.

The five phases are described in terms of three components: key events, major interpretations, and major actions. The key events of each phase are the major developments and changes that informants identified as significant during a given phase of the issue's evolution. The events are crucial for comprehending how organization members interpreted the issue at each point in time and how and why the organization took certain actions. Although certain events appeared to have caused a certain action or interpretation, we refrain from making such causal inferences. Our purpose is to provide a relatively complete description of how interpretations and actions coevolved in the context of a series of unfolding events against the backdrop of this particular organization.

Phase 1: Homelessness Is a Police-Security Issue (1982–84)

Homeless people have always been part of the landscape for transportation services. The features that are important for the delivery of effective service to transportation agency clients also attract the homeless. The facilities are warm in the winter and cool in the summer. They are clean, have toilets and running water, and guarantee people some degree of personal safety through the constant presence of police. Thus, for most transportation agencies and the police who patrol them, dealing with a certain number of homeless people has long been a normal part of business.

FIGURE 2
History of the Homelessness Issue

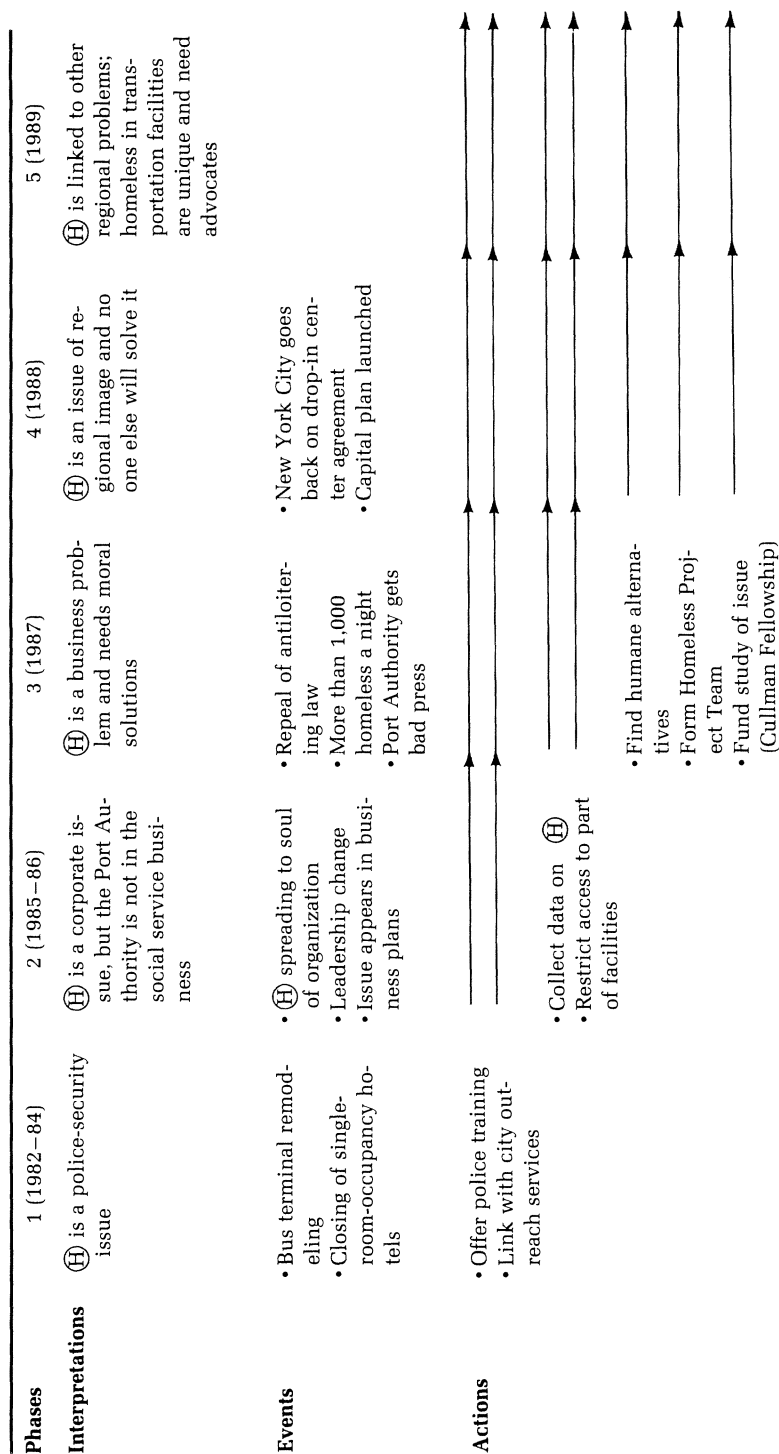
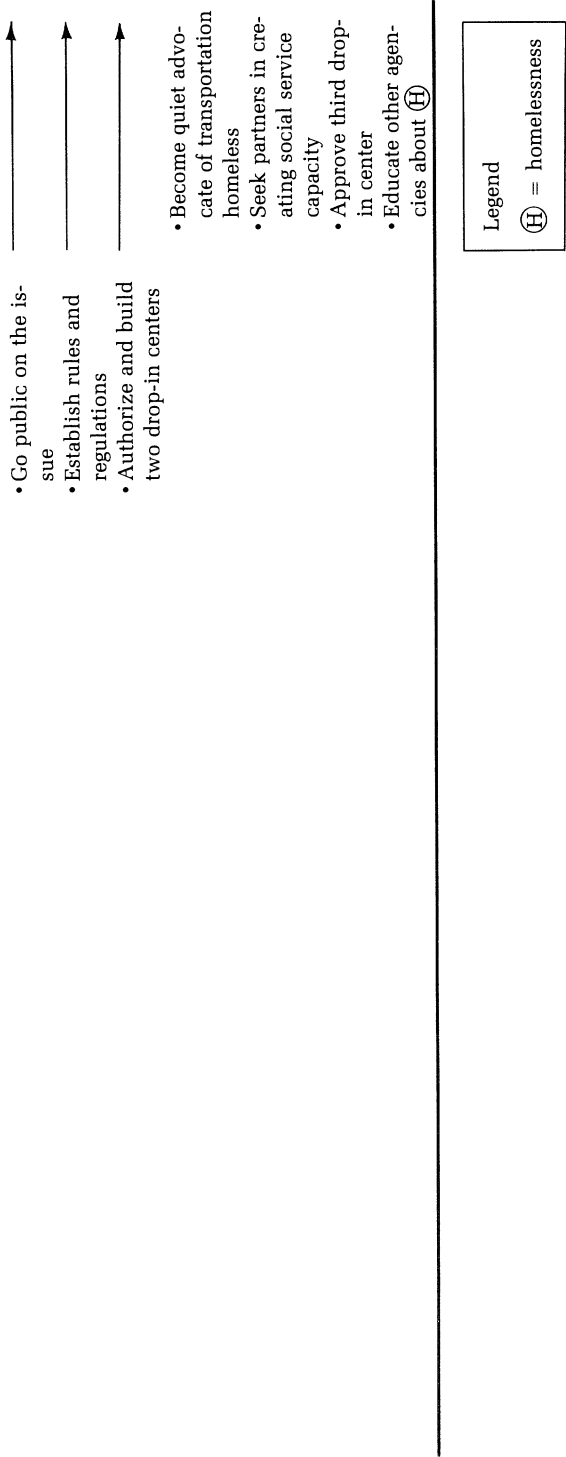


