

Opportunity identification and identity creation in non-profit organizations

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Abstract

Purpose – This study aims to deepen the authors' understanding of how identity influences opportunity perception in non-profit organizations. The authors expand to the discussion about opportunity perception by including the concepts of organizational identity, collective entrepreneurial cognition, co-creation and storytelling.

Design/methodology/approach – The study reports on a qualitative analysis of interviews, observations, reflections and other material produced during a European Union-financed project called FöreningsKICK. All in all, 35 workshops and lectures on how to develop associations have been held for 345 participants, representing 120 associations.

Findings – A collective identity is important because it influences how opportunities are perceived. A weak team spirit and a weak identity may even lead to situations where member choose to ignore good opportunities because they feel that pursuing the ideas would result in too much work for them personally. Contrariwise, a strong collective identity fosters an atmosphere of trust, which makes the members more willing to recognize and pursue opportunities.

Research limitations/implications – This is a case study in a limited geographical area. To ensure generalizability, more research is needed.

Practical implications – The authors' model provides a good opportunity to point out strategic and communicational shortcomings in organizations. When these are resolved, the result is a stronger organizational identity and new opportunities.

Originality/value – This study bridges a research gap by shifting focus of the entrepreneurial cognition research from an individual perspective to a collective perspective.

Keywords Organizational identity, Co-creation, Social enterprising, Entrepreneurial opportunities

Paper type Research paper

Introduction

Researchers agree that there is a great potential embedded in social enterprising (Austin *et al.*, 2006; Certo and Miller, 2008; Hervieux *et al.*, 2010), but to fully exploit the potential, we need to understand how social enterprises function. There is no exact definition of what is required for an activity to be labeled social entrepreneurship (Zahra *et al.*, 2009; Certo and Miller, 2008; Peredo and McLean, 2006). Researchers agree that the common denominator for all social entrepreneurs is a desire to benefit society in some way. Disagreements occur on the importance social goals must have for the undertakings to be called social



entrepreneurship (Hervieux *et al.*, 2010). As a result of the ongoing debate, several sub-categories of social entrepreneurship have developed. Sundin (2011) differs between social entrepreneurship and community entrepreneurship. Lundqvist and Middleton (2010) identify seven different entrepreneurial discourses with societal utility: community entrepreneurship, civic entrepreneurship, social entrepreneurship, public entrepreneurship, social economy, corporate social responsibility and traditional entrepreneurship. In reality, many organizations are the so-called “hybrids”, simultaneously pursuing both financial and social goals (Harris *et al.*, 2009; Certo and Miller, 2008; Peredo and McLean, 2006; Sundin, 2011).

In this study, we have chosen to focus on non-profit organizations. Non-profit and third sector organizations include a variety of different organizations and associations where the common denominators are value-driven (instead of profit-driven) activities, a focus on a local dimension, volunteer work, and services based on needs that are not recognized by public authorities or companies (Sillanpää *et al.*, 2010). According to Austin *et al.* (2006), we here define social entrepreneurship as not-for-profit initiatives aiming to create social value.

The aim of this study is to deepen our understanding of how identity influences opportunity perception in non-profit organizations. We expand to the discussion about opportunity perception by including the concepts of organizational identity, collective entrepreneurial cognition, co-creation and storytelling. Theories of entrepreneurship traditionally take either an individual-level approach or a system-level approach (McMullen and Shepherd, 2006). In this study, we have chosen a different approach and decided to study entrepreneurship from an organizational-level approach. In our research, we show how co-creation and storytelling can be efficient tools for organizational identity creation and opportunity identification in social entrepreneurship and non-profit organization contexts. The empirical results indicate that workshops can serve as an identity workspace for non-profit organizations to re-story their organizational identity.

The paper is organized as follows: the first section provides an overview of research on entrepreneurial opportunities and entrepreneurial identity, as well as a short introduction to storytelling. In this section, we identify relevant research gaps and outline our research questions. We then move on to presenting our empirical data and our results. Finally, we summarize our main findings and conclusions in a short discussion.

