

**ADVANCING PARADOX RESOLUTION THEORY
FOR INTERPRETING NON-PROFIT, COMMERCIAL,
BRAND MANAGEMENT STRATEGIES**

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ABSTRACT

Purpose of the paper – This study examines the commercial strategies of two non-profit organizations (NPOs) and the alignment of their values and identity.

Research method – The research uses qualitative, semi-structured, one-on-one interviews conducted in the context of the informants' daily lives and work.

Main finding - The research indicates the value of the alignment of organizational identity with commercial activities, as a means for paradox resolution. Lérins and St John are cases of NPOs that engage in strategic choice.

Originality/value – Research has not so far examined the role of organizational identity alignment in examining paradox resolution among NPOs.

Intended contribution – The NPOs engage in strategic choice for which continuous reference to enactment with core values is an important influence on strategic brand-community building behaviour.

Keywords: Entrepreneurship, non-profit organizations, brand identity, community

Introduction

The phenomenon of branding relates not only to commercial enterprises but also to multiple life-spheres such as the military, schools, museums, churches, and religion itself (Bastos & Levy, 2012). The study here explores the relationship between a non-profit organization's commercial strategies and the alignment of its strategies with its essential identity and values within its brand community.

Researchers identify various metaphors to explain facets of a brand; brand identity is one such metaphor along with brand reputation, brand image and brand personality (Stern, 2006). A considerable literature focuses on corporate identity (Balmer, 2001; Balmer & Greyser, 2006; Hatch & Schultz, 1997; Marwick & Fill, 1997). The close matching an NPO's inner reality and constituents, with perceptions of that reality, provides several relationship benefits and helps achieve organization's planned objectives and serendipitous outcomes (e.g., positive cash flow for funding enterprise growth and charity programs) (Fombrun, 1996). The study here describes this matching in relation to the concept of identity alignment and paradox resolution (Balmer & Greyser, 2002; Poole & Van den Ven, 1989).

This study examines the commercial activities of two NPOs: the Cistercian Abbey of Lérins (hereafter, the "Community") located on the Island of Saint Honorat, France, and The Order of St John (hereafter, the "Order"). The study examines the dynamics in the alignment of values and identity with commercial strategies and activities and with the brand communities (McAlexander, Schouten, & Koenig, 2002; Muniz & O'Guinn, 2001) that these organizations are intent on building. Consideration of brand identity are an important aspect of the study since the

NCOs and their stakeholders consider their brand communities as a property and set of values worthy of nurturing and of protecting.

Reputation, Inner Reality, (In)congruence

The notion of identity incorporates the personal, religious, ethnic, national, corporate or organizational and can say much about what makes each one of us unique or dissimilar (Maalouf, 2000). Figure 1 visualizes the range of identity manifestations relevant to this study. For Bromley (2001) identity is a set of attributes that distinguishes one organisation from another. The study here supplements Bromley's (2001) definition with the consideration, from the corporate reputation literature, that views an organization's identity as what the organization stands for, including its vision and culture (Lloyd, 2011b) .

Insert Figure 1 here

The identity/ image interface represents the moment of truth for an organization (Balmer, 1997; Stuart, 1994). The interface is viewable as the point at which an organization's identity is externalized (and evaluations of its reputation begin to be made). Such a point serves as a conduit between internal and external communication.

According to Fombrun (1996) stakeholders require coherence between an organization's identity and the images it projects. A organization's inner reality and constituents (identity) and perceptions of that reality (image) need to be closely matched (Fombrun, 1996). This matching is discussed by Balmer and Greyser (2003) and by Balmer and Stuart (2004) as identity alignment. An alignment focus sees strong congruence between external brand image and internal organization and values (Chun & Davies, 2006; de Chernatony, 1999; Hatch, 2001). Figure 2 provides an introduction to the tenets of this theory. The theory includes propositions about the way stakeholders evaluate the alignment of an organizations expressions of its identity. The

working definition of organizational brand image in this study is the expression, by the organization, and perception, by its stakeholders, of a brand's activities.

Insert Figure 2 here.

The theory proposes a broad generalized alignment between an organization's identity and those other components of its reputation (i.e., expressions of the brand's activities) that is to say its product and service quality; its performance; its financial performance; its management leadership; corporate leadership; ethical management and leadership; its projected and perceived image; corporate branding activities to date (Lloyd, 2011a) .