FIGURE 2 (continued)



Key events. In 1982, several factors converged to make homelessness a more prominent issue for the Port Authority, particularly at the bus terminal. First, organization members noted a marked rise in the number of homeless people present in their facilities. Second, a \$226 million renovation that had just been completed at the bus terminal accentuated the visibility of the homeless. The renovation, which increased the building's square footage by about 40 percent, opened up new space for use by passengers and homeless people alike. At the same time, a large number of single-room-occupancy hotels in New York City closed. As one informant told us, "As the Manhattan real estate market picked up, these hotels were closed, and we had an increase in the number of homeless people, without many skills, without abilities, and without much money, all ending up out on the streets. A fair number of them ended up in the Port Authority bus terminal." The bus terminal's renovation accentuated the problem of the homeless by creating a strong contrast between the beautification of the facility, accomplished by adding space and expensive works of art, and the presence of homeless people who "smelled and looked dirty." To patrons and workers, homeless people marred the Port Authority's attempt to spruce up the bus terminal. For an organization that prided itself on being "the builder of beautiful structures," homeless people were a stain on its identity.

Major interpretations. During 1982, organization members defined homelessness as a police or security issue: the presence of homeless people was problematic for Port Authority customers, and something had to be done. As one informant said, "The issue was 'How do we keep these people out of our facility?' Plain and simple, because they were interfering with our patrons in the sense that they felt that they were not safe because of their presence." The police were, and continue to be, a major source of organizational contact with the homeless at the bus terminal; police officers were also the organization members who carried out action on the issue. Customers confronted the police when they wanted someone from the Port Authority to "do something about this problem!" The organization employs 1,500 full-time officers, constituting the 26th largest police department in the United States, and 130 of them were assigned to the bus terminal. At this time, the police at the bus terminal and the facility's managers dealt with the issue; there was no coordinated corporate response.

Major actions. The existence of an antiloitering law in New York City gave Port Authority police the option of insisting that homeless people leave the bus terminal. In 1982, bus terminal managers took two additional issue-related actions. First, they hired a consultant to train police officers on how to move people out of the facility in a manner that "acknowledged the difficult nature of the problem." Second, they established a relationship with the city's Human Resources Administration and the Manhattan Bowery Corporation³ to develop an outreach program to "give the police some place

³ The Manhattan Bowery Corporation is a "community corporation," a neighborhood-based agency that administers social services where needed.

to send these people.” The officers helped workers from the Manhattan Bowery Corporation transport homeless persons from the Port Authority’s facilities to shelters run by the Human Resources Administration.

Summary. Early Port Authority actions on homelessness were facility-based, limited in scope, and focused on the bus terminal. The organization framed the issue as primarily a police and security matter, an interpretation that, given the city’s antiloitering law, helped contain the problem. Actions to engage the assistance of New York City’s social service support system were also part of the facility-based solution at this time.

Phase 2: Homelessness Is a Corporate Issue, but the Port Authority is Not in the Social Service Business (1985–86)

Demarcations between phases in the relationship between the homelessness issue and the Port Authority are not clear-cut. However, in the 1985–86 period, Port Authority members changed the way they talked about the issue. This change could be attributed to a number of different events and to the recognition that the problem extended beyond the bus terminal.

Key events. Informants described having a growing awareness in 1985–86 that the homelessness issue was no longer confined to the bus terminal, where it was well understood and routines had been developed to deal with it. Now, the homeless were present in several Port Authority facilities. The appearance of homeless people at the World Trade Center and the airports—the organization’s flagships—was the key to making the issue visible at the senior management level. Organization members did not expect to see the homeless in these facilities, and their presence conflicted with central components of the Port Authority’s identity:

It wasn’t until homeless people started to show up at the World Trade Center . . . and the image of the World Trade Center as being a place where homeless people were began to raise its head, that people started to say, “Wait, geez, this is a problem. . . .” It [homelessness] started to show up finally in corporate documents as an issue. It never did before, because everybody knows the bus terminal is an aberration, but when it started to show up at the World Trade Center, and then ultimately, one or two people at the international arrivals building at Kennedy Airport and at LaGuardia Airport, then it began to touch upon the heart and soul of the organization.

The departure of the Port Authority’s executive director and the appointment of a new director was another key event during this period. The leadership change was significant on several counts. First, facility managers and staff members assigned to work on homelessness argued that the momentum to recognize and deal with the issue at the bus terminal had come from the former director. That momentum dissolved with his departure, and advocates for the issue felt that they had to start over from the beginning. Second, the new executive director’s vision for the organization was “returning to its basic businesses.” The new director wanted to “[show others

that] the Port Authority could run like a business.” One implication of this change in vision was an emphasis on using business practices and business justifications as a basis for drawing attention to issues.

In 1986, for the first time the issue of homelessness appeared in business plans for several line departments. Simultaneously, the public affairs department became increasingly concerned about the issue as the rate and intensity of customer complaints increased. The new director openly expressed a strong personal aversion to straying from the main businesses of the Port Authority and “getting into the social service business.”

Major interpretations. In 1985–86, the interpretation of the issue shifted to a recognition that the problem was corporate-wide, not just a bus terminal police issue. The definition of homelessness as a corporate issue came about because Port Authority departments began to include the costs of dealing with the problem in their budgets. As one informant noted, “Corporate issues are identified theoretically through the business-planning process, which is both a strategic planning and a budgeting process.” However, 85 percent of the informants mentioned that although they recognized at this time that homelessness was a corporate issue, they asserted they were not in the social service business. During this time, employees at all levels focused on how to minimize negative fallout from the issue by removing and restricting the problem as it presented itself at various facilities.

Major actions. Three major actions distinguished the issue phase. First, the board and the executive director asked a group of staff members to collect data, analyze it, and make recommendations for a corporate policy on homelessness. Police and facility staff viewed this action as a sign that corporate attention was being directed at the issue. As one upper-level manager stated, the results from this analysis represented “the first time that it [homelessness] was explicitly recognized as a problem and put in writing.” Second, actions at the facility level intensified: bus terminal managers (1) sought and obtained more extensive outreach services, with daytime as well as nighttime assistance, through a contract with the Volunteers of America, a not-for-profit social service provider that sent volunteers to Port Authority facilities to assist homeless people and encourage them to go to shelters, and (2) closed or restricted access to areas of the bus terminal and removed patron benches from the waiting areas. The purpose of these actions was to make the bus terminal an undesirable place to be by “making it as unattractive and uncomfortable to the homeless as possible.” As one informant told us, “I think some of it was motivated by aesthetics, that you didn’t have the people sitting around and maybe they would find someplace else to go.” The organization implemented similar types of outreach services and actions to make the facilities unattractive to the homeless at the two other Port Authority locations where the issue was visible, the World Trade Center and Journal Square Transportation Center.