Entrepreneurial opportunities

Entrepreneurial researchers have long been interested in why some people are able to discover opportunities while others cannot. A common denominator for all discussions is a strong interest in the nexus of entrepreneurs and opportunities (Shane and Venkataraman, 2000; Sarasvathy, 2000; Eckhardt and Shane, 2003; Busenitz *et al.*, 2003; McMullen and Shepherd, 2006; Hajizadeh and Zali, 2016; Venkataraman, 1997; Heinonen and Hytti, 2016). Entrepreneurial action and innovative behavior is always a result of an interaction between people and opportunities. There are a number of different factors influencing the opportunity recognition process, such as prior knowledge (Shane, 2003), entrepreneurial alertness (Kirzner, 1973), entrepreneurial learning (Dimov, 2007), creativity (Shane, 2003) and social networks (Singh, 2000). Entrepreneurs more easily identify opportunities that draw on their prior knowledge (Venkataraman, 1997). The richer and the more diverse the prior knowledge of an entrepreneur, the more likely he is to spot good opportunities (Hajizadeh and Zali, 2016). Kirzner (1973), who introduced the concept of entrepreneurial alertness, defines it as the ability to recognize opportunities that have been overlooked by others. There are different factors influencing different parts of the process and the process of opportunity recognition can be divided into, for example, opportunity discovery,

opportunity evaluation and opportunity exploitation (Shane and Venkataraman, 2000; Hajizadeh and Zali, 2016).

There are two dominant debates concerning the role of opportunities in the entrepreneurial process. The first question is whether opportunities are discovered or created (Alvarez and Barney, 2007; Berglund, 2007; Korsgaard, 2011). The second is about the connection between opportunities and resource mobilization (Stevenson and Jarillo, 1990; Baker and Nelson, 2005; McMullen and Shepherd, 2006). The discovery view roots in the work of Kirzner (1973) and suggests that opportunities are objective phenomena existing regardless of the entrepreneur. The discovery of the opportunities is, however, a subjective process and, therefore, dependent on the actors, i.e. the entrepreneurs (Shane and Venkataraman, 2000). The discovery view has long been dominant in the field of entrepreneurship research, but in the past decade, some scholars have started criticizing this view, arguing that opportunities are not discovered but created as a result of dynamic social efforts (Sarasvathy, 2004, 2008; Baker and Nelson, 2005; Korsgaard, 2011).

Stevenson and Jarillo (1990, p. 23) define entrepreneurship as a process where entrepreneurs “pursue opportunities without regard to the resources they currently control”. In this view, mobilization of resources is considered to be secondary to the discovery of an opportunity. However, other scholars have argued that resource mobilization may sometimes precede opportunity formation or, in some cases, opportunities and resources arise reciprocally (Sarasvathy, 2001; Baker and Nelson, 2005). Korsgaard (2011) strongly argues that in social entrepreneurship research the focus should be on how the entrepreneur mobilizes resources to change external circumstances, thus creating new opportunities. Korsgaard (2011) further suggests that the analytical skills of the discovery perspective should be replaced with skills and mindsets that aim at creativity, imagination, bricolage and collaboration.

Renko *et al.* (2012) claim that it is neither necessary nor fruitful to divide opportunity research into two separate views – discovery or creation. They claim both elements are present in the entrepreneurial opportunity and can be seen as complementary rather than competing views. According to their view, the perception and pursuit of an opportunity is subjective, but the success of an entrepreneurial endeavor is controlled by objective conditions. Further on, Renko *et al.* (2012) suggest that opportunity perception is a more suitable nomenclature than the frequently used opportunity recognition. From their point of view, it is perception rather than knowledge that drives the recognition of entrepreneurial opportunities. Perception can be defined as a sense of understanding, awareness and familiarity, and thus, it is a broader concept than knowledge. Unlike knowledge, perceptions can be inconsistent or entirely wrong because of the fact that all people have perceptual filters – biases, heuristics, cognitive schemes, discounting, etc. – that are impacting which signals are received and how they are interpreted. Through a process of cognition, entrepreneurs require insights that help them make sense of the perceived opportunities. The possibility of simultaneously engaging in both discovering and creating opportunities has been elaborated upon also in a case study by Neill *et al.* (2016). Their findings reveal that a majority of women entrepreneurs in high-growth companies engage in both discovery and creation of opportunities. Thus, they conclude that opportunities can form exogenously through market conditions spotted by the entrepreneur, endogenously through actions of the entrepreneur, or through a combination of exogenous and endogenous elements.