A Theoretical Framework for Evaluating the Effectiveness of Alignment

Paradox resolution theory (Poole & Van den Ven, 1989) is used in the paper here as a key to understanding and to working with theoretical contradictions and oppositions, specifically the lack of alignment between identity and commercial activities. The word "paradox" derives from the Greek *para* (beyond) and *doxa* (belief): a paradox is literally a contention or set of contentions that are beyond belief. There are logical and rhetorical paradoxes (Rescher, 2001). "The former type is a communicative predicament - a conflict of what is asserted, accepted or believed. The latter type is a rhetorical trope - an anomalous juxtaposition of incongruous ideas for the sake of striking exposition or unexpected insight" (Rescher, 2001, p. 4). Such incongruity for the sake of developing insight can be seen in the use of provocation (or deliberately unreasonable ideas) to develop new and creative thinking (de Bono, 1996). In everyday discourse a paradox is a judgement or opinion that is contrary to general opinion or common sense. A paradox in this sense would be "an obviously anomalous contention that someone

seriously propounds despite its conflict with what is generally regarded as true” (Rescher, 2001, p. 6).

According to Poole and Van den Ven (1989) the increasing tensions, oppositions, and contradictions between theories create conceptual difficulties. Sociologists have attempted to view internalized norms as a means for coming to terms with the Hobbesian problem of social order (Parsons, 1937). The Heraclitean idea of an organization being in a continuous state of flux is considered a solution to the Parsonian paradox (Collingwood, 1942; Wrong, 1962). According to Hobbes “... a body politic is a dialectical thing, a Heraclitean world in which at any given time there is a negative element”. (Collingwood, 1942, p. 183) Thus social organizations are continuously changing and emergent (Burrell & Morgan, 1979; Pfeffer, 1982; Weick, 1979). The presence of such a negative element may be what Poole and Van den Ven (1989) have in mind when they call for the consideration of a set of theory-building strategies that helps researchers take advantage of theoretical tensions. Such tensions can be regarded as paradoxes of social theory, and four different modes of working with paradoxes are distinguished: Accept the paradox and use it constructively; Clarify levels of analysis; Temporally separate the two levels; Introduce new terms to resolve the paradox (Poole & van de Ven, 1989, p. 562)

The basic proposition of this paper is that the commercial activities of NPOs need to be continually aligned with their essential values and their identity, thereby to provide a source of legitimation for these activities and for the organization’s right to exist. Yet there may be a perceived paradox between what may at first appear to be the values of a religious organization and the adoption by it of secular commercial strategies. Freud (1958) accepted the notion of conflict and paradox. Such a paradox he saw being resolved through the development of a reality principle (Freud, 1958; Rieff, 1979). Social demands for a too-consistent fit between personal

attitudes and actual behavior may be overly swingeing (Dubin, 1959). Figure 3 provides a visual summary of a paradox resolution model developed in this study.

Insert Figure 3 here.

Case Study Background

This study examines the commercial activities of two NPOs engaged in social marketing (Kotler & Zaltman, 1971; Andreasen, 1994; Grier & Bryant, 2005): the Cistercian Abbey of Lérins located on the Island of Saint Honorat, France, and the Order of St John and its New Zealand organization. The focus of the study is on the alignment of the organizations' values and identity with their commercial strategies and activities (McAlexander, Schouten, & Koenig, 2002; Muniz & O'Guinn, 2001). Lérins and St John are cases of organizations with a deep religious history and which are able to engage in strategic choice (Child, 1972).

The Abbey Community of Lérins (the Community) is part of the Roman Catholic Cistercian monastic order which was founded at Cîteaux, in eastern France, in 1098 (Knowles, 1963b). Saint Bernard of Clairvaux was the driving force of the Cistercian order (Knowles, 1963a). St Bernard is one of those figures “whose personality and actions moulded the life of their day” (Knowles, 1963a, p. 31). St. Bernard was “happiest and most himself in the daily relations with his monks” (Knowles, 1963a, p. 35). By the end of the twelfth century the order had spread throughout France and into England, Wales, Scotland, Ireland, Spain, Portugal, Italy, and Eastern Europe (Knowles, 1959). The influence of Bernard upon the Cistercian order was great and lasting, as a result of his work, *Carta Caritatis* and the Constitutions of 1119, and through his extension and adaptation of the Rule of St Benedict, a combination of which encapsulates the Cistercian ethos and identity to this day: “*Carta Caritatis* and the Constitutions

of 1119 ... aimed at establishing [the central value of] the office ... spiritual reading ... and manual work” (Knowles, 1963a, p. 57).

The Community was founded on Saint Honorat in 1869 on the site where a religious community had been located since 410 AD (Lérins, 2013). The Community welcomes guests to discover and to share the space, life and activities on the Île St Honorat: nature conserved and protected; spaces for youthful discovery; spiritual spaces for prayer; history and monuments; hospitality; counselling and hospital care; the protection of a daughter abbey in Vietnam; the making and sale of wines and liqueurs; a restaurant; a gift shop; a ferry service and a publishing business.

The Order of St John dates back to the First Crusade, and has since expanded across the globe to become a recognisable service organisation providing active care in over 40 different countries around the world (The Order of St John, 2013). The Order of the Hospital of St John of Jerusalem (The Order) is believed to have been established around 1070 in Jerusalem by neighbouring monks from a Benedictine Abbey as a hospice, a place to care for Christians taking the hazardous pilgrimage to the Holy City (The Order of St John, 2013). The hospice evolved into a hospital which, after the Pope declared its independence in 1113, grew into a religious, military order with Hospitallers (brothers and sisters) caring for the sick and the poor of any faith.

The Order was driven from Jerusalem in 1187 and re-established itself along the coast of Palestine, Cyprus, and on to Rhodes. By 1530 the Order was governed from Malta, until 1798 when Napoleon banished it. The Order’s medical work continued, with Rhodes hospital hosting separate wards for maternity care and infectious diseases, and a now historic school of surgery and anatomy operated alongside a healthcare service in Malta. The Order expanded and was

gifted land throughout Western Europe; these estates were managed by brothers and sisters of the Order who lived in communities which progressively formed provinces known as Priories or Grand Priories.

English Knights of the order devoted themselves to charitable activities; these activities were organised into Foundations. The English Knights were recognised and incorporated in 1888 by Queen Victoria to become the modern Order of St John (The Order of St John, 2013a). Today the Order consists of 8 national organisations or Priories, with a further 33 national organisations known as Associations.

The New Zealand St John Ambulance Association was established in 1885 and has since become one of the country's largest civilian service organisations (The Order of St John, 2013a). A restructure of the Order in 2000 consolidated its services, which now offers ambulance services, event medical aid, youth and community programs, medical alarms, and first aid and paramedic training provided by a mix of paid and volunteer members (The Order of St John, 2013a).

Two research questions have been formulated for this study. Firstly, what is the relationship between the NPO's commercial orientation and its identity and values? Secondly, what are the implications for paradox resolution theory of this relationship?

RESEARCH METHOD

Semi-structured, one-on-one interviews (Martin, Schouten, & McAlexander, 2006) were conducted at the Abbey of Lérins: on July 10, 2012 with the Abbot, Father Vladimir Gaudrat (PA), and on July 13 with Brother Marie Pâques (MP) who is in charge of the commercial part of the Abbey's work. Similarly with the Order interviews were conducted with Gary Salmon, General Manager Northern Region (GS) and with Pete Loveridge, Director of Commercial

Services (PL). The guided conversations (Zaltman & Coulter, 1995) were conducted in the context of the informants' daily life and work and were recorded digitally. Questions had been reviewed with three senior marketing academics in the US and New Zealand. Each informant had been shown the questions in advance of the interview.

The interview method includes asking questions via interviewer-lead and participant-lead self-questioning covering the complete process of a focal activity; the long interview covers evolutionary processes, changes in direction, and the developmental milestones of the current process—with special attention given to roadblocks, instances of serendipity, outside help, and moments of extra-ordinary clarity, insights, and brilliant planned and unplanned occurrences (Woodside, 2010).

Introductory questions focused on: daily routines; activities for relaxation; commercial activities; planning, objectives and goals; false starts in business ventures; road blocks the NPO has had to deal with in its business ventures and how it overcome them; the important values the NPO wants to nurture, encourage and expand upon and spread; the contribution of commercial activities to the achievement of vision and goals; the contribution of mcommercial activity to the maintenance of the NPO; any issues of the harm (e.g., to the environment) of commercial activity and how is it resolved; unplanned events that may have dramatically changed the direction of commercial activities.

ANALYSIS

The Case of Lérins

Introduction: the Community's business structure

When the French State was separated from the Church in 1905 the Community was set up as a non-profit organization. Any kind of work the Community does to maintain itself has to go

through a company, Lérina S.A.R.L., which is the property of the Community, and which pays taxes on everything it earns. The Community is not required to pay taxes as its funding comes from “development entretien” (maintenance or upkeep) paid by Lérina S.A.R.L. to the Community and which is unique to religious organizations.

The Cistercians today are aware of a possible tainting of the order’s reputation as a result of some of its past commercial activities. When first established in England and Wales its foundations were ‘almost without exception, made in wild or waste districts ... they proceeded to reduce the wilderness to cultivation and to live upon their labour. When they had developed the land within the immediate neighbourhood of the monastery, granges were constructed or adapted on more distant parts of the property, and the abbey became the centre of a wider economic unit ... these granges multiplied rapidly.’ (Knowles, 1963, p. 349)

Some of the monks at Lérins work on the land and do farm work such as driving a tractor, but with the entire Island of Saint-Honorat there is much work, so some lay people are employed by the company, receive a salary from the company, and commute between the mainland and the island.

Business planning

No commercial ventures are acted on without a majority decision by the Community

In a strict sense, the Community is not making the wine: it is Lérina S.A.R.L. which is the property of the Community and which has to operate separately. Funding to support the Community comes from Lérina S.A.R.L. and comes in different ways: the company pays the Community a “development entretien” (maintenance or upkeep). The space in which Lérina S.A.R.L. operates is rented from the Community, and if the company makes a profit, after paying taxes, the money comes to the Community, as the owner of

the company. The benefits of the company are given to the owner of the company and the Community is the owner. (PA)

The Lérina Company and the Community's collaborators, for example the management of La Tonnelle Restaurant and of the ferry that serves the Island of Saint Honorat, have their own business plans. The Community's own objectives and goals evolve more from its purpose as a religious Community and from its core identity and values.

Values

The informants were asked about the Community's identity and values in order to develop an understanding later of the alignment of these values with its commercial activities.

Charity, silence and peace. These are the values that run through everything we do and all we want to achieve. The Rule of Saint Benedict provides us with guidelines for the maintenance of a Community as a place of God and of Prayer. The Rule provides us with the flexibility to adapt to the life and times in which our Community is to do its work. (PA)

Fraternity, peace, justice and harmony. An important aspect of harmony is with the Island of which, historically, we are trustees or stewards, and which we seek to protect through a sustainable approach to all we do. Work and enterprise also are important, but in accordance with our morals and values. Our values and our adherence to the Rule of St Benedict enable us to adapt to new technology – for instance my iPhone. (MP)

Community members express a strong collective sense that the actions of founders and prior shared experiences influence their entrepreneurial activities

(Zheng, 2012). Such shared experiences are referred to as a transactive memory system: “a team-level cognitive process [that] can effectively and efficiently integrate knowledge and skills.” (Zheng, 2012, p. 578)

How commercial activities contribute to the achievement of the Community’s vision and goals

Commercial activities contribute to the maintenance of the Community and to its charitable work: locally, in the Cannes area, and also at the Community’s daughter Abbey in Vietnam, which the Community supports, maintains and protects. Commercial activities provide the financial means for the Community’s existence and for its charitable activities in the broader community.

Our commercial orientation is quite different to the other-worldliness of Buddhism and Hindu. We see our purpose as being very much involved with the world, for example with hospitals. And with people who come and stay at the hostel here and seek counselling. (PA)

The Community seeks to continue to combine its values with the reputation of the Lérins brand. And to work in a sustainable way on the Island. The brand needs always to be associated with the Community’s mission to provide charity to others, for example through the hostelry, in which 20-30 people stay daily, and through which the Community provides counsel and help for people in need. The challenge is to combine a three-fold role for the Community as Christians, as monks and as a practicing enterprise.

We wish to provide an example of how the Community enacts the philosophy of a people or of men who live together as brothers: that is in peace, justice and harmony. The right word would be that of communion with others. (MP)

Deliberate and emergent strategies

Deliberate and emergent strategies (Mintzberg & Waters, 1985) are the extremities of a continuum along which planned, entrepreneurial, ideological, umbrella, process, unconnected, consensus and imposed strategies are aligned. The case of the Community provides an example of a hybrid emergent-consensus strategy process. The Community's commercial strategies are a response to its own emergent appreciation of its capabilities and competencies. In this sense the Community is entrepreneurial in the development of its commercial strategies (Mintzberg & Waters, 1985, p. 270).

Some unplanned activities, for instance as a result of selling Lérins wine on the Internet, have built on on-line seller-customer conversations that indicate how customers value a physical, emotional and cognitive involvement with the production process.

Lérins initiated an arrangement whereby customers come and work on the picking of grapes and may have a section of a vineyard named after them. This creates a sense of involvement and of engagement between customers, the Community and the terroir – the land: the context in which the grapes are grown and the wine is made. (PA)

Sources of potential paradox and resolution

No formalized processes of idea generation, in an experimental design, sense is apparent at Lérins. Divergent thinking (Gielnik, Frese, Graf, & Kampschulte, 2011) has little direct effect on the generation of original business ideas. The Community's core capabilities, its values and realistic exigencies may play a greater role. Trying to get distribution of Lérins wine in China and Russia may have over-stretched Lérina's ability to control distribution and to protect the Lérins brand. Lérina has been more successful with some enthusiastic visitors from Japan who continue to import Lérins wine and to sell it there.

We haven't really had any false starts as such, because our ventures evolve from our work here on the island and from what the *terroir* of the island permits. And because the Lérins brand is used only for products we produce here on the island we have not had any false starts that may have come from efforts to expand our business beyond what we ourselves can produce. (MP)

We need to work with collaborators who share our values and who wish to be part of the vision we have for our products. This can be difficult to control in some countries. (MP)

By being a niche marketer and by being good at what we do ... by remaining true to the identity of the Lérins brand and what it stands for. (MP)

The importance of legitimacy

The downside of some aspects of historical Cistercian involvement in commercial activity may increase concern today for the protection of the Community's reputation.

Here on Saint Honorat we have the need to be, and be seen to be, the stewards and protectors of the island. (PA)

The Community is mindful of ethics and values attached to conducting business, and which can make the difference, and on the downside run the risk of cupidity. Some banking institutions have harmed the reputation of commercial activity, particularly in relation to investment. Yet investment is needed to finance new activities.

We believe that if we conduct our business activities according to the Rule and to our Community's values and ethics, that this will prevent us from

harming our reputation. We want our reputation to be built on the quality of what we produce, on the way we conduct our business and on the charitable acts we can do as a result of commercial activity. (MP)

The Case of the Order of St John

Unlike the Community, which is located on an Island, the Order had no geographical boundaries or ecological orientation. The Community is Roman Catholic; the Order is Protestant.

Business planning

The Order has an annual plan, and is making a significant change in its approach to planning which includes building an integrated national plan which will accommodate all activities including the youth programme.

The rest of the organisation needs to know what youth activities are going on here. Some activities will remain tactical. We might have a fundraising activity over here and a service delivery activity over here. There are often lots of things that connect. Because good service delivery gives good fundraising results. If we send in an ambulance and do well treating a patient we end up getting a good donation. (GS)

One benefit of a nationally integrated business plan is to rationalize services, for example ambulance delivery.

Here in Auckland at the moment. So we've taken some ambulances off the road and we've put cars in their place. So instead of a two-person ambulances we have two cars and single-person crews. And there is a focus on lower crew work. (GS)

Values

At St John 'doing right' is a point of pride for employees and volunteers. The organisation's overall vision is for the wellbeing and health and quality of life for New Zealanders.

We not only save lives but look to make lives better. We can tell you why we don't do it.

We don't do it driven by money. We don't do it because we're seeking prestige. We don't do it because it's just a job. We do it for the love of it. We do it for the love of life.

(PL)

The personality of the organisation creates a strong affiliation between the Order and its staff (both volunteers and paid employees). The charitable notion of helping where needed traces back to the early history of the Order.

Informants refer to the history of the Order and to its Christian ethos, noting that the organisation still displays these ideals but interpreted in a modern way - in acts of community spirit, acts of connection, acts of friendship, acts of courage, and acts of resourcefulness.

I think St Johns is particularly unique. I struggle to find an organisation that has this mix.

We have this long historic Christian ethos with a deep history (GS)

Effectively, and I'm making a very un-judgmental statement here, they're very Christian values...people are doing very Christian stuff. (PL)

Contribution of commercial activities to vision and goals

The best-known among the Order's commercial activities is the St Johns medical alarm. Thirty-three thousand people across the country wear a St John's medical alarm and this generates revenue for the Order while providing care to New Zealanders. A similar revenue source that provides a beneficial health service is the St Johns Supports Scheme:

We also run a St Johns supports scheme. So a household pays a membership that means if you're transported by an ambulance you're not charged" (GS)

The scheme is an insurance arrangement, and involves an annual payment of \$45 per year. Given that not all who make pay this payment require ambulance services, the scheme essentially acts as a charitable donation for the Order. Fundraising forms a significant part of the Order's revenue:

We are the second largest fundraising organization in New Zealand behind the Salvation Army. (PL)

Significant contributions and grants extend from the exercise of charity. The Lion Foundation provides grants to the Order who in exchange feature the Lion Foundation's logo on ambulances supported by these contributions. The Order has a partnership with ASB Bank which for an annual contribution gains exposure through brand logo placement on ambulances.

You'll see ASB on all our uniforms, all our collateral, all our ambulances. (GS)

These grants, contributions, and fundraising efforts in combination with the Order's Telealarm and first aid training businesses enable the Order to operate and provide its services throughout the country.

Deliberate and emergent strategies

Emergent strategies enacted by the Order have been service (e.g., paramedic training) and technology based. Technology developments are the major hurdle in the organisation's commercial activities:

We've done little bits of technology where it's just failed so for some reasons the technology providers run out money or the product didn't work or things like that. (PL)

Informants discussed the future of healthcare and indicate that modern technical developments the Order is involved with will enable individuals to be monitored from their own homes rather than at a hospital:

The cost of you being at home is way less than a hospital bed. So everyone's racing to provide the panacea of looking at or trying to find a device that can measure your pulse, your heart rate, your skin temperature your internal organ pressure. (PL)

The problem with the introduction of such technology can be related to the system and usage of the product, and the public's acceptance and adoption of these technologies. St Johns has received grants to investigate and explore these possible operations, but the technology is still in its developing stages.

If I were to highlight any failed businesses that we have had, there not really businesses, we have had failures in ICT developments and internal business developments. (GS)

The issue of internal structure and governance and its impact on entrepreneurial endeavours was raised by both respondents, and is discussed in the following section.

Sources of potential paradox and resolution

An example of a commercial paradox has been whether to market a particular service as a fundraising initiative or an individual offering. GS touches on the difficulty of this consideration in reference to the St Johns supporter's scheme.

It's also a dilemma, is it (the supporter's scheme) an insurance scheme, is it a fundraiser?

Or how should we be promoting it? We've been struggling with it for a few years and we're still trying to untangle that now. (GS)

The vision and values of the organisation are considered when undertaking commercial endeavours. The Order introduced a pooky machine business around twenty years ago in a bid to generate funds.

But then of course there was a moral dilemma that challenged this and some board members became increasingly bothered by this. It wasn't as much of a highlight as it is

today. Back then people thought they were great...but of course they've become increasingly unacceptable. (GS)

About ten years ago we got rid of them all because while they were making good money, it seemed then morally wrong. An organisation like ours, with our ethos, with our foundations, we shouldn't have taken the rewards from gambling. (GS)

Paradox resolution strategies

The Order has two principal strategies for paradox resolution: one is organizational and a second relates directly to the practical application of the Order's ethos.

We have three boards. Then we have a priory board. Then we have a chapter, which is the priory's representation. So we've technically got...you could see that as five approvals of something. (PL)

The lengthy process by which commercial decisions must run through for approval impacts the efficiency of new business endeavours, however Respondent 1 notes that this is an integral part of keeping St Johns best interests at the centre of their commercial activities.

We have had failure in a product we've bought. We've bought some products that's good product but it's taken us too long to introduce it. We are a clumsy organisation in terms of our administration. Things take too long to happen (GS)

The commercial endeavours the Order undertakes are carefully considered against the fundamental values of the organisation and its brand image. Brand congruency is important when engaging in revenue generating activities.

Is it St John? Does it feel like a St John thing that we should be doing? We're not going to sell meat pies or bicycles because it's not St John. So does it feel like St John, is it part of the ethos of who we are. (PL)

As a general point of reference, the Order has a government model which it has utilised since the 1980s, the concept of user pay. This model accounts for the additional expense incurred by the Order which is not subsidised by the government.

We get funded to about eighty five per cent. So the organization is always looking for how can it make up the other fifteen per cent. (PL)

There are revenue sources the organisation would simply not consider exploring due to the lack of alignment with St John's identity and principles: There'd be no way, any shape or form we'd take money from a cigarette company. That would be completely out of scope. (GS)

There is a need for balance between generating the required income, and delivering the services and care in line with the organisation's overall vision.

If I were purely in the corporate sector we'd be squeezing a lot harder. But we're trying to do it with the balance of care, honesty and resiliency. So there is a real balance between this pull and stick between going 'how commercial do we want to be' and what's a charity and how. (PL)

The importance of legitimacy

The Most Venerable Order of the Hospital of St. John of Jerusalem is the recipient of Royal Charters and Statutes. A body incorporated by Royal Charter has all the powers of a natural person, including the power to sue and be sued in its own right. The grant of new Charters is comparatively rare and are reserved for eminent professional bodies or charities which have a solid record of achievement and are financially sound (Privy Council, 2010). Knowledge of the Order's religious roots, while still evident in a Christian ethos, may have been sublimated and superceded by a rational-legal form of legitimization (Bendix, 1977). The legitimacy of the Order is reflected in the structure of its governance.

Part of the value of the Order as an NPO is the reputation and image of the brand as perceived by the public. The high trust and respect scores of St Johns as a New Zealander's brand are significant and cherished by the organisation.

It's very delicate, very special, and you're got to look after it. (PL)

High levels of trust and a positive reputation enable St Johns to better operate in providing care to those in need:

New Zealanders have a very strong trust with St Johns. So if I look at the trust scores for St Johns they're through the roof. Way higher than the police force. (PL)

We can go into communities that many other organizations can't... you wear your little yellow blazer, your safety blazer as a visitor with two ambos' as we call them and you can walk into any house, you can do anything. The uniform of St John ... just says status. (PL)

DISCUSSION

The following research questions were formulated for this study. Firstly, what is the relationship between the NPO's commercial orientation and its identity and values? Secondly, what are the implications for paradox resolution theory of this relationship?

Contribution to Identity Alignment Theory

Alignment with respect to the two cases demonstrates that the inner reality and perceptions of that reality are closely matched (Fombrun, 1996). There is a strong congruence between external brand image and internal organization and values (Chun & Davies, 2006; de Chernatony, 1999; Hatch, & Schultz, M., 2001). The working definition of organizational brand image in this study is the expression, by the organization, and perception, by its stakeholders, of a brand's activities. The two cases demonstrate how all commercial brand activities contribute to a projected and to a perceived brand image. Each case demonstrates how organizational identity and brand activities are founded in an essential ethos.

Contribution to Paradox Resolution Theory

In each case NPOs accept the paradox between not-for-profit status and the need for commercial activity and use it constructively (Poole & Van den Ven, 1989). With respect to the second research question, the NPO's shared beliefs and collective vision drive the need to ensure that there is a high level of alignment between its identity and core values, and the reputation and legitimacy of each. These form vital components of a sense of brand community (McAlexander et al., 2002; Muniz & O'Guinn, 2001). The research has identified the relationship between independent variables: identity and values; management and ethics; products and services; image

and brand activities. These variables may be mediated by stakeholder evaluations (Lloyd, 2011b) as shown in the workbench model appear in Figure 4.

Figure 4 here.

Figure 4 is an adaptation from Lloyd's (2011) corporate reputation management model. The research has pointed to a relevant set of variables by identifying the components of the Community's reputation: essential components include identity and values; affective components include image; perceptual values include brand activities to date. Rational components include ethical management and leadership which include sustainability, ecopreneurship and the Community's active social and community involvement; performance components include the quality of products and services. These components are evaluated by Lérins' stakeholders: the Community itself and lay employees; customers, commercial partners, the media, and visitors and pilgrims. A positive reputation imbues the community with a sense of trustworthiness, credibility, and responsibility in the eyes of its stakeholders and would contribute to the Community's legitimacy: the congruency between the values, norms, and expectations of society and the activities and outcomes of the organization (Dowling & Pfeffer, 1975); the acceptance of the organization by its environment (Kostova & Zaheer, 1999); an organization's right to exist and to operate relatively freely (Ahlstrom & Bruton, 2001).

Research Implications for Advancing Theory—Planned and Unplanned Strategy

Implementation

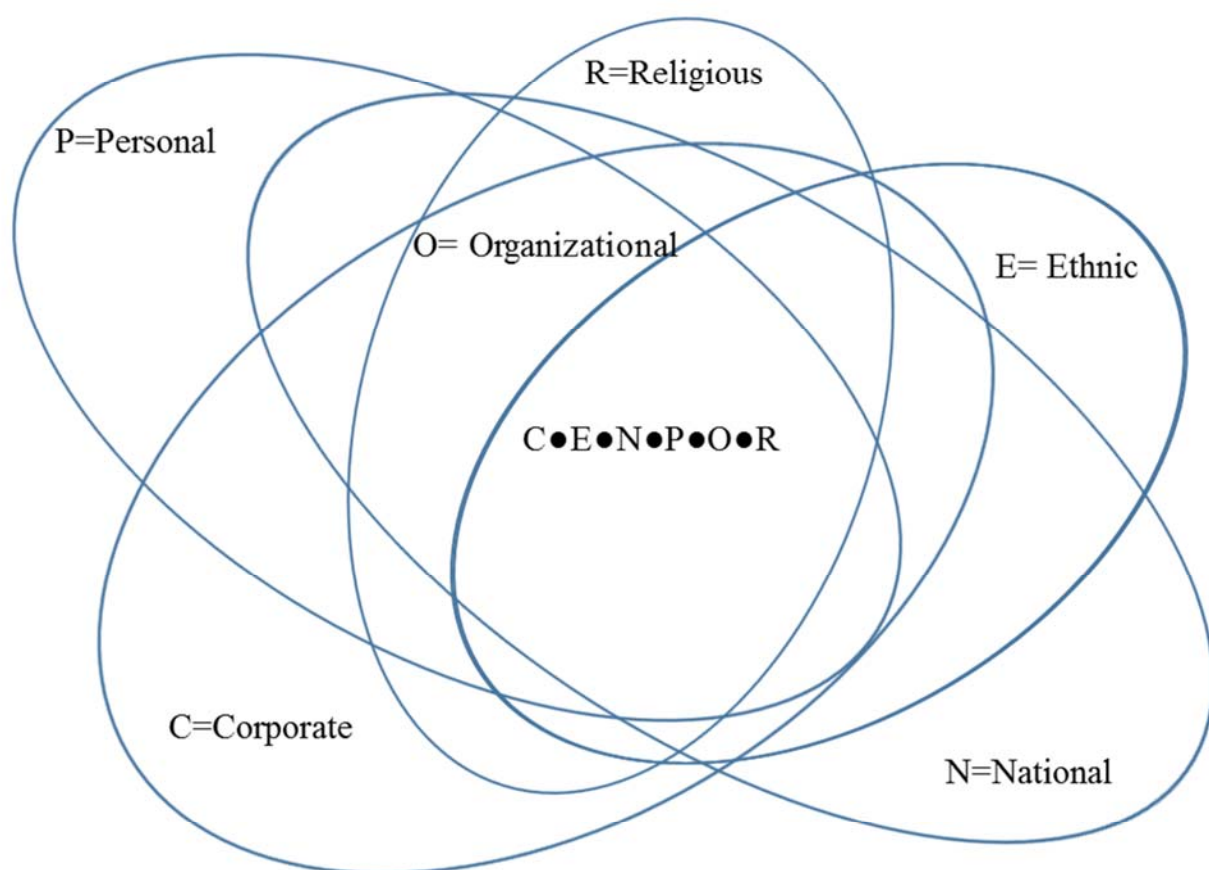
In the case of Lérins, planned strategies which originate in formal plans in a controllable or predictable environment exist only for Lérina and for the Community's commercial partners.

The same applies to process strategies whereby leadership controls process aspects of strategy and is 'partly deliberate, partly emergent (and, again, deliberately emergent).' (Mintzberg & Waters, 1985, p. 270) In this sense, if a hybrid entrepreneurial business model typifies Lérins, it is not in the sense described by Porter (1986, 1996) and Treacy and Wiersema (1995), but rather in a form of hybridization that is typified by a degree of openness, for example an openness towards ecopreneurship. Ecopreneurship is applicable to the Community through an environmental orientation assessed on the basis of environmental goals, policies and relationships, by the organisation of environmental management of the island and of its commercial activities and the communication of environmental issues (Schaltegger, 2002). The Community has its own publishing house which has published on such issues (Frère Marie Paques, 2012). Entrepreneurship is applicable to the Order on account of its health technology activities that support its brand strapline: First to care.

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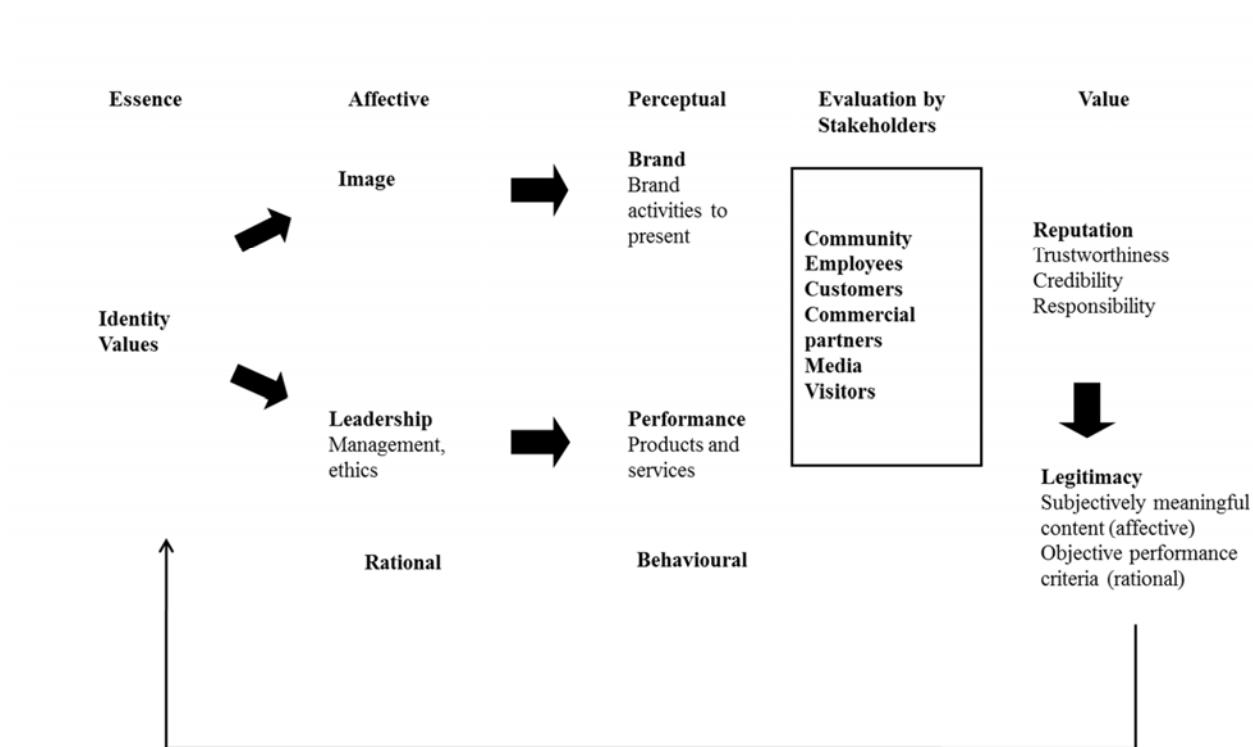


Figure 2
NPO Legitimacy Maintenance Model