The third action was an attempt by the bus terminal staff to manage patrons’ understandings of and reactions to homeless people by issuing and posting a lengthy description of the types of homeless that patrons were

observing at the bus terminal. This action was the first of many attempts to improve the image of the Port Authority using a well-learned recipe: "educating others or helping them get smart on the issue."

Summary. During this second issue phase, Port Authority members did not significantly change how they interpreted or acted in response to the issue. In fact, this phase can best be characterized as involving doing the same, but doing it harder. Although informants recognized a shift in corporate understanding of the issue, the organization maintained its fragmented, facility-based response with an overarching goal of "get[ting] the homeless out of here." Denial that the Port Authority was a social service agency accompanied the intense localized response. At the time, the staff at the bus terminal began to try to manage others' understanding of the issue of homelessness, an attempt that was to become more prominent as the staff became more involved with the issue and as the image of the bus terminal—and of the Port Authority through its affiliation with the bus terminal—deteriorated. This phase also marked the beginning of some serious soul-searching by employees and upper management focused in particular on what the role of the Port Authority should be with respect to this issue. As one informant put it, "And then we were saying to ourselves. . . , Can we get them out of there? Should we get them out of here? What are we supposed to do with them? Whose responsibility is this?" This type of concern ushered in the third issue phase.

Phase 3: Homelessness Is a Business Problem and a Moral Issue (1987)

In 1987, several events contributed to changing the way the issue was framed and the level and type of the Port Authority's response to it.

Key events. In late 1986, several events shifted the Port Authority's view of its responsibility for homelessness. First, informants indicated the nature of the homeless people spending time at transportation facilities abruptly changed, primarily because of the influx of crack, a derivative of cocaine that is easily obtained, relatively inexpensive, and very addicting. Links between homelessness, drugs, and crime accentuated the original problem. The increase in drug use and an associated increase in crime served to highlight the importance of police actions. However, at this same time the city's antiloitering law was repealed, significantly restricting the ability of facilities in the city to move the homeless out. For the police, the repeal of the antiloitering law "tied their hands," resulting in a real "blow to police morale." As one informant told us, "It's not that we ever arrested people for loitering. But the antiloitering law's existence allowed us, without as much hoopla, to ask people to move on or to leave."

The absence of a contract between the police officers' union and Port Authority management, dating from spring 1985, exacerbated the issue. There were tensions between the union and management, with the officers caught in the middle. "The individual police officers, in the middle of that issue, wondered who to take their direction from, management on the one hand reminding them of their oath to uphold the laws of the states of New

York and New Jersey and the rules and regulations of the Port Authority. And on the other hand, the union advising them that they may end up losing their homes if they violate someone's civil rights."

The police union put pressure on the Port Authority to grant certain concessions by generating unfavorable press coverage about the organization. The union hired a public relations agency "to float stories about the Port Authority." The stories were intended to put pressure on the Port Authority to hire more police. "They [the public relations firm] generate publicity all the time, and the publicity is aimed at embarrassing the Port Authority and creating this climate of fear and stuff around its facilities to promote the police position, you know . . . that they need more cops and that sort of stuff." The bad press about the Port Authority peaked in late 1987 and early 1988, when 65 percent of the articles in the New York and New Jersey newspapers we reviewed were negative in tone. The Port Authority received negative press for its attempts to control homelessness through tightening regulations. A sample excerpt follows: "In its last board meeting before Christmas, the Port Authority of New York and New Jersey played Scrooge to Jersey City's poor by outlawing begging and sleeping at the Journal Square PATH Transportation Center" (*Jersey Journal*, December 11, 1987).

At the same time, in 1987 the number of homeless people congregating at Port Authority facilities surpassed 1,000 on some nights. This number represented an important threshold that, in the minds of organization members, made the issue no longer deniable for the organization.

Major interpretations. The most significant change in the way the issue was defined during this period involved upper-level management's acceptance of some organizational responsibility for dealing with the issue and an acknowledgment that it was much more than a police problem. This interpretive shift represented an expanded concern for humane solutions and a heightened awareness of the issue's severity. An excerpt from an important internal memo from January 1987 illustrates this shift: "It is important to recognize that the agency is not in a position to solve the problems of the homeless. . . . The Port Authority's homeless policy is to encourage individuals to leave our facilities and find more appropriate shelter and services, and to minimize their return. . . . We seek to do this in a humane manner, through the assistance of social service agencies. . . ." The shift in the way that the issue was now being defined was subtle. There was still extensive denial of responsibility for solving the problem in any way beyond alleviating the burden on facility staffs, but there was new concern with choosing moral or humane solutions. Thirty-six percent of the informants noted the importance at this time of the Port Authority's acting and looking humane. In addition, there was a recognition that some of the social service mechanisms that were in place were having a positive effect and diminishing the burden on facility staffs.

Major actions. The repeal of the antiloitering law provided a major impetus to the development (technically, an updating) of facility rules and regulations. The rules and regulations first appeared at the bus terminal, but

the procedure spread rapidly to the other Port Authority locations. Police and facility staff viewed the regulations as important because they “gave us a mechanism to deal with certain types of personal conduct for anyone in our facilities.” Nevertheless, the facility police viewed their options for dealing with the homeless as highly constrained, leaving many of them feeling “as if you’re pumping out the ocean.”

Informants at all levels acknowledged that space restrictions and closing off parts of the building were ineffective in minimizing the visibility of the homeless. Port Authority actions during this period indicated resignation to two facts: the problem could not be solved through outreach or restrictions alone, and the organization needed to take a stand.

And then we kind of gave up, you know, we gave up some space. . . . They just sort of took over the waiting room. That was it. You know, we just didn’t know what to do, you know, when you get 15 degree temperatures at night, and there’s absolutely no place for them to go. And so, we said, well, how are we in good conscience going to throw them out of this facility? And this was the first time that people really began to look at it and say, ‘Wait a minute, you know, this is a real moral issue.’ And this was when we decided to make the commitment. And while Grand Central and every place else was throwing them out, we weren’t.

In 1987, top management reluctantly admitted the need to develop a coordinated corporate response to the issue. It was during late 1987 that the executive director decided to form a centralized project team, the Homeless Project Team, whose major responsibilities would include developing a Port Authority policy on homelessness, shifting the burden from the facility staffs, and reducing the amount of top management time spent on the issue. In many of our informants’ minds, the formation of this team signaled that the Port Authority was ready to do something about this issue.

Another key symbol of top-level management’s commitment to the issue was granting a one-year fellowship, the Cullman Fellowship, to a public affairs employee to study how the transportation industry was addressing the homelessness issue. The Port Authority established the Cullman Fellowship in 1962 to allow a staff member to undertake a one-year special project that was advantageous to both the individual’s career and the agency. One informant described the significance of funding a fellowship that focused on this type of issue as follows: “It was a very risky thing for the Port Authority to do, because it is not typical of the transportation kind of issue or business or economic development issue that this kind of a conservative organization would generally grant.”

Summary. In 1987, the level and type of attention being paid to the issue changed. Two important symbolic actions signaled internal and external constituencies that top management was now interested in the issue: the formation of the Homeless Project Team and the granting of the Cullman Fellowship. Early in 1987, the “batten down the hatches” response domi-

nated, evidenced by the increase use of rules and regulations, restrictions on access to facilities and closings of parts of facilities. Although there was evidence that assistance from social service agencies and the use of rules and regulations were providing some relief, the problem worsened in terms of the numbers of homeless people. Several events transformed this early response into acceptance that the Port Authority needed to do something different and to do it in a way that did not violate the moral standards embedded in the organization's way of doing things. At this time, a rise in negative press coverage about the Port Authority severely damaged the organization's image. With the hands of facility police tied by the antiloitering law change, police-based solutions proved unsuccessful. In addition, the image of the authority as inhumane really bothered some of our informants and reaffirmed the importance of taking a more "humane stance" on the issue. Since the hotness of the homelessness issue increases with the coldness of the weather, a humane stance meant not endangering anyone "by throwing them out into the cold temperatures."

Phase 4: Homelessness Is an Issue of Regional Image, and No One Else Will Deal with It (1988)

The year 1988 represents a period of significant action on homelessness for the Port Authority.

Key events. Three events are important for understanding the unfolding of the interpretations, emotions, and actions concerning homelessness during this period. First, there was the launching of a \$5.8 billion capital plan for the organization, aimed at updating facilities and improving the image of regional services to enhance the area's international competitiveness. This campaign introduced resource constraints and created expectations for positive press coverage and a corresponding positive image. As one informant said,

We had embarked on this capital campaign at the airports and all of our facilities. We needed the resources to handle the program. It gave us the impetus . . . so we need to control other priorities as much as possible, particularly at the airports. From an organizational standpoint, we are focused on the major initiatives. We expected all of this positive press about the capital plan, and instead, all we have gotten is negative press about homelessness. It overshadows the positive.

The other two events were reactions to Port Authority actions on the issue during this phase. In order to do something "different," the organization decided to commit capital funds to establishing drop-in centers designed to provide social services to the homeless at two locations near its facilities. The two events related to this action were: (1) New York City informally agreed to take over the operation of the first center to be built but subsequently resisted doing so, and (2) there was organized opposition to the opening of a second drop-in center.

Major interpretations. A speech given by the Port Authority's executive director in January to the Partnership for the Homeless in New York City publicized and structured the dominant interpretation of the homelessness issue and the organization's relationship to it for the first half of 1988. Many informants saw the speech as clear evidence that the Port Authority was publicly committed and was going to "do something" about the issue. This speech contained several critical points for understanding the actions and future interpretations of the Port Authority on this issue.

First, there was continued denial that the organization was "in the social service business." Second, the director described the homelessness problem as a regional responsibility, noting that the failure to solve it would have devastating consequences for the region. The speech symbolically associated homelessness with the fiscal crisis of New York City during the 1970s, an association that effectively communicated the seriousness of the issue for the entire region. The speech indicated that the issue's scope had broadened considerably and represented an attempt to involve others in the Port Authority's efforts to deal with the issue.

In the minds of organization members, positive actions could not overcome the damage to the Port Authority's image, and the stain from homelessness had spread to the entire region. As one top-level manager said, "The quality of life of the region is severely impacted by having as a kind of visible ornament, a large number of people who are described as homeless. . . . It creates an environment of extraordinary depression in a transportation mix which is already congested, difficult, and harassed. In some ways, like the graffiti on the subways, it is both a fact and a symbol that the environment is out of control." Some members believed that the Port Authority as an organization and the New York–New Jersey area as a region were unable to compete effectively in the international transportation market because of the image damage to the Port Authority.

At this time, the organization's leadership acknowledged that no one else would solve the issue, leaving them no choice but to get significantly involved:

And so, once it became clear that we were really going to have to become more aggressive, I think at that point there was a kind of watershed which said, "We are going to have to do some things which clearly stretch our mandate, which commit both dollars and cents beyond what is appropriate, and what is probably on some level defensible, because the agencies that have this responsibility are just not prepared to act."

Informants were distinctly emotional when they described the realization that "the Port Authority was forced to get involved because no one else would." Anger, frustration, and disappointment that other organizations had shirked their responsibilities by not solving the problem were expressed by 56 percent of our informants.

Informants' descriptions of the Port Authority board's discomfort with

the financial commitments to homelessness also revealed the negative emotions that accompanied heightened issue investment. One top-level manager expressed this feeling bluntly: "The board is very unhappy, and I think rightly so. They feel that we're spending money, which we are, which is money that is desperately needed for other things in terms of our mandate."

Emotional reactions, however, involved more than unease and anger at the organization's new role. Some informants described hurt and frustration brought on by accusations about their personal characters based, they believed, on outsiders' judgments of Port Authority actions on this issue. Many of the organization members felt good about what it was doing with the homeless but thought that others believed that the Port Authority was acting inhumanely. This discrepancy was distressing and hurtful for individuals. As one facility manager said,

You know, the guy that's running the Lincoln Tunnel doesn't have a full perception of how the bus terminal or the homeless impact what he does on a day-to-day basis. But the minute he leaves and he goes to the cookout in his neighborhood and he meets somebody and this person says, "What do you do for a living?" "Oh, I work for the Port Authority." They say, "How can you stand that bus terminal, what can you do?" That's the name. That's the symbol of the Port Authority. It's the standard bearer. And you know, so personally everybody that's involved in any aspect of working for the Port Authority is identified with that place and with that issue.

Another facility manager described a case in which the press had "bashed" the Port Authority and made derogatory comments about the manager's personal character because of the Port Authority's refusal to set up tables in its facilities during Thanksgiving to serve the homeless. In fact, although the press did not report it, the Port Authority had paid for 400–500 Thanksgiving meals served at a local soup kitchen. The manager was deeply troubled because of the inaccuracy (in his mind) of the external portrait of the Port Authority and the misinterpretation of his actions: "When you see your name in print and they call you callous and you know that in your heart you are probably one of the more compassionate people about this issue, it's hard not to get angry."

During phases 3 and 4, the Port Authority's image suffered acutely from the association with homelessness. There was remarkable consensus from informants about the image's substance. Their view was that outsiders saw the Port Authority as dirty (65 percent of informants used this term), dangerous (56%), ineffective (52%), and inhumane (24%) because of its association with homelessness.

At this time, the issue was clearly emotionally charged both individually and organizationally, and Port Authority actions heated up accordingly.

Major actions. The most dramatic actions during this period involved financing and renovating facilities for two drop-in centers. In early 1988, the board approved expenditures for building and operating centers to service

the bus terminal and the World Trade Center and was committed to opening them within a year. The total cost (initial operating and capital expenses) for these facilities was close to \$2.5 million.

All our informants viewed the May 1988 completion and opening of the Open Door Drop-in Center, adjacent to the bus terminal, as a significant accomplishment, symbolizing the Port Authority's commitment to the issue. The center's opening reaffirmed members' views of the organization as able to "get things done." As an upper-level manager said, "There have been more major achievements than anybody would ever imagine because of the circumstances and the speed with which we have put this thing together."

In October 1988, New York City's Human Resources Administration went back on its informal agreement to take over the financing of the operation of the Open Door Drop-in Center, and the Port Authority altered its stance on the issue. First, some members of the Homeless Project Team and upper management expressed hesitancy about getting into building and managing drop-in centers. In their minds, the incident with the center taught them that they should not try to solve the problem of homelessness at that level because "we just get burned." As one informant told us, "Next time we will live with the problem much longer." Members of the task force and top management sensed that the process that had been used to get the center up and running created "expectations that the Port Authority would fund and operate facilities or created the impression that somehow the homeless at the bus terminal were the Port Authority's problem." Organization members became committed to eliminating this impression. Actions in the next issue phase were partly attempts to alter this false set of expectations.

Organization members also saw the financing and building of the second drop-in center as a significant milestone in processing the issue. This second drop-in center, the John Heuse House, officially opened in December to serve the homeless in lower Manhattan, near the World Trade Center. But the organized opposition of downtown business interests had made getting city approval for the facility a rocky process.

Summary. The year 1988 was a critical phase in the Port Authority's relationship to the homelessness issue. It marked a turning point in the sense that the organization now viewed the issue and justified action with a sense of resigned heroism—a sense that no one else would solve the problem, so the Port Authority would step in, in its usual, excellent way. The attachment of homelessness to concerns such as New York City's fiscal crisis and regional problems reframed the issue and broadened its boundaries (Feldman, 1989). The resigned admission that the organization had to take action on the issue was accompanied by a great deal of emotion about the unfavorable image the Port Authority had in the press, a sense of outrage that those responsible were not doing their job, and a sense of embarrassment and anger generated by negative press coverage of Port Authority actions on homelessness. The formation of the Homeless Project Team helped to congeal a set of initiatives that had already begun in earlier phases. Its members were important catalysts for establishing the two drop-in centers. Instrumen-

tal involvement in the issue significantly escalated during this period, evidenced by the expenditure of \$2.5 million to fund the renovation for and initial operation of the Open Door Drop-in Center and the renovation for the John Heuse House.

Phase 5: Homelessness Is an Issue of Regional Competitiveness, and the Port Authority Is a Quiet Advocate (late 1988–early 1989)

Although the Port Authority's relationship to the issue of homelessness is still evolving, data collection for this study ended in May 1989.

Key events. When active data collection was nearing an end, one event stood out in the minds of informants. In its February 27, 1989, issue, *Newsweek* published a particularly damaging article entitled "The Nightmare of 42nd Street." The article portrayed the bus terminal as a dangerous place for both commuters and the homeless, "a vortex of hopelessness, crime and despair." One day after this article was published, the Port Authority's board convened an emergency group to "try to do something dramatic to turn around the Port Authority image." The formation of this group signaled heightened frustration with the tarnishing of the organization's image through the equation of the Port Authority with the bus terminal and the strong association of the bus terminal and homelessness. The *Newsweek* article and information the organization collected during this period also led to the acknowledgment and articulation that the problem with the bus terminal was far broader than homelessness—it also involved the issues of loitering and drug abuse.

Major interpretations. During the spring, informants indicated an increasing awareness that although there had been some significant victories, the homelessness problem was not going away. The press was still bashing the Port Authority although with less intensity than during the previous two years. Informants acknowledged that the previous winter had been mild, making the visibility of homeless people in Port Authority facilities unusually low. At the same time, several of the organization's initiatives, such as revising the rules and regulations and providing social service assistance, were producing some positive results. Top management claimed that the number of complaint letters received weekly was significantly lower than it had been the previous year, going from an average of seven letters a week at the bus terminal to an average of one letter a week.

Completion of the Port Authority–funded drop-in centers for the homeless signaled an increasing acknowledgment that the organization was getting more and more into the business of homelessness. As one informant put it, "Yeah, we're two feet deep into the business of homelessness, and we don't want to be." Another informant displayed the ambivalence that accompanied this change in level of involvement: "We may be throwing a lot of resources at this, but our heart just isn't in it."

A shift occurred in the Port Authority's definitions of its role in the homelessness issue. Members of the Homeless Project Team said that role was helping others "create capacity" for single men, the typical homeless

people at transportation facilities. So, although management still adamantly denied that the organization was in the housing or social service business, they sought to accomplish some social service objectives "by increasing the capacity of other agencies that are better equipped to substantively address this issue."

Major actions. The Port Authority continued to implement the formulas for dealing with the issue that it had developed over the previous six years. It established outreach services at the airports. It also financially backed a deal with Jersey City to set up a drop-in center and a single-room-occupancy hotel to be run by Let's Celebrate, originally a soup kitchen and pantry operator, near Port Authority facilities at Journal Square. The drop-in center concept was consciously modeled after the John Heuse House arrangement, which management viewed as a more successful and appropriate model than the Open Door Drop-in Center because it minimized the visibility of Port Authority involvement through turning operations over to a service group. The Port Authority encountered delays and resistance to these facility solutions but treated the resistance as "normal" and "part of the process." The sense of urgency and outrage that had accompanied previous setbacks with the first two drop-in centers were notably absent. As one informant told us, "You learn that those people who fight you the hardest, may turn around and be your biggest advocate."

Awareness of rising Port Authority involvement in the issue (spending more money, adding services at more facilities) coexisted with a conscious attempt to minimize the organization's public association with the issue. Management explicitly designed its policy to favor the role of "quiet advocate for the single homeless male." Consistent with this thrust was a desire to *not* take the credit for any action on or solutions to the problem. For example, one staff member who remarked that a local paper's coverage of an incident had been "balanced" and "good" explained that this meant the paper had not mentioned that the Port Authority had played any role in bringing about the successful solutions the article described. As a top manager explained, "I don't want any credit. Let them take the credit. Let the bastards who fought us six months earlier take the credit. It's easy to give the credit. I prefer to work behind the scenes."

Part of the quiet advocate role involved educating others about the special needs of homeless people at transportation facilities. The Port Authority began to actively seek connections with other transportation agencies on the issue. For example, members of the Homeless Project Team began to meet with their counterparts at the Metropolitan Transportation Authority. As one Homeless Project Team member explained, "We are trying to broaden the circle of people who participate, working with the business community as a team." The form of these partnerships and the sorts of solutions implied were not made explicit. However, the Homeless Project Team stated that the agency would offer its "special expertise and viewpoint on the issue to New York City and to businesses who needed it."

Publicity on the Cullman Fellowship and other efforts to manage out-

siders' impressions of the Port Authority's stand on homelessness had an unintentional consequence. Increasingly, people both within and outside the organization viewed it as a leader on the issue. Informants described the Port Authority as "on the cutting edge of what a transportation agency can do on this issue" and as offering "the most creative solutions to this problem." However, some managers were quick to see that this reputation was a double-edged sword: "I think there is another temptation, which is a peculiar Port Authority temptation. There's a tendency in a lot of places around this organization that wants people to get involved in something, and they want to be leaders in it. I just want to deal with this problem, not become a leader on it."

Summary. The relationship of the Port Authority homelessness took a new turn in 1989. Although the organization's position was still not solidified (one informant said, "We are still like an amoeba with this issue"), its actions were increasingly deliberate and intentionally highlighted or downplayed. During the part of 1989 in which we collected data, the Port Authority managed the context in which the issue was affecting it more actively than before. These efforts included searching for partners with whom to design new collective solutions to this regional crisis. Efforts involved presenting information about the issue and information about the Port Authority's actions on the issue in a way that would minimize image damage by disassociating the organization from the issue. The efforts took place within the constraints of taking actions consistent with the Port Authority's identity, actions that complemented its perceived expertise. At the same time, the organization was increasingly recognized as a leader on how to deal with homelessness in the transportation industry. Port Authority members expressed tremendous pride in the organization's method for dealing with the homeless. In their eyes, it was the "most humane approach" used by any transportation agency in the region.

THE ROLE OF ORGANIZATIONAL IDENTITY AND IMAGE

The story of the Port Authority's relationship to the issue of homelessness is still unfolding today. Despite the story's complexity, the evolution of interpretations, actions, and emotions is sufficiently suggestive to allow us to extract, examine, and build on several important themes.

Two central themes that emerged from our analysis of interviews, media coverage, and internal memos focus on the role that the organization's identity and image played in creating the pattern of how individuals in the organization interpreted and responded to the homelessness issue. Specifically, we found that the Port Authority's identity, or how organization members saw it, played a key role in constraining issue interpretations, emotions, and actions. At the same time, the organization's image—how organization members thought others saw it—served as a gauge against which they evaluated and justified action on the issue. In addition, the organization's image was an important mirror for interpretations that triggered and judged issue

action because of a close link between insiders' views of the organization and insiders' and outsiders' inferences about the characters of organizational members.

Over time, actions taken on issues reposition an organization in its environment by modifying tasks, allocation of resources, and assignments of personnel. The pattern of action on issues can therefore reinforce or, potentially, transform the organization's identity and image through individuals' sense-making efforts, and the process of adaptation continues.

The Importance of Organizational Identity

The Port Authority's identity is a critical construct for understanding the evolution of issue interpretations, emotions, and actions over time. We discussed the consensual attributes of that identity earlier and present them again in Table 2, which also summarizes the relationship between the Port Authority's identity and issue interpretations, emotions, and actions by using examples from the phases described in the issue history. The elements in this table provide important material for the beginning of a theory of how organizational identity affects adaptation processes through its effect on issue interpretations, emotions, and actions.

Identity and issue interpretations. The Port Authority's identity shaped its members' interpretations of homelessness in at least three different ways. First, the organization's identity served as an important reference point that members used for assessing the importance of the issue. Perceptions of issue importance are in turn important predictors of willingness to invest in an issue (Dutton, Stumpf, & Wagner, 1990). The issue was important because it threatened key elements of identity. In particular, informants' sense of the Port Authority as a high-quality, first-class institution made the presence of homeless people problematic. The expanding scope of the issue over time can be seen as an indication that the issue was being seen as more important and urgent as it threatened central identity components. Although Port Authority members were uncomfortable with the stain on the organization's identity when the problem worsened at the bus terminal, they interpreted it as even more threatening when the presence of homeless people affected the quality of flagship facilities such as the World Trade Center and the airports. Further, the intractability of the issue and members' sense of not being able to control it were anathema in an organization that considered itself to be a "fixer" and "doer." Additionally, Port Authority members not only emphasized the importance of "looking humane" in their actions, but also focused on "being humane." Thus, the organization's identity defined what aspects of the issue were seen as a threat and helped to locate solutions that could transform the issue into an opportunity (Jackson & Dutton, 1988). For example, some informants described the use of partnering strategies in phase 5 as representing an opportunity for the Port Authority "to show its stuff" to other transportation agencies. As Meyer (1982) found in his study of hospital employees' interpretations of a doctors' strike, ideology—in this case, be-

TABLE 2
Organization's Identity and Issue-Related Behaviors

Percentage of Informants Who Mentioned		Examples of Relationship to Issue Behaviors		
Characteristics of Port Authority's Identity	Characteristic	Interpretations	Emotions	Actions
Professionalism, technical expertise, no social service expertise Ethicality, altruism, public service ethic	100	Constrains what are considered legitimate versus illegitimate issues: Not in social service business (phase 2)	Evokes strong negative emotion if identity compromised: Engineers holding AIDS babies (phase 4)	Provides recipes for issue action: Getting selves and others "smart" on the issue (phase 2)
	44	Activates salient issue categories: Moral and business issues (phase 3)	Negative emotion evoked if negative image assumed to be the identity: Anger at bad press (phase 3)	Sets parameters for acceptable and unacceptable action: No moving the homeless out into the cold (phase 3)
Commitment to quality	36	Reference point for assessing importance of the issue: Homeless spoil attempt at beautifying bus terminal (phase 1) and stain image of Port Authority flagships (phase 2)	Negative emotion evoked when not able to resolve the issue: Frustration in not being able to fix the problem (phase 2)	Provides guidelines for evaluating issue success: Speed of completion of drop-in centers (phase 4)
	36	Identity-inconsistent behaviors signal heightened issue commitment: Granting fellowship for study of nontraditional issues seen as risky (phase 3)		
Commitment to region's welfare Employee loyalty and employees as family	32			
Can-do mentality	25		Strong emotions expressed when identity reinforced in unusual situation: Port Authority-funded drop-in centers provide better service than New York City social services (phase 4)	

liefs about identity—shaped the meanings given to the event and the set of legitimate solutions.

Port Authority members' sense of the issue's importance was also related to the occurrence of identity-inconsistent responses. When the organization took actions that members saw as inconsistent with its identity, they judged the issue as more important and the organization as more committed to it than they had previously. Informants' interpretations of the significance of the Port Authority's granting the fellowship to study homeless people at transportation facilities illustrates this connection. The grant was seen as risky and unconventional, and several informants viewed the nontraditional character of this action as a sign that top management saw the issue as serious and worthy of action commitments.

The Port Authority's identity also constrained what members saw as legitimate interpretations. In the early issue phases, the organization's identity was a critical force in defining homelessness as an issue to which the Port Authority should *not* respond. Organization members justified nonaction using the rationale that the Port Authority excelled in its technical skills but lacked the social service skills necessary to deal with homelessness.

The organization's identity affected the meanings members gave the issue. Two terms frequently applied were "moral issue" and "business issue." Each issue category had associated with it a set of routines and solutions for dealing with the issue (Dutton & Jackson, 1987). However, more important for the argument developed here, different aspects of the Port Authority's identity were associated with each category: homelessness as a business issue with the high-quality-organization identity component, and homelessness as a moral issue with the ethical and altruistic identity component. Thus, these two aspects drove the application of different categories to the issue, which engaged different interpretations of the issue's significance and activated different recipes for solving the problem over time.

Identity and issue emotions. The organization's identity was also significant in explaining the direction and level of emotional expression about the issue. This connection was most vivid in phase 4. Informants expressed negative emotion when inappropriate involvement of individuals or the organization in certain activities compromised the Port Authority's identity. For example, informants told us stories about architects holding babies with AIDs, engineers changing diapers, and sanitation engineers cleaning filthy bathrooms—all related to the issue of homelessness. Whether the substance of the stories was accurate is less important than the values that the stories conveyed, a great disdain about the inappropriate diversion of technical skills for the delivery of social services. This disdain was a strong defense for not responding to the homelessness issue, particularly in the 1982–86 period. The sense of not being able to control homelessness further delayed Port Authority involvement. However, these defenses were no longer sustainable when the problem worsened and the issue's visible appearance in Port Authority facilities other than the bus terminal severely damaged the organization's image.

At the same time, the Port Authority's identity also produced positive

emotions when organizational actions were identity-consistent, especially when those actions were in arenas in which organization members did not expect action. For example, opening the two drop-in centers in the Port Authority's record-breaking style was a source of pride and a sense of accomplishment for informants at all levels of the organization.

Identity and issue actions. The Port Authority's identity also affected the pattern of issue-related actions. First, the identity affected action through the link to issue interpretations and emotions discussed above. However, it also affected action directly by providing guidelines for evaluating success, recipes for solutions, and parameters for acceptable ways of resolving the issue. An argument could be made that objective characteristics of the situation—the increase in the number of homeless people in Port Authority facilities and increased constraints on feasible actions as a result of the repeal of the antiloitering law—created the push for action. The present emphasis on organizational identity doesn't negate the influence of such other forces; rather, it is meant to enrich understanding of the particular responses this organization made. Thus, although a resource dependency perspective (Pfeffer & Salancik, 1978) could be used to explain the increase in the number of actions the Port Authority took, particularly after phase 3, the concept of identity is helpful in understanding how those actions were shaped.

The Port Authority's identity offered implicit guidelines for evaluating the effectiveness of its actions on the issue. Using the speed with which the two drop-in centers were completed as a criterion for the success of the Homeless Project Team and overall success in dealing with the issue typified this connection. Organization members used efficiency in task completion as an important barometer of the Port Authority's success with the issue even though they admitted that the actual problem, in terms of the number of homeless at facilities, had not changed.

Individuals' senses of the Port Authority's identity were associated with a set of routines, or standard procedures for dealing with the issue, whose activation engaged ways of doing things members identified as "typical of the Port Authority." In this sense, an organization's identity is closely tied to its culture because identity provides a set of skills and a way of using and evaluating those skills that produce characteristic ways of doing things (Nelson & Winter, 1982; Swidler, 1986). As Child and Smith (1987) pointed out, "cognitive maps" like identity are closely aligned with organizational traditions. An organization's identity is one of the vehicles through which "preconceptions determine appropriate action" (Weick, 1988: 306). For example, when the homelessness issue was no longer deniable, the Port Authority went to work to "get smart on the issue." The phrase describes the organization's ideal approach to a problem—investigating and analyzing it from all angles. Members learned a great deal about the unique attributes of homeless people at transportation facilities. Some informants saw this engagement of learning routines as typical of the Port Authority and indicative of its professionalism. Members also saw searching for partners for dealing

with the issue and framing the issue as related to the region's future as actions that "typified the Port Authority's approach to things."

Finally, individuals' senses of the organization's identity did more than activate a set of familiar routines for dealing with the issue. That identity also constrained what were considered acceptable or legitimate solutions (Meyer, 1982). The frequent claims that throwing homeless people out in the cold was not the Port Authority's way of dealing with the issue well illustrate that link. Several informants directly compared the Port Authority's response to that of Grand Central Station, where police were moving homeless people out "into the cold," to illustrate the limits of what they saw as legitimate action for coping with the issue.

The Port Authority's upper-level managers were also concerned about doing too much on the issue, such as providing direct outreach or other social services to the homeless. Three considerations fueled this concern. First, these managers were adamant about not straying from their main business of transportation. Providing social services was perceived as a "deviation from our basic area of business" because it would have required hiring people trained in social services. Second, upper-level managers did not want to appear to be leaders on the issue, for they felt that taking such a role would "blur accountability" for the homeless, relieving city agencies of their responsibilities. Third, there was a continual concern over attracting more homeless to Port Authority facilities if services were provided. Thus, upper management sought to maintain a policy of moderation, focusing on actions consistent with the organization's identity.

In sum, a knowledge of individuals' beliefs about an organization's identity is crucial for discerning the importance of an issue, its meanings, and its emotionality. These interpretations, shaped by the organization's identity, move individuals' commitment, involvement, indifference, and resistance in particular directions and thereby direct and shape organizational actions.

The Importance of Organizational Image

An organization's identity describes what its members believe to be its character; an organization's image describes attributes members believe people outside the organization use to distinguish it. Organizational image is different from reputation: reputation describes the actual attributes outsiders ascribe to an organization (Fombrun & Shanley, 1990; Weigelt & Camerer, 1988), but image describes insiders' assessments of what outsiders think. Both organizational image and identity are constructs held in organization members' minds. They capture two of the key ways that an organization becomes meaningful to individuals and motivate individuals to action in particular ways and at particular times. In the case of the Port Authority and its dealings with homelessness, image changes triggered the organization's later, more substantive response to the issue, particularly in 1987. Active attempts to manage the organization's image on this issue also explain the changing issue-related actions.

Organizational image and individuals' motivation. An organization's image matters greatly to its members because it represents members' best guesses at what characteristics others are likely to ascribe to them because of their organizational affiliation. An organization's image is directly related to the level of collective self-esteem derivable from organizational membership (Crocker & Luhtanen, 1990; Pierce, Gardner, Cummings, & Dunham, 1989). Individuals' self-concepts and personal identities are formed and modified in part by how they believe others view the organization for which they work.

Impetus to take action to improve the damaged image resulting from the Port Authority's association with homelessness was more than organizationally based. As the story revealed, the damage to the organization's image hurt individuals personally. Spoiled organizational images transfer to organization members (Sutton & Callahan, 1987), and this link tightens when actions that affect the organization's image are public and irrevocable. As Weick noted, in such situations actions "become harder to undo" and "harder to disown" (1988: 310). As a result, individuals are strongly motivated and committed to take actions that will restore their organization's image.

The close link between an individual's character and an organization's image implies that individuals are personally motivated to preserve a positive organizational image and repair a negative one through association and disassociation with actions on issues. This explanation complements Sutton and Callahan's (1987) description of how companies' bankruptcy filings caused their managers' efforts to restore their own self-images in the eyes of critical organizational audiences. Similarly, in the Port Authority's struggle with the issue of homelessness we observed defensive tactics designed to actively manage outsiders' impressions of the organization; however, the Port Authority's actions were subject to the constraint of doing things that were consistent with the organization's identity.

Organizational image and impression management. Individuals in organizations actively monitor organizational actions on social issues because such actions can be especially character-enhancing or damning. Port Authority members became aware of their organization's image through personally distant media, like the press, and through close ones, like conversations with friends. Informants' accounts documented the triggers to personal and organizational action the negative press coverage set off. As the story suggested, press coverage of the Port Authority on this issue was particularly vivid and disturbing during phase 4. Most staff members working on this issue also mentioned friends and family as active sources of feedback on the organization's image and the pride or shame that this close feedback provided. The connection between individuals' senses of self and the Port Authority's image created incentives to manage the impression others had of the organization's actions.

As our history ended in 1989, the Port Authority members were continuing to try a variety of impression and image management tactics to see if they could transform the organization's image without violating attributes

that defined its core identity. The evolution of actions was a continuous experimentation and learning process that became more deliberate over time. Although organization members denied responsibility for the problem throughout, when they saw no alternative, they took identity-consistent action in deliberate and significant ways. However, as the significance of actions on the issue increased—that is, as the human and monetary resources invested increased—the Port Authority began to plan which actions it wanted to highlight and which it wanted to conceal. When we stopped collecting data in mid-1989, the organization was acting as an advocate for the homeless, educating and sharing information with other transportation agencies on what could be done, but it was intentionally maintaining a low profile in the development of programs and services. In the minds of the members of Homeless Project Team and most of upper management, the costs of being associated with taking responsibility for homelessness far outweighed any gains from being seen as a builder of superior drop-in centers.

The evolution of actions that we observed over time was partially trial-and-error image management that became more assertive (designed to create a positive image) and less defensive (designed to mend a negative image) over time (Tedeschi & Melburg, 1984). The facility-based solutions were largely reactive, based on attempts to conceal, contain, and eliminate the problem. However, as the problem became more severe and image deterioration amplified emotional reactions to the issue, the organization went into high gear on homelessness in an instrumental sense and low gear in a public sense. In a way that was consistent with its technically expert, high-quality, ethical, and fixer-doer identity, the organization proposed and funded major outreach facilities for the homeless near three of its affected facilities.

In sum, deterioration in the Port Authority's image was an important trigger for and accelerator of issue-related action. Changes in the organization's image fueled investment in and motivation to work on the issue in two distinct ways. First, it prompted personal investment because of members' concerns about how the organization's image was affecting others' views of themselves. Second, it provided important political ammunition for justifying and legitimating further issue commitment (Pettigrew, 1987). The Port Authority's image became a direct target for action as management became more aggressive and deliberate in its actions on the issue.

DISCUSSION AND IMPLICATIONS

The ideas of image and identity and their links to patterns of issue interpretation, action, and emotion reinforce some well-known ideas about organizational adaptation and suggest important new directions for theory and research.

The story of the Port Authority and the role of identity and image in it suggest that organizational context matters in explaining patterns of change. Treatments of organizational adaptation and strategic change have argued

and documented that claim well (e.g., Bartunek, 1984; Miles & Cameron, 1982; Pettigrew, 1987; Tushman & Romanelli, 1985). The Port Authority's struggle with the homelessness issue also supports adaptation researchers' assertions that organizational context affects patterns of change through its effect on how issues are interpreted (e.g., Dutton & Duncan, 1987; Milliken, 1990; Meyer, 1982; Normann, 1977). However, two persistent themes—that what people see as their organizations' distinctive attributes (its identity) and what they believe others see as distinctive about the organization (its image) constrain, mold, and fuel interpretations—help link individual cognitions and behaviors to organizational actions. Because image and identity are constructs that organization members hold in their minds, they actively screen and interpret issues like the Port Authority's homelessness problem and actions like building drop-in centers using these organizational reference points. In this way, organizational image and identity and their consistency or inconsistency help to explain when, where, and how individuals become motivated to push for or against organizational initiatives. As other change researchers have noted (Child & Smith, 1987; Hinings & Greenwood, 1988), it is inconsistency between various conditions in an organization and its context that precipitates action.

The relationship between individuals' senses of their organizational identity and image and their own sense of who they are and what they stand for suggests a very personal connection between organizational action and individual motivation. It suggests that individuals have a stake in directing organizational action in ways that are consistent with what they believe is the essence of their organization. Actions are also directed in ways that actively try to manage outsiders' impressions of the organizations' character (its image) to capture a positive reflection. This connection between organization, employees' self-concepts, and their motivation to invest in and act on issues in particular ways uncovers a new way of thinking about the organizational adaptation process, a perspective in which organizational impression management is an important driving force in adaptation.

Thinking about organizational adaptation processes as attempts at impression management raises several intriguing theoretical and research questions. First, what is the link between managing impressions of organizations and what and how issues are interpreted? Because an organization's association or disassociation with certain issues defined in particular ways has consequences for individuals' careers (Chatman, Bell, & Staw, 1986), impression management concerns are important in determining when and how issues are interpreted. Previous research has assumed these interpretations are important elements in the adaptation process (e.g., Dutton & Duncan, 1987); if that is so, impression management processes hold important clues for discovering how environments and organizations correlate over time. Second, how do impression management processes direct organizational actions? In the Port Authority's struggle with homelessness, we saw impression management concerns become more prominent over time as informants' senses of the organization's image deteriorated. Organization mem-

bers cared how others judged Port Authority actions on this issue. They pushed for types of actions that reflected positively on the Port Authority and, by association, on themselves as well. Serious consideration of these questions reveals the role that impression management processes play in the adaptation process. By linking individual motivation to organizational action, we begin to see new links between microprocesses (individual motivations) and macro behaviors (patterns of organizational change).

Issue interpretations and actions by Port Authority members reflected changes in public awareness and attention to homelessness in the media and "other arenas of public discourse" (Hilgartner & Bosk, 1988: 53). The waxing and waning of the national attention given to this issue eased or accentuated internal difficulties in legitimating mobilization and investment in the issue. For adaptation researchers, this connection suggests that the rise and fall of issues in broad institutional environments affects issue interpretation and action within an organization. This viewpoint is consistent with population ecologists' and institutional theorists' claims that external context constrains organizational change patterns (e.g., Hannan & Freeman, 1984; Zucker, 1988). Other organizational theorists have linked external context to organizational change through the idea of industry recipes (e.g., Huff, 1982; Spender, 1989). The idea presented here is similar; we suggest that meanings in use and legitimated in a broad external context constrain what issues or ideas have currency in organizations. Such a view urges adaptation researchers to consider how changes occurring in a public issues arena mold and modify issue interpretations.

In conclusion, the story of the Port Authority's struggle with the homelessness issue provides fertile ground for unearthing new considerations for students of organizations. Consistent with the spirit of Glaser and Strauss (1967), the story reveals new ideas for theory building, particularly for the domain of organizational adaptation. The idea that an organization's identity and image are central to understanding how issues are interpreted, how reactions are generated, how and what types of emotions are evoked, and how these behaviors are related to one another in an organizational context is very simple. It suggests that individuals in organizations keep one eye on the organizational mirror when they interpret, react, and commit to organizational actions. Researchers in strategy, organization theory, and management might better understand how organizations behave by asking where individuals look, what they see, and whether or not they like the reflection in the mirror.

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