There are also studies showing that entrepreneurship should not be viewed as a function of opportunity, but rather as a function of cultural perceptions of opportunity. In a study on entrepreneurial activities in a small sub-Arctic Alaskan town, Dana (1995a, 1995b) reveals that the Eskimo population, making up the majority of the population, was less opportunity

seeking than the non-native population. In another study of sub-Arctic Canada, Dana (1996) shows how self-employment among non-aboriginals in Churchill is largely a result of opportunity identification, while self-employment among aboriginals is more an expression of traditional activities such as hunting and fishing. Likewise, Ramadani *et al.* (2017) identified differences between ethnic Albanian beekeepers and ethnic Macedonian beekeepers in Macedonia. Most Macedonians were motivated by the opportunity of having a good business, whereas the Albanians described their business as keeping up a family tradition. In their studies, Shapero and Sokol (1982) have listed some cultural groups which they describe as more cultural than others in the sense that entrepreneurship within these groups are perceived as something good. However, there are also examples of cultures where entrepreneurship has got a negative connotation. In a study about businesses in Laos, Dana (1995a, 1995b) highlights how in the Buddhist tradition, entrepreneurship is perceived as a capitalistic thing that should be avoided. Especially among men in Laos, entrepreneurship is low. What we can learn from these studies mentioned is that identification of or response to opportunity is linked to culture, and therefore, studies on entrepreneurial opportunities must be sensitive to cultural differences. Every culture has its own perception of entrepreneurship, and this will affect the opportunity perception of the individuals within that cultural group.

In this study, we aim to explore what kind of opportunities non-profit organizations identify, through what kind of process the opportunities are identified, and how they choose what kinds of opportunities to progress with. We, therefore, phrase the first research question as follows:

RQ1. How do non-profit organizations perceive opportunities?

Entrepreneurial identity

Entrepreneurial identity

A number of recent studies have begun to explore the role of identity in the entrepreneurial process (Thrane *et al.*, 2016; Navis and Glynn, 2011; Shepherd and Haynie, 2009; Farmer *et al.*, 2009), but as Jarvis (2015) concludes, the number still remains small. Jarvis (2015) suggests that intentions mediate between an individual's identifications as an entrepreneur and opportunity recognition and exploitation. Drawing on insights from identity theory and Ajzen's theory of planned behavior, Jarvis (2015) even proposes that identifications could be a better predictor of entrepreneurial intentions than the currently commonly used attitude toward the behavior (e.g. entrepreneurship).

There are studies showing that people need to identify themselves with entrepreneurs before they are ready to become entrepreneurs themselves (Hytti and Heinonen, 2013; Harmeling, 2011). Entrepreneurship programs and entrepreneurship trainings can serve as arenas for identity work and identity construction (Hytti and Heinonen, 2013). On the other hand, there are contradictive studies showing that some entrepreneurs, in this case, cultural and creative entrepreneurs, do not necessarily identify themselves as entrepreneurs even after having started their own business (Werthes *et al.*, 1997). Identity work is an ongoing process in which individuals develop, maintain and exhibit both personal and social identities. Harmeling (2011) talks about students creating new "re-storied" selves and new entrepreneurial identities. The identity transformation process becomes an entrepreneurial re-storying process. Much of the previous research on entrepreneurial identity has focused on the individual, i.e. the entrepreneur (Down and Warren, 2006; Jones *et al.*, 2006). Entrepreneurs, as well as all individuals, have both a personal identity and a social identity. People have a need to distinguish themselves from others, and therefore, they develop a

personal identity. But at the same time, people have a need to have similarities with others and feel they belong to a group. Therefore, they also develop a social identity. Both types of identities are formed by interacting with others, and the social dimension is always present (Werthes *et al.*, 1997).

Organizational identity and collective identities

The importance of the entrepreneurial team has been pointed out (Schjoedt and Kraus, 2009), and therefore, the social and collective dimension should be included in the discussion to a larger extent than it currently is. The concept of organizational identity has captured the interest of researchers for many years (Garcia and Hardy, 2007; Albert and Whetten, 1985). Albert and Whetten (1985) define organizational identity as “the construct that members use to describe what is central, enduring and characteristic about the organization”. An organizational identity is important for the members of the organization to generate a shared understanding, vision and goal (McInnes and Corlett, 2012). A strong organizational identity is important, especially in times of change. A strong and clear identity constitutes a stabilizing counterpoint, while a weak and diffuse identity will be further eroded and cause problems in situations of change (van Tonder, 2011).

Organizational identity is closely linked to entrepreneurial cognition and opportunity recognition. For a particular person to discover a particular opportunity, two conditions must be met:

- (1) the individual must possess all information required to be able to identify the opportunity; and
- (2) he must possess the cognitive properties (i.e. cognitive schemes) necessary to value the opportunity (Shane and Venkataraman, 2000).

As we show in our research, this process also takes place on an organizational level and storytelling can be used as an enabling tool.

As organizational identity is constructed by the people in the organization, understanding social entrepreneurship requires that it is studied from the organization’s point of view. How does the organization perceive itself, its identity and its mission? This study bridges a research gap by shifting focus of the entrepreneurial cognition research from an individual perspective to a collective perspective. All organizations have a mission, but for some organizations, the mission is clearer and more important than for others. From an identity perspective, this can be referred to as a causal identity. Lellis (2012, p. 509) defines causal identity as “a collection of personal and emotional values that center around a strong commitment to a movement or set of principles”. Traditionally, the formation of a collective identity in an organization relies heavily on an “us-them” distinction. The individuals thus position their collective self by imagining boundaries that separate “us” from “them”. “Them” can implicate partners, customers, financiers, etc. Ybema *et al.* (2012) label this form of identity creation as “thick identity”, referring to the thick boundaries between the collective self and “the others”. Previous research has shown that not all organizations favor a thick identity. Some organizations choose a “thin identity” and adopt a discourse of partnership. These organizations adopt a more inclusive identity and seek to diminish the “us-and-them” division. Ybema *et al.* (2012) show that emphasizing similarities and partnership in some cases can make the organization more flexible.

In a case study from 2015 (Elfving, 2015), we saw that an organization can have many layers of identity – the identity can be divided into core identity and collective identity. The “core identity” of the organization is a causal identity. When it comes to the causal identity, the organization is not willing to make many compromises, as these would deeply affect the

way they perceive themselves and their mission. What is interesting is that besides the causal identity, the organization can also have a collective identity. This layer is what [Ybema et al. \(2012\)](#) would describe as a thin identity. A thin and involving identity helps create a positive attitude among financiers, co-operation partners and customers. The layers of identity are illustrated in [Figure 1](#).

In this study, we want to learn more about how non-profit organizations perceive their organizational identity, how the identity is shaped and how it impacts the organizations. We, therefore, express the second research question as follows:

RQ2. How do non-profit organizations foster an organizational identity and what kinds of identities are adopted?

Storytelling and co-creation

Storytelling is often used in an organization's external communication, as a way to visualize the brand. As the differences between products decrease, the differentiation often needs to be made by talking to the consumer's feelings, which is efficiently done through using stories in marketing ([Mossberg and Johansen, 2007](#)). However, another use of storytelling,

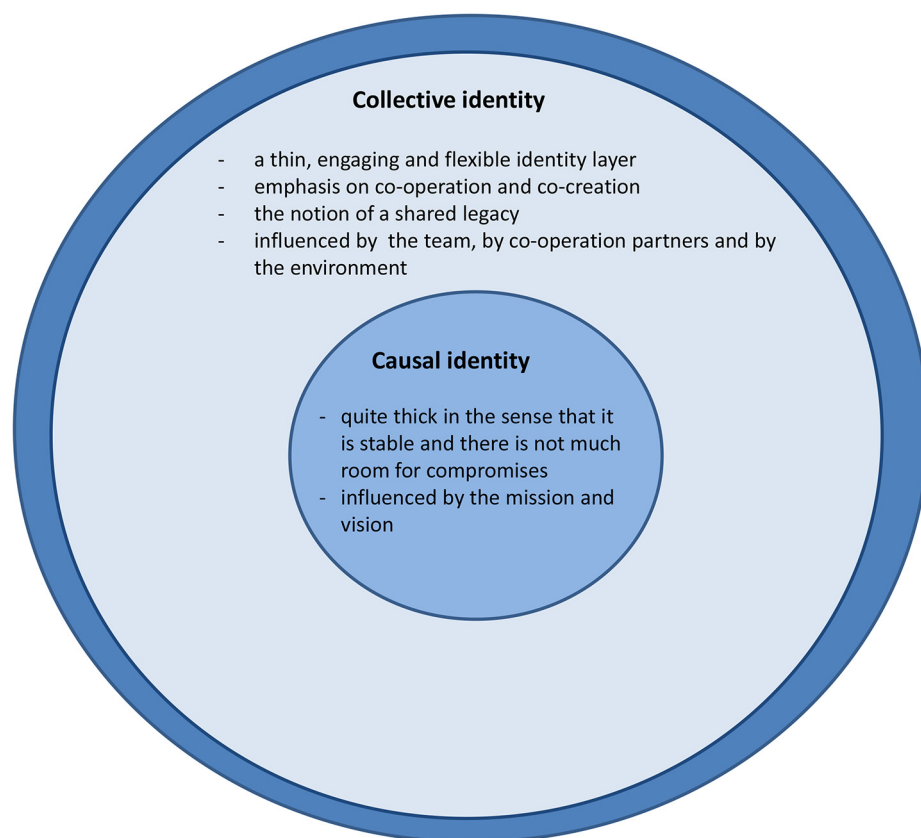


Figure 1.
Layers of identity
([Elfving, 2015](#))

which is just as efficient, but perhaps lesser known, is the use of storytelling to enhance internal communication in an organization. Sharing stories makes it possible to strengthen a brand internally (Fog *et al.*, 2010).

It might be difficult to grasp abstract concepts like “integrity” or “courage” in a business setting, but by putting them in a context and sharing example stories, these concepts become more tangible (Callahan, 2016; Fog *et al.*, 2010). Thus, stories that are shared within the company can visualize the organizational identity in an understandable way. One of the benefits of using storytelling internally is that stories make us able to convey the “silent knowledge” in the organization (Salzer-Mörling, 2004), which is otherwise hard to get to. By sharing stories, we are able to share knowledge and communicate our visions and values in an approachable way, as our message is then given a context that helps us understand the relevance and depth of the information (Fog *et al.*, 2010). Storytelling helps people understand each other’s perspectives, thus facilitating communication and collaboration.

Another benefit of storytelling is that a story can be understood regardless of age, nationality, religion and other factors that might usually strain communication (Heijbel, 2010). This is especially useful in organizations with a heterogeneous group of people. Such groups are often found in non-profit organizations, where people gather around a common interest or cause, but might come from very different backgrounds. We form our third research question as follows:

RQ3. How can identity formation and opportunity perception be strengthened through co-creation and storytelling?

Methodological approach and empirical data

Empirical data for this study have been collected via a European Union-financed project called FöreningsKICK. The aim of FöreningsKICK (2016-2018) was to strengthen non-profit associations in the Swedish parts of Ostrobothnia, Finland. Currently, there are around 105,000 registered associations in Finland (Finnish Patent and Registration Office, 2018). On average, each Finn is a member of three associations (Finnish Civil Society, 2018). Associations have an important function when it comes to building social capital. Especially in the Swedish parts of Finland, the social cohesion is apparent much thanks to all the active non-profit associations that engage people (Bäck, 2008). The work of associations is seen everywhere in society. As a result of voluntary work, concerts and plays are offered, children get to do sports, traditions are followed with festivities during holidays, and so on. It is obvious that associations have a vital role in Finnish society. Without them, society would not be the same. Not only would many extracurricular activities be missing, but essential functions in society, as well as people’s well-being, would be compromised. Therefore, it is important that associations receive support to ensure that they not only survive but also thrive.

The study reports on a qualitative analysis of interviews, observations, reflections and other material produced during the project. All in all, 35 workshops and lectures on how to develop associations have been held with 345 participants, representing 120 associations. A canvas for organizational development has been created, along with instructional videos to inspire and guide associations through the material. Experiences gathered by interacting with hundreds of people involved in associations have been documented in a podcast series in three parts, where the project managers talk about what the reality for associations in the Swedish parts of Ostrobothnia looks like today, what challenges the associations face, and how these can be dealt with. In addition, five articles have been written on the subject.

What has been tested and refined during the workshops held with associations is material for developing an association's strategy and communication. The result is an A1-size canvas for organizational development that the board members gather around. With the help of the material, they discuss and together co-create a plan for what the association should focus on during the upcoming year (strategy), how to engage the members in these activities (internal communication), and how to attract new members (external communication). In a sense, what they have created together is the actual identity of the association. Storytelling has been one of the main tools used. The work sheet has been used with around a hundred associations during 2.5-hour-workshops held during the time period 2016-2018.

As the project started, the first thing that needed to be identified was why many non-profit associations struggle. A total of 27 interviews were conducted with members of associations, as well as municipality employees working with associations. The hypothesis was that most struggles would be caused by financial strains, but that turned out not to be the case. Naturally, some associations were in need of more money, but many had enough. A re-occurring problem, however, was that even with money it was hard to get people to engage and work together to use that money for good. For many, the main difficulties were to engage current members, and recruit new ones. It was often assumed that the reason why people did not commit to these associations was "lack of time". Through further investigation, and by working closely with associations, it turned out that the problem often went deeper than that. It is true that people in today's society have so many different things to choose from when it comes to extracurricular activities, that there is not enough time to do it all. However, if something feels important or gives a sense of fulfillment, people will, in general, find the time for it. This means that the core issue is not time constraint, but rather that people prioritize their time in a way that does not benefit associations.

After having finished the round of interviews, we continued with workshops. All the workshops roughly followed the same structure. First, we asked each association to find three key concepts or words that reveal their values. Which three words would you want people to think of when they hear the name of your association? Usually, words like "togetherness", "companionship" and "joy" were used. The next step was then to use storytelling to explain what these words mean to this particular association. Without a context, these are only empty words that anyone could use. After some hesitation, this was usually the stage where the members of the association started reliving their time in the association, going through both hardship and joy in their minds. They started sharing stories of their work, they laughed together, remembered together and told the stories that embody their association. After having shared these stories, they usually came to a common understanding of what their association stands for.

At the beginning of the process, it was often noted that participants had differing views on how the association should be branded, and sometimes prejudice about other participants' intents and opinions was clear. Stating facts to try to come to a common view would at this point have been fruitless, but with the help of storytelling, all participants had a chance to give a heartfelt and colorful view of what the association meant to them, and above all, why they had this opinion. One could see how the participants finally started listening to each other and respecting each other's opinions in a new way, as the stories they shared reached people on a human level and lowered the threshold to understanding.

Results

To analyze the data more in detail and disclose our results, we will refer back to the previously stated research questions. We, therefore, start by looking at how the associations

in our study recognize opportunities and then move on to their identity identification process. Finally, we explore how these two aspects intervene in the process of storytelling.

Opportunity perception

What we can see from our data is that many associations are severely bound to their routines. Things are run as they always have been run. Especially in associations with a long history, and board members who have been involved for a long time, it is very common to stick to the beaten path. During an interview with a municipality employee, who receives applications for funding from associations, it was stated that it is not even uncommon for associations to copy-paste their old plan of action, sometimes even forgetting to change out the dates. This is a clear sign that the motivation on board level is dangerously low, when the effort of producing new ideas is non-existent enough to even be apparent to the ones distributing funding.

Typical to many associations is that there is one, or a few, enthusiasts who in practice are the ones running the association. Often these people have taken on the role of chairperson or secretary on the board. They are eager to keep the association running at all cost, and often also to further develop the association, but it might be hard to get the support from the rest of the members. The average member is content with keeping things running with minimal effort and is perhaps even reluctant to put in an extra effort to do more than planned or needed. As a result, there is often friction between active and passive members of the association.

One municipality worker that was interviewed during the project expressed disappointment that none of the associations in the area dared to apply for any larger sums of money for any more significant venture. The applications are often small as the plans for the year are not breaking any new ground, but look more or less the same as previous years. Why are associations not applying for money for any larger projects? Do they not come up with any new ideas?

This could indicate that the associations are not able to identify new opportunities or that they are not actively looking for new opportunities, i.e. the entrepreneurial alertness is very low. However, further analysis suggests that the main problem is not the lack of opportunities or the lack of ability to identify the opportunities. Rather, the difficulties are related to resource mobilization (Stevenson and Jarillo, 1990; Baker and Nelson, