SOCIAL IDENTITY AND SELF-CATEGORIZATION PROCESSES IN ORGANIZATIONAL CONTEXTS

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Although aspects of social identity theory are familiar to organizational psychologists, its elaboration, through self-categorization theory, of how social categorization and prototype-based depersonalization actually produce social identity effects is less well known. We describe these processes, relate self-categorization theory to social identity theory, describe new theoretical developments in detail, and show how these developments can address a range of organizational phenomena. We discuss cohesion and deviance, leadership, subgroup and sociodemographic structure, and mergers and acquisitions.

Organizations are internally structured groups that are located in complex networks of intergroup relations characterized by power, status, and prestige differentials. To varying degrees, people derive part of their identity and sense of self from the organizations or workgroups to which they belong. Indeed, for many people their professional and/or organizational identity may be more pervasive and important than ascribed identities based on gender, age, ethnicity, race, or nationality. It is perhaps not surprising that social psychologists who study groups often peek over the interdisciplinary fence at what their colleagues in organizational psychology are up to. Some, disillusioned with social cognition as the dominant paradigm in mainstream social psychology, vault the fence, thus fueling recent and not so recent laments within social psychology that the study of groups may be alive and well, but not in social psychology (e.g., Levine & Moreland, 1990; Steiner, 1974).

Over the past 10 or 15 years, however, there has been a marked revival of interest among social psychologists in the study of groups and group processes (e.g., Abrams & Hogg, 1998; Hogg & Abrams, 1999; Hogg & Moreland, 1995; Moreland, Hogg, & Hains, 1994), even spawning two new journals: Group Dynamics in 1996 and Group Processes and Intergroup Relations in 1998. The new interest in groups is different. There is less emphasis on interactive small groups, group structure, and interpersonal relations within groups, and there is more emphasis on the self concept: how the self is defined by group membership and how social cognitive processes associated with group membership-based self-definition produce characteristically “groupy” behavior. This revival of interest in group processes and identity has been influenced significantly by the development within social psychology of social identity theory and self-categorization theory. A search of PsychLit in mid 1997 for the key terms social identity and self-categorization resulted in a list of almost 550 publications since 1991.

In this article we introduce social identity theory as a platform from which to describe in detail how social categorization and prototype-based depersonalization actually produce social identity phenomena. We explain how these processes, which are the conceptual core of self-categorization theory, relate to the original and more familiar intergroup and self-enhancement motivational perspective of social identity theory. We show how recent conceptual advances based largely, although not exclusively, on self-categorization theory have great but as yet largely unexplored potential for our understanding of social behaviors in organizational contexts. We have tried to energize this potential by describing various speculations, hypotheses, and propositions that can act as a framework for empirical research.
Some of the key theoretical innovations we promote are based on the ideas that (1) social identity processes are motivated by subjective uncertainty reduction, (2) prototype-based depersonalization lies at the heart of social identity processes, and (3) groups are internally structured in terms of perceived or actual group prototypicality of members. After introducing social identity theory and describing self-categorization mechanisms, we discuss cohesion and deviance, leadership, group structure, subgroups, sociodemographic groups, and mergers and acquisitions. We have chosen these group phenomena because they particularly benefit from the self-categorization-based extension of social identity theory. They capture the interplay of intergroup and intragroup relations and the conceptual importance of prototypicality, depersonalization, and uncertainty. They are also particularly organizationally relevant phenomena, where social identity theory can make a contribution.

Before we begin, we underscore two caveats. First, consistent with social identity theory’s group level of analysis and cognitive definition of the social group (e.g., Turner, 1982; Turner, Hogg, Oakes, Reicher, & Wetherell, 1987), we consider organizations to be groups, units or divisions within organizations to be groups, professions or sociodemographic categories that are distributed across organizations to be groups, and so forth—all with different social identities and group prototypes. Thus, intergroup relations can exist between organizations, between units or divisions within an organization, between professions that are within but transcend organizations, and so forth. Salience mechanisms, described below, determine which group and, therefore, intergroup relationship is psychologically salient as a basis for self-conceptualization in a given context.

Second, social identity theory is not entirely new to organizational psychologists. Although already adopted to some extent by organizational researchers, Ashforth and Mael (1989) first systematically introduced the theory to organizational psychology (also see Ashforth & Humphrey, 1993, and Nkomo & Cox, 1996) and subsequently published some related empirical work (e.g., Mael & Ashforth, 1992, 1995). Others have also applied it to organizational settings (e.g., Dutton, Dukerich, & Harquail, 1994; Pratt, in press; Riordan & Shore, 1997; Tsui, Egan, & O’Reilly, 1992).

This work, however, often touches only the surface of social identity theory. It focuses on some aspects but does not systematically incorporate significant theoretical developments made since 1987 that focus on self-categorization, group prototypicality, contextual salience, and depersonalization processes (see Pratt, in press). These developments have enabled social identity theorists to extend the theory’s conceptual and empirical focus on intergroup phenomena to incorporate a focus on what happens within groups; it has become what could be called an extended social identity theory. For example, in recent work on social psychology, researchers have explored social influence and norms (e.g., Turner, 1991); solidarity and cohesion (e.g., Hogg, 1992); attitudes, behavior, and norms (e.g., Terry & Hogg, 1999); small groups (e.g., Hogg, 1996a); group motivation (Hogg, in press a,b; Hogg & Abrams, 1993a; Hogg & Mullin, 1999); and group structure and leadership (e.g., Hogg, 1996b, 1999).1

**SOCIAL IDENTITY AND SELF-CATEGORIZATION**

Tajfel first introduced the concept of social identity—“the individual’s knowledge that he belongs to certain social groups together with some emotional and value significance to him of this group membership” (1972: 292)—to move from his earlier consideration of social, largely intergroup, perception (i.e., stereotyping and prejudice) to consideration of how self is conceptualized in intergroup contexts: how a system of social categorizations “creates and defines an individual’s own place in society” (Tajfel, 1972: 293). Social identity rests on intergroup social comparisons that seek to confirm or to establish ingroup-favoring evaluative distinctiveness between ingroup and outgroup, motivated by an underlying need for self-esteem (Turner, 1975).

Tajfel (1974a,b) quickly developed the theory to specify how beliefs about the nature of rela-

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1 For general developments, see books by Abrams and Hogg (1990, 1999); Hogg and Abrams (1988); Hogg and Terry (in press); Oakes, Haslam, and Turner (1994); Robinson (1996); Spears, Oakes, Ellemers, and Haslam (1997); Terry and Hogg (1999); Turner et al. (1987); and Worochel, Morales, Páez, and Deschamps (1998).
tions between groups (status, stability, permeability, legitimacy) influence the way that individuals or groups pursue positive social identity. Tajfel and Turner (1979) retained this emphasis in their classic statement of social identity theory. The emphasis on social identity as part of the self-concept was explored more fully by Turner (1982). In a comprehensive coverage of relevant research, Hogg and Abrams (1988) then integrated and grounded intergroup, self-conceptual, and motivational emphases. At about the same time, Turner's earlier conceptualization (1995; Tajfel, 1996b; Turner, 1996a, 1996c) of collective identity is extended to the social categorization process as the cognitive basis of group behavior. Social categorization of self and others into ingroup and outgroup accentuates the perceived similarity of the target to the relevant ingroup or outgroup prototype (cognitive representation of features that describe and prescribe attributes of the group). Targets are no longer represented as unique individuals but, rather, as embodiments of the relevant prototype—a process of depersonaliization. Social categorization of self—self-categorization—cognitively assimilates self to the ingroup prototype and, thus, depersonalizes self-conception. This transformation of self is the process underlying group phenomena, because it brings self-perception and behavior in line with the contextually relevant ingroup prototype. It produces, for instance, normative behavior, stereotyping, ethnocentrism, positive in- group attitudes and cohesion, cooperation and altruism, emotional contagion, and empathy, collective behavior, shared norms, and mutual influence. Depersonalization refers simply to a change in self-conceptualization and the basis of perception of others; it does not have the negative connotations of such terms as deindividuation or dehumanization (cf. Reicher, Spears, & Postmes, 1995).

Representation of Groups As Prototypes

The notion of prototypes, which is not part of the earlier intergroup focus of social identity theory, is absolutely central to self-categorization theory. People cognitively represent the defining and stereotypical attributes of groups in the form of prototypes. Prototypes are typically not checklists of attributes but, rather, fuzzy sets that capture the context-dependent features of group membership, often in the form of representations of exemplary members (actual group members who best embody the group) or ideal types (an abstraction of group features). Prototypes embody all attributes that characterize groups and distinguish them from other groups, including beliefs, attitudes, feelings, and behav-
iors. A critical feature of prototypes is that they maximize similarities within and differences between groups, thus defining groups as distinct entities. Prototypes form according to the principle of metacontrast: maximization of the ratio of intergroup differences to intragroup differences. Because members of the same group are exposed to similar social information, their prototypes usually will be similar and, thus, shared.

Prototypes are stored in memory but are constructed, maintained, and modified by features of the immediate or more enduring social interactive context (e.g., Fiske & Taylor, 1991). They are highly context dependent and are particularly influenced by what outgroup is contextually salient. Enduring changes in prototypes and, therefore, self-conception can arise if the relevant comparison outgroup changes over time—for instance, if Catholics gradually define themselves in contradistinction to Muslims rather than to Protestants, or if a car manufacturer compares itself to a computer software manufacturer rather than to another car manufacturer. Such changes are also transitory in that they are tied to whatever outgroup is salient in the immediate social context. For instance, a psychology department may experience a contextual change in self-definition if it compares itself with a management school rather than with a history department. Thus, social identity is dynamic. It is responsive, in type and content, to intergroup dimensions of immediate comparative contexts.

Proposition 1: Changes in the interorganizational comparative context affect the content of organizational prototypes.

As we will see, the content of prototypes strongly influences the group phenomena discussed later in the article.

Self-Enhancement and Uncertainty Reduction Motivations

According to social identity theory, social identity and intergroup behavior are guided by the pursuit of evaluatively positive social identity, through positive intergroup distinctiveness, which, in turn, is motivated by the need for positive self-esteem—the self-esteem hypothesis (e.g., Abrams & Hogg, 1988; see also Hogg & Abrams, 1990, 1993b; Hogg & Mullin, 1999; Long & Spears, 1997; Rubin & Hewstone, 1998). Self-categorization theory’s focus on the categorization process hints at an additional (perhaps more fundamental), epistemic, motivation for social identity, which has only recently been described—the uncertainty reduction hypothesis (Hogg, in press a,b; Hogg & Abrams, 1993b; Hogg & Mullin, 1999). In addition to being motivated by self-enhancement, social identity processes are also motivated by a need to reduce subjective uncertainty about one’s perceptions, attitudes, feelings, and behaviors and, ultimately, one’s self-concept and place within the social world. Uncertainty reduction, particularly about subjectively important matters that are generally self-conceptually relevant, is a core human motivation. Certainty renders existence meaningful and confers confidence in how to behave and what to expect from the physical and social environment within which one finds oneself. Self-categorization reduces uncertainty by transforming self-conception and assimilating self to a prototype that describes and prescribes perceptions, attitudes, feelings, and behaviors.

Because prototypes are relatively consensual, they also furnish moral support and consensual validation for one’s self-concept and attendant cognitions and behaviors. It is the prototype that actually reduces uncertainty. Hence, uncertainty is better reduced by prototypes that are simple, clear, highly focused, and consensual, and that, thus, describe groups that have pronounced entitativity (Campbell, 1958; also see Brewer & Harasty, 1996; Hamilton & Sherman, 1996; Hamilton, Sherman, & Lickel, 1998; Sherman, Hamilton, & Lewis, 1999), are very cohesive (Hogg, 1992, 1993), and provide a powerful social identity. Such groups and prototypes will be attractive to individuals who are contextually or more enduringly highly uncertain, or during times of or in situations characterized by great uncertainty.

Proposition 2: Subjective uncertainty may produce a prototypically homogeneous and cohesive organization or work unit with which members identify strongly.

Uncertainty reduction and self-enhancement are probably independent motivations for social identity processes, and in some circumstances it may be more urgent to reduce uncertainty than
to pursue self-enhancement (e.g., when group entitativity is threatened), whereas in others it may be the opposite (e.g., when group prestige is threatened). However, uncertainty reduction may be more fundamentally adaptive because it constructs a self-concept that defines who we are and prescribes what we should perceive, think, feel, and do.

The uncertainty reduction hypothesis has clear relevance for organizational contexts. Indeed, the hypothesis is not inconsistent with Lester’s (1987) uncertainty reduction theory that plays an important role in Saks and Ashforth’s (1997) multilevel process model of organizational socialization. Although in both cases uncertainty motivates group socialization behaviors, the uncertainty reduction hypothesis specifies self-categorization as the social cognitive process that resolves uncertainty through prototype-based self-depersonalization.

**Salience of Social Identity**

The responsiveness of social identity to immediate social contexts is a central feature of social identity theory—and self-categorization theory within it. The cognitive system, governed by uncertainty reduction and self-enhancement motives, matches social categories to properties of the social context and brings into active use (i.e., makes salient) that category rendering the social context and one’s place within it subjectively most meaningful. Specifically, there is an interaction between category accessibility and category fit so that people draw on accessible categories and investigate how well they fit the social field. The category that best fits the field becomes salient in that context (e.g., Oakes et al., 1994; Oakes & Turner, 1990).

Categories can be accessible because they are valued, important, and frequently employed aspects of the self-concept (i.e., chronic accessibility) and/or because they are perceptually salient (i.e., situational accessibility). Categories fit the social field because they account for situationally relevant similarities and differences among people (i.e., structural fit) and/or because category specifications account for context-specific behaviors (i.e., normative fit). Once fully activated (as opposed to merely “tried on”) on the basis of optimal fit, category specifications organize themselves as contextually relevant prototypes and are used as a basis for the perceptual accentuation of intragroup similarities and intergroup differences, thereby maximizing separateness and clarity. Self-categorization in terms of the activated ingroup category then depersonalizes behavior in terms of the ingroup prototype.

Salience is not, however, a mechanical product of accessibility and fit (Hogg, 1996b; Hogg & Mullin, 1999). Social interaction involves the motivated manipulation of symbols (e.g., through speech, appearance, and behavior) by people who are strategically competing with one another to influence the frame of reference within which accessibility and fit interact. People are not content to have their identity determined by the social cognitive context. On the contrary, they say and do things to try to change the parameters so that a subjectively more meaningful and self-favoring identity becomes salient. For instance, a mixed-sex conversation about the communication of feelings is likely to make sex salient, because the chronically accessible category “sex” is situationally accessible and has good structural and normative fit. Male interactants who find the self-evaluative implications of gender stereotypes about feelings unfavorable might change the topic of conversation to politics so that sex becomes situationally less accessible and now has poor structural and normative fit. In this way a different, and self-evaluatively more favorable, identity may become salient.

This dynamic perspective on identity and self-conceptual salience has clear implications for organizational contexts. Manipulation of the intergroup social comparative context can be a powerful way to change organizational identity (self-conception as a member of a particular organization) and, thus, attitudes, motives, goals, and practices. Organizations or divisions within organizations that have poor work practices or organizational attitudes can be helped to reconstruct themselves, through surreptitious or overt changes in the salience of relevant intergroup comparative contexts (different levels of categorization or different outgroups at the same level of categorization). Such changes affect contextual self-categorization and, therefore, people’s internalized attitudes and behaviors (e.g., Terry & Hogg, 1996).

One way in which organizations may deliberately manipulate the intergroup social comparative context is by “benchmarking.” An organi-
zation selects specific other organizations as a legitimate comparison set, which threatens the group’s prestige. This motivates upward redefinition of organizational identity and work practices, to make the group evaluatively more competitive.

Self-categorization theory’s focus on prototypes allows some important conceptual developments in social identity theory, which have direct implications for organizational contexts. When group membership is salient, cognition is attuned to and guided by prototypicality. Thus, within groups people are able to distinguish among themselves and others in terms of how well they match the prototype. An intragroup prototypicality gradient exists—some people are or are perceived to be more prototypical than others (Hogg, 1996a, b, 1999). This idea allows social identity theorists to now explicate social identity—based intragroup processes, such as cohesion and social attraction, deviance and overachievement, and leadership and intragroup structural differentiation.

COHESION AND DEVIANCE

A development of social identity theory made possible by focusing on how social categorization produces prototype-based depersonalization is the social attraction hypothesis, which approaches group solidarity and cohesion as a reflection of depersonalized, prototype-based interindividual attitudes (Hogg, 1987, 1992, 1993). A distinction is drawn between interindividual evaluations, attitudes, and feelings that are based on and generated by being members of the same group or members of different groups (depersonalized social attraction) and those that are based on and generated by the idiosyncrasies and complementarities of close and enduring interpersonal relationships (personal attraction).

When a group is salient, ingroup members are liked more if they embody the ingroup prototype. Where the prototype is consensual, certain people are consensually liked, and where all members are highly prototypical, there is a tight network of social attraction. Of course, outgroup members generally are liked less than ingroup members. When a group is not salient, liking is based on personal relationships and idiosyncratic preferences. The prediction is that patterns of liking in an aggregate, and the bases of that liking, can change dramatically when an aggregate becomes a salient group (e.g., when uncertainty or entitativity are high, or when the group is under threat or is engaged in intergroup competition over a valued scarce resource). Social and personal attraction are not isomorphic (see Mullen & Copper, 1994). These predictions have been supported repeatedly by a program of research with laboratory, quasi naturalistic, sports, and organizational groups (Hogg, Cooper-Shaw, & Holzworth, 1993; Hogg & Hains, 1996; Hogg & Hardie, 1991, 1992, 1997; Hogg, Hardie, & Reynolds, 1995; see overviews by Hogg, 1992, 1993).

One practical implication of the idea of depersonalized social attraction in an organizational setting is that organizational or workgroup solidarity and, thus, adherence to group norms are unlikely to be strengthened by activities that strengthen only personal relationships or friendships. Indeed, such activities may compromise solidarity and norm adherence by fragmenting the group into friendship pairs or cliques that show interpersonal dislike for other pairs or cliques. To increase social attraction and solidarity within an organization, managers might, among other things, create uncertainty (this motivates identification), focus on interorganizational competition (this makes the group salient), and emphasize desirable attributes of the organization (this provides positive distinctiveness).

Proposition 3: Social attraction may foster organizational cohesion, and thereby identification and adherence to organizational norms; conversely, interpersonal attraction may fragment the organization and disrupt identification and adherence to norms.

Cohesion and solidarity, and the feelings people have for one another within a group, hinge on the perceived group prototypicality of others. We now discuss two organizationally relevant implications of this idea: (1) the dynamic interplay of group and demographic prototypes that affects cohesion within an organization (relational demography) and (2) the perception and treatment of nonprototypical group members (negative outliers and high flyers).
Relational Demography

The social attraction analysis of cohesion has relevance for recent organizational research on relational demography (e.g., Mowday & Sutton, 1993; Riordan & Shore, 1997; Wesolowski & Moss-holder, 1997). Relational demography theorists propose that people in organizations or work units compare their own demographic characteristics (e.g., race, gender, ethnicity) with those of individual other members or the group as a whole, and that perceived similarity enhances work-related attitudes and behavior. The organization or unit provides the context within which similarity comparisons are made. Social identity theory and the social attraction hypothesis provide a more textured analysis, based on the relative salience of the demographic or organizational group and on the correspondence between demographic and organizational norms/prototypes (see the discussion of group structure below).

Demographic homogeneity may strengthen organizational ingroup prototypes, social attraction, and identification and, thus, adherence to norms, particularly if group norms are not inconsistent with demographic category norms. If the organizational group’s norms clash with those of the wider demographic category, then demographic homogeneity may make the wider category and its norms salient and, thus, weaken adherence to the organization’s norms. Demographic diversity may weaken the impact of demographic group membership, make the organizational group itself more salient, and, thus, strengthen adherence to organizational norms, particularly if societal relations between demographic groups are harmonious. If, however, relations between demographic groups are conflictual and are emotionally charged, diversity will highlight intergroup relations outside the organization or unit, thus making demographic membership salient and strengthening adherence to demographic—not organizational—norms. This analysis revolves around the contextual salience of demographic or organizational identity—not just the degree of perceived demographic similarity.

Proposition 4: Intraorganizational demographic similarity/diversity will impact organizational behavior via organizational or demographic identity salience; organizational salience and behavior are enhanced by demographic similarity, if organizational and demographic norms are consistent, and by demographic diversity, if there is societal harmony among demographic categories.

Negative Outliers and High Flyers

A further implication of the social attraction hypothesis is that prototypically marginal ingroup members will be liked less than prototypically central members and that this process will be accentuated under high salience so that marginal members may be entirely rejected as “deviants.” A program of laboratory research by Marques and his associates provides good evidence for this process (Marques, 1990; Marques & Paez, 1994; Marques & Yzerbyt, 1988; Marques, Yzerbyt, & Leyens, 1988). By being aprototypical, particularly in a direction that leans toward a salient outgroup, a marginal ingrouper jeopardizes the distinctiveness and prototypical clarity and integrity of the ingroup. This may introduce the threat of uncertainty. Thus, fellow ingroupers, especially those for whom uncertainty is particularly threatening, will strongly reject the deviant in order to consolidate a clear prototype to which they can strongly assimilate themselves through self-categorization.

So-called black sheep studies focus on “negative” deviants; ingroup members who are inclined toward the outgroup prototype. But what about “positive” deviants? These are group members who are aprototypical, but in evaluatively favorable ways—for example, overachievers or high flyers. On the one hand, overachievers should be socially unattractive because they are aprototypical, but, on the other, they should be socially attractive because the group can bask in their reflected glory (cf. Burger, 1985; Cialdini et al., 1976; Cialdini & de Nicholas, 1989; Sigelman, 1986; Snyder, Lassegard, & Ford, 1986; Wann, Hamlet, Wilson, & Hodges, 1995). There is some evidence that people are evaluatively particularly harsh on overachievers who suffer a setback or experience a fall (e.g., Feather, 1994), but this research does not differentiate between overachievers who are members of a salient ingroup and those who are not.
To investigate this, researchers are conducting a series of laboratory experiments (Fielding & Hogg, 1998). From social identity theory we predict that the immediate and intergroup social context of overachievement determines the evaluation of positive ingroup deviants. There are two dimensions to the model:

(1) A functional dimension. Where solidarity and consensual prototypicality are important to the group, perhaps owing to uncertainty concerns, positive deviants are dysfunctional for the group; they will be evaluatively downgraded, much like negative deviants. Where solidarity is less critical and prototypicality less consensual but self-enhancement is important, positive deviants are functional for the group; they will be upgraded as they contribute to a favorable redefinition of ingroup identity.

(2) A social attribution dimension. Where positively deviant behavior can be “owned” by the group, the deviant will be favorably evaluated; this would be likely if the deviant modestly attributed the behavior to the support of the group rather than to personal ability and if the deviant had little personal history of overachievement (i.e., was a “new” deviant). Where positively deviant behavior cannot readily be “owned” by the group, the deviant will be unfavorably evaluated; this would be likely if the deviant took full personal credit for the behavior without acknowledging the group’s support (i.e., “boasted”) and if the deviant had a long personal history of overachievement (i.e., was an enduring deviant).

Proposition 5: Organizations will reject negative organizational deviants. Positive deviants will be accepted where organizational prestige is important but will be rejected where organizational solidarity and distinctiveness are important.

LEADERSHIP

In contrast to deviants, prototypical group members are reliably and consensually favorably evaluated when group membership is salient. This idea has recently been extended in order to develop a social identity model of leadership processes in groups (Hogg, 1996b, 1999; also, see Fielding & Hogg, 1997; Hains, Hogg, & Duck, 1997; Hogg, 1996a; Hogg, Hains, & Mason, 1998). From this perspective, leadership—the focus is largely on emergent leaders—is a structural feature of ingroups (i.e., leaders and followers), which is produced by the processes of self-categorization and prototype-based depersonization. As group membership becomes more salient, being a prototypical group member may be at least as important for leadership as having characteristics that are widely believed to be associated with a particular type of leader (i.e., being stereotypical of a nominal leader category; see leader categorization theory: Lord, Foti, & De Vader, 1984; Nye & Forsyth, 1991; Nye & Simonetta, 1996; Rush & Russell, 1988). There are three aspects of the process:

(1) Self-categorization constructs a gradient of actual or perceived prototypicality within the group so that some people are more prototypical than others, and they act as a focus for attitudinal and behavioral depersonization. The person who occupies the contextually most prototypical position embodies the behaviors that others conform to and, thus, appears to have exercised influence over other group members. If the social context remains stable, the prototype remains stable, and the same individual appears to have enduring influence. However, the process is automatic. The “leader” merely embodies the aspirations, attitudes, and behaviors of the group but does not actively exercise leadership.

(2) Social attraction ensures that more prototypical members are liked more than less prototypical members; if the prototype is consensual, more prototypical members are consensually liked. There are a number of important implications of this. First, being socially attractive furnishes the leader with the capacity to actively gain compliance with his or her requests—people tend to agree and comply with people they like. Second, this empowers the leader and publicly confirms his or her ability to exercise influence. Third, the prototypical leader is likely to identify strongly with the group and, thus, exercise influence in empathic and collectively beneficial ways, which strengthens his or her perceived prototypicality and consensual social attractiveness. Fourth, consensual attractiveness confirms differential popularity and public endorsement of the leader, imbues the leader with prestige and status, and instantiates an intragroup status differential between leader(s) and followers.
The final process is an attribution one, in which members make the fundamental attribution error (Ross, 1977) or show correspondence bias (Gilbert & Jones, 1986; see also Gilbert & Malone, 1985, and Trope & Liberman, 1993). Members overattribute or misattribute the leader’s behavior to personality rather than to his or her prototypical position in the group. Because the behavior being attributed, particularly over an enduring period, includes the appearance or actuality of being influential over others’ attitudes and behaviors, being consensually socially attractive, and gaining compliance and agreement from others, this constructs a charismatic leadership personality for the leader.

A number of factors accentuate this process. First, because prototypicality is the yardstick of group life, it attracts attention and renders highly prototypical members figural against the background of the group, thus enhancing the fundamental attribution error (Taylor & Fiske, 1978). Second, the emerging status-based structural differentiation between leader(s) and followers further enhances the distinctiveness of the leader(s) against the background of the rest of the group. Third, to redress their own perceived lack of power and control, followers seek individualizing information about the leader, because they believe that such information is most predictive of how the leader will behave in many situations (Fiske, 1993; Fiske & Déprez, 1996). Fourth, cultural theories of causes of leadership behavior (e.g., the “great person” theory of leadership) may accentuate the fundamental error (e.g., Morris & Peng, 1994). And fifth, the correspondence bias may be strengthened because followers perceive the leader’s behavior to be relatively extreme and distinctive and because they then fail to properly consider situational causes of the behavior (e.g., Gilbert & Malone, 1995; Trope & Liberman, 1993).

Together, these three processes transform prototypical group members into leaders who are able to be proactive and innovative in exercising influence. This also equips leaders to maintain their tenure. They can simply exercise power (more of this below), but they can also manipulate circumstances to enhance their perceived prototypicality: they can exercise self-serving ideological control over the content of the prototype, they can pillory ingroup deviants who threaten the self-serving prototype, they can demonize outgroups that clearly highlight the self-serving ingroup prototype, and they can elevate uncertainty to ensure that members are motivated to identify strongly with a group that is defined as the leader wishes (uncertainty can be managed as a resource by people in power; e.g., Marris, 1996).

The most basic prediction from this model is that as group salience increases, perceived leadership effectiveness becomes more determined by group prototypicality and less determined by possession of general leadership qualities. This prediction has been confirmed in a series of three laboratory studies of emergent leadership (Hains et al., 1997; Hogg et al., 1998, Experiments 1 and 2) and replicated in a field study of outward-bound groups (Fielding & Hogg, 1997). The social attraction and attribution aspects of the model remain to be investigated, as do the many implications described in this section.

We now suggest three organizationally relevant leadership consequences of excessively high group cohesiveness. Such groups may (1) produce leaders who are prototypical but do not possess task-appropriate leadership skills (cf. groupthink); (2) consolidate organizational prototypes that reflect dominant rather than minority cultural attributes and, thus, exclude minorities from top leadership positions; and (3) produce an environment that is conducive to the exercise, and perhaps abuse, of power by leaders.

Prototypical Leadership and Groupthink

This research may help cast light on groupthink: suboptimal decision-making procedures in highly cohesive groups, leading to poor decisions with potentially damaging consequences (e.g., Janis, 1982). There is now some evidence that the critical component of “cohesiveness” associated with groupthink is social attraction, rather than interpersonal attraction (Hogg & Hains, 1998; see also Turner, Pratkanis, Probasco, & Leve, 1992). If we assume that group prototypes do not necessarily embody optimal procedures for group decision making, then group prototypical leaders are quite likely to be less effective leaders of decision-making groups than are leadership-stereotypical leaders (i.e., leaders who, in this case, possess qualities that most people believe are appropriate for group decision making). This suggests that groupthink
may arise because overly cohesive groups “choose” highly prototypical and, thus, perhaps, task-inappropriate members as leaders.

Proposition 6: Strong organizational identification may hinder endorsement of effective leaders, because leadership is based on group prototypicality, and group prototypes may not embody effective leadership properties.

Minorities As Organizational Leaders

Another implication of this analysis of leadership relates to evidence that minorities (e.g., women and people of color) can find it difficult to attain top leadership positions in organizations (e.g., Eagly, Karau, & Makhijani, 1995). If organizational prototypes (e.g., of speech, dress, attitudes, and interaction styles) are societally cast so that minorities do not match them well, minorities are unlikely to be endorsed as leaders under conditions where organizational prototypicality is more important than leadership stereotypicality—that is, when organizational identification and cohesion are very high. This might arise under conditions of uncertainty when, for example, organizations are under threat from competitors or when there is an economic crisis—situations where leaders, rather than managers, may be badly needed.

Proposition 7: Minorities may find it difficult to attain top leadership positions in organizations because they do not fit culturally prescribed organizational prototypes.

Leadership and the Exercise of Power

An important feature of the model is that the processes of social attraction and prototypical attribution decouple the leader from the group: they create a status-based structural differentiation of leaders(s) and followers, which is endorsed by both leader(s) and followers. This has implications for the role of power in leadership (Hogg, 1998; Hogg, 1999; Hogg & Reid, in press). Traditionally, social identity theorists have said little about power, preferring to talk of influence.

Where leaders are merely prototypical, they have influence over followers by virtue of being prototypical; followers automatically comply through self-categorization. It is unnecessary to exercise power to gain influence, and there are strong mutual bonds of liking and empathy between prototypically united leaders and followers that would inhibit the exercise of power in ways that might harm members of the group.

However, once charisma and status-based structural differentiation gather pace, the leader becomes increasingly psychologically and materially separated from the group. This severs the empathic and social attraction bonds that previously guarded against abuse of power. A consensually endorsed, status-based intergroup relationship between leader(s) (probably in the form of a power elite) and followers has effectively come into existence; thus, typical intergroup behaviors are made possible. The leader can discriminate against followers, favor self and the leadership elite, and express negative social attitudes against and develop negative stereotypes of followers (e.g., Goodwin & Fiske, 1996; Goodwin, Gubin, Fiske, & Yzerbyt, in press). Under these conditions leaders are likely to exercise power (in Yokl & Falbe’s, 1991, sense of personal power or in Raven’s, 1965, sense of reward power, coercive power, or legitimate power) and are able to abuse power—for example, when they feel their position is under threat.

This rigidly hierarchical leadership scenario is most likely to emerge when conditions encourage groups to be cohesive and homogenous, with extremitized and clearly delimited prototypes that are tightly consensual. In an organizational context, extreme societal or organizational uncertainty might produce these conditions (Hogg, 1999; see also Pratto, Sidanius, Stallworth, & Malle, 1994, and Tyler, 1990).

Proposition 8: Subjective uncertainty may produce a prototypically and demographically homogenous organization or work unit that has a hierarchical leadership structure with a powerful leader and that has rigid, entrenched, and “extremist” attitudes and practices.

The progression from benign influence to the possibly destructive wielding of power may not be inevitable. Conditions that inhibit the attribution of charisma and the process of structural differentiation, and that reground leadership in prototypicality, may curb the exercise of power. For example, if a group becomes less cohesive,
more diverse, and less consensual about its prototype, followers are less likely to agree on and endorse the same person as the leader. The incumbent leader’s power base is fragmented, and numerous new “contenders” emerge. This limits the leader’s ability to abuse power and renders the exercise of power less effective. Paradoxically, a rapid increase in cohesiveness, caused, for example, by imminent external threat to the group, may, through a different process, have a similar outcome. Cohesion may make the group so consensual that leader and group become temporarily re-fused. The empathic bond is re-established so that the leader does not need to exercise power to gain influence, and any abuse of power would be akin to abuse of self.

*Proposition 9: Emergent leaders may tend to abuse their power unless the organization is highly diverse or highly cohesive.*

**GROUP STRUCTURE**

Leadership is only one way in which groups can be internally structured. Groups, such as organizations, are also structured, in various ways, into functional or demographic subgroups. In this section we discuss the relevance of social identity theory to the analysis of relations among subgroups within organizations—in particular, sociodemographic subgroups based on gender, race, ethnicity, and so forth and organizational subgroups within a superordinate organization formed by a merger or acquisition.

**Subgroup Structure**

Almost all groups are vertically organized to contain subgroups, while they themselves are nested within larger groups. Sometimes subgroups are wholly nested within a superordinate group (e.g., a sales department within an organization), and sometimes subgroups are crosscut by the superordinate group (e.g., pilots within an airline). Social identity theorists and those with more general social categorization perspectives make predictions about the nature of relations between subgroups as a function of the nature of the subgroups’ relationship to the superordinate group. Much of these scholars’ work is framed by the “contact hypothesis,” to investigate the conditions under which contact between members of different groups might improve enduring relations between the groups (e.g., Brown, 1996; Gaertner, Dovidio, Anastasio, Bachman, & Rust, 1993; Gaertner, Dovidio, & Bachman, 1996; Gaertner, Rust, Dovidio, Bachman, & Anastasio, 1995; Hewstone, 1994, 1996; Pettigrew, 1998).

Subgroups often resist attempts by a superordinate group to dissolve subgroup boundaries and merge them into one large group. This can be quite marked where the superordinate group is very large, amorphous, and impersonal. Thus, assimilationist strategies within nations, or large organizations, can produce fierce subgroup loyalty and intersubgroup competition. Subgroup members derive social identity from their groups and, thus, view externally imposed assimilation as an identity threat. The threat may be stronger in large superordinate groups because of optimal distinctiveness considerations (Brewer, 1991, 1993). People strive for a balance between conflicting motives for inclusion/sameness (satisfied by group membership) and for distinctiveness/uniqueness (satisfied by individuality). So, in very large organizations, people feel overincluded and strive for distinctiveness, often by identifying with distinctive subunits or departments.

Some research suggests that an effective strategy for managing intersubgroup relations within a larger group is to make subgroup and superordinate group identity simultaneously salient. For example, Hornsey and Hogg (1999, in press a,b) conducted a series of experiments in which they found intersubgroup relations to be more harmonious when the subgroups were salient within the context of a salient superordinate group than when the superordinate group alone or the subgroups alone were salient. This may re-create, in the laboratory, the policy of multiculturalism, adopted by some countries to manage ethnic diversity at a national level (cf. Prentice & Miller, 1999).

The implication for organizations is clear. To secure harmonious and cooperative relations among departments or divisions within a large organization, it may be best to balance loyalty to and identification with the subunit with loyalty to and identification with the superordinate organization, and not overemphasize either one to the detriment of the other.
From a social identity perspective, managers might achieve this balance by having a distinct departmental or divisional structure, involving, for example, departmental activities and friendly interdepartmental rivalry, carefully balanced against a clear interorganization orientation and organization-wide activities that emphasize positive distinctiveness and positive organizational identity.

**Proposition 10:** Harmonious relations among subgroups within an organization are often best achieved by simultaneous recognition of subgroup and organizational identity.

**Sociodemographic Structure**

Intragroup dynamics and structure also are influenced by the sociodemographic structure of society. Most groups, including organizational groups, have a membership that is diverse in terms of race, ethnicity, gender, (dis)ability, and so forth (e.g., Chung, 1997; Cox, 1991; Ibarra, 1995; Kandola, 1995). Organizations are a crucible in which wider intergroup relations, often evaluatively polarized and emotionally charged, are played out; conflict, disadvantage, marginalization, and minority victimization can arise (e.g., Williams & Sommer, 1997; cf. the expectation states theory notion of diffuse status characteristics [de Gilder & Wilke, 1994] and our earlier discussion of relational demography).

As a theory of intergroup relations, social identity theory has direct relevance for the study of sociodemographic diversity within organizations (Brewer, 1996; Brewer, von Hippel, & Gooden, 1999; see also Alderfer & Thomas, 1988; Brewer & Miller, 1996; Kramer, 1991; Oakes et al., 1994). Intraorganizational minority status rests on the dominant composition of the organization—for example, gender may be a minority status in some organizations but not others. Because of the salience of their minority status in the organizational context, members of such groups are likely to be classified and perceived in terms of this status, thus occasioning stereotypical expectations and treatment from members of the dominant group. The likelihood of stereotyped responses increases if the demographic minority categorization (e.g., gender or ethnicity) converges with a role or employment classification within the organization—for instance, if there are relatively few female employees and they are all employed in secretarial or clerical positions. In such circumstances, categorization in terms of the employment classification is facilitated, because it covaries with a salient demographic categorization.

According to Brewer (1996; Brewer et al., 1999; see also Brewer & Miller, 1996), differentiations within categories are more likely to be made when minority status does not correlate with employment classification. If minority group status is not diagnostic of employment categorization, employees will find it necessary, in order to function within the organization, to acknowledge differences within both the minority group and the employment classification. One way in which convergence between minority group status and employment classification can be avoided, and hence stereotyped responses to the minority group can be reduced, is to crosscut organizational roles and social group membership. In a crosscutting structure, minority group memberships and employment classifications are independent of each other; knowing a person’s group membership is undiagnostic of employment role or classification. Marcus-Newhall, Miller, Holtz, and Brewer (1993) found that when category membership and role assignment were not convergent (i.e., they were crosscut), category members were less likely to favor their own category on post-test ratings, and they were less likely to differentiate among the categories than in a convergent role structure.

From a social identity perspective, a crosscutting structure is one way to manage diversity effectively in organizations. Another strategy is to create a pluralistic or multicultural normative environment within the organization (Cox, 1991; Kandola, 1995). As discussed above, this involves minority members’ balancing subgroup (i.e., demographic minority) and superordinate group (i.e., demographic majority or organization) identification, and majority members’ exhibiting normative acceptance and support for cultural diversity within the organization.

To summarize, a crosscutting structure will assist the development of a pluralistic organizational environment, as will reduced marginalization of minority group members, through cooperative intergroup contact (Hewstone & Brown, 1986; see also Deschamps & Brown, 1983) and through intergroup contact that changes
members’ cognitive representation of the intergroup structure from the perception of separate groups to one that acknowledges plural identities or a common ingroup identity (e.g., Gaertner et al., 1996).

**Proposition 11:** Conflict arising from sociodemographic diversity within an organization can be moderated by crosscutting demography with role assignments or by encouraging a strategy of cultural pluralism.

Finally, drawing on the uncertainty reduction hypothesis, we would expect organizational uncertainty to generally work against diversity. Organizations facing uncertainty would strive for homogeneity and consensual prototypicality that might marginalize sociodemographic minorities within the organization. The effect would be amplified under conditions of wider societal uncertainty that encourages ethnic, racial, religious, and national identification, and concomitant xenophobia and intolerance.

**Mergers and Acquisitions**

A special case of group structure is the merging of two organizations or the acquisition of one organization by another. Mergers and acquisitions pose special problems of intragroup relations for organizations (e.g., Hakansson & Sharma, 1996; Hogan & Overmyer-Day, 1994). When two organizations merge or, morecommonly, one acquires the other, the postmerger entity embraces premerger intergroup relations between the merger “partners.” These relations are often competitive and sometimes bitter and antagonistic. Indeed, negative responses and feelings toward the employees of the other organization may jeopardize the success of the merger.

Case studies of mergers confirm this. There are many examples of mergers failing because of “us” versus “them” dynamics that prevail if employees do not relinquish their old identities (e.g., Blake & Mouton, 1985; Buono & Bowditch, 1989). In a laboratory study Haunschild, Moreland, and Murrell (1994) found similar results. People who had worked on a task together in a dyad showed stronger interdyad biases when different dyads were subsequently required to merge than did people who had not previously worked together in their own dyad and, hence, were only nominal groups.

Social identity theorists make clear predictions about the success of a merger. The behaviors that group members adopt to pursue self-enhancement through positive social identity are influenced by subjective belief structures: beliefs about the nature of relations between the ingroup and relevant outgroups (Tajfel & Turner, 1979; see also Ellemers, 1993; Ellemers, Dooijse, van Knippenberg, & Wilke, 1992; Ellemers, van Knippenberg, de Vries, & Wilke, 1988; Tajfel, 1975; Taylor & McKinnan, 1984; van Knippenberg & Ellemers, 1993). These beliefs concern (1) the stability and legitimacy of intergroup status relations (i.e., whether one’s group deserves its status, and the likelihood of a change in status) and (2) the possibility of social mobility (psychologically passing from one group to another) or social change (changing the ingroup’s evaluation). Social change can involve direct conflict but also socially creative behavior, such as ingroup bias on dimensions that are not related directly to the basis for the status differentiation (e.g., Lalonde, 1992; Terry & Callan, 1998).

At the interorganizational level, an organization that believes its lower-status position is legitimate and stable and believes that it is possible for members to pass psychologically into the more prestigious organization (i.e., acquire a social identity as a member of the prestigious organization) will be unlikely to show organizational solidarity or engage in interorganizational competition. Instead, members will attempt, as individuals, to disidentify and gain psychological entry to the other organization. This will increase their support for the merger and their commitment to and identification with the new, merged organization.

In contrast, an organization that believes its lower-status position is illegitimate and unstable, that passing is not viable, and that a different interorganizational status relation is achievable will show marked solidarity, engage in direct interorganizational competition, and actively attempt to undermine the success of the merger. Although members of low-status organizations are likely to respond favorably to conditions of high permeability (see Zuckerman, 1979), an opposite effect is likely for employees of the higher-status premerger organization (see Vaughan, 1978). Permeable boundaries pose a threat to the status they enjoy as members of a
higher-status premerger organization, so they are likely to respond negatively to permeable intergroup boundaries.

**Proposition 12:** Lower-status merger partners will respond favorably to a merger, if they believe their status is legitimate and that the boundary between the premerger partners is permeable, and unfavorably, if they believe their status is illegitimate and boundaries are impermeable. Higher-status merger partners will respond unfavorably to permeable boundaries.

In a recent study of employees involved in a merger between two airlines, Terry, Carey, and Callan (in press) found some support for these predictions. Perception of permeable intergroup boundaries in the new organization was associated positively with identification with the new organization and both job-related (organizational commitment and job satisfaction) and person-related (emotional well-being and self-esteem) outcomes among employees of the low-status premerger organization, but negatively with the person-related outcomes among employees of the high-status premerger organization. Analyses showed that these effects were significant after controlling for the type of individual-level constructs that have been considered in previous merger research (e.g., perceived positive- ness of the change process and the use of both problem- and emotion-focused coping responses)—a pattern of results that reflects the importance of considering group-level variables in merger research.

Gaertner and colleagues (Anastasio, Bachman, Gaertner, & Dovidio, 1997; Gaertner et al., 1996) also found support for a social categorization approach, in the context of a bank merger. Perception of successful contact between the premerger organizations (e.g., contact between equal-status partners, positive interdependence between the groups, and many opportunities for interaction) reduced intergroup bias, through employees’ cognitive representations of the merged group and through low intergroup anxiety. For intergroup evaluative bias on both work-related and sociability dimensions, the belief that the merged organization felt like one group (see van Knippenberg, 1997) was related negatively to intergroup anxiety (and, through reduced anxiety, to low intergroup bias), whereas the perception that the organization felt like two subgroups was related positively to work-related bias. Thus, in contrast to the optimization of subgroup relations in an organizational context (and the management of sociodemographic diversity; see above), a dual identity model does not appear to be useful in the context of a merger, presumably because heightened salience of premerger group identities may threaten the success of this type of organizational change.

One lacuna in social identity research on mergers is the temporal dimension (which is absent from most social psychological research on social identity processes). Mergers take time and move through stages, during which different social identity processes may operate. It would be valuable to track social identity and self-categorization processes in mergers over time, perhaps within the framework of Levine and Moreland’s (1994; Moreland & Levine, 1997, in press) diachronic group socialization model.

Another lacuna is uncertainty. Mergers and takeovers often produce enormous uncertainty, which can instantiate precisely the conditions that work against a successful merger. To reduce self-conceptual uncertainty, merger partners resist change and may polarize and consolidate interorganizational attitudes around narrowly prescriptive norms and fierce premerger organizational identification.

**SUMMARY, CONCLUSIONS, AND PROSPECTS**

The aim of this article has been to describe recent theoretical developments within social identity theory that focus, via self-categorization theory, on how social categorization produces prototype-based depersonalization, which is responsible for social identity phenomena. These developments extend social identity theory. They advance our understanding of social identity processes in intergroup contexts and the way in which people may internalize group norms and align their behavior with these norms. They also have produced a new conceptualization of motivation associated with social identity, a better understanding of salience processes, and a new focus on intragroup processes that is now producing social identity models of, for example, cohesion, deviance, group structure, and leadership.
We introduce these new developments to an organizational readership that is familiar with some aspects of social identity theory, but less familiar with more recent self-categorization theory–based developments, in order to show how these developments are relevant to understanding a range of social behaviors in organizational contexts. One of our main aims has been to derive, from these developments, a variety of more or less specific, but testable, speculations and propositions, in order to help frame future research directions in the study of social identity processes and social behavior in organizational contexts.

The challenge for the future is to integrate new social identity mechanisms centrally into theories of organizational behavior. To date, such mechanisms have played a relatively small role in the literature on organizational behavior. Thus, the important role that identifications with the workgroup, organization, and profession, as well as those that emanate from people’s sociodemographic background, may play in organizational behavior has yet to be articulated fully.

We suggest that identity-related constructs and processes have the potential to inform our understanding of organizational behavior. Combined with multilevel approaches to organizational research, the use of both individual-level and group-level constructs in models of organizational phenomena could mark the beginning of a new phase of research in organizational behavior. By acknowledging the importance of work-related identities to people’s sense of self, a social identity perspective adds to our understanding of organizational attitudes and behavior by drawing on the important link between such identities and the person’s sense of self. Such a perspective should improve explanation and understanding of intergroup relations, both within and between organizations.

To maximize the usefulness of the social identity perspective in the organizational arena, there must be significant interchange between social and organizational psychologists. When one is deriving predictions from a social identity perspective on organizational behavior, one finds the results from laboratory-based social psychological research invaluable, as are the insights that have been gained from field research in the organizational context. It is this type of interchange that will further our understanding of how identity-related constructs and processes impact organizational phenomena, and it should lead, in turn, to extensions of and refinements to social identity theory itself. We are confident that the extent of theoretical interchange between organizational and social psychologists studying social identity mechanisms can increase (e.g., Hogg & Terry, in press), and we are extremely optimistic about the potential that this interchange has for the development of both disciplines.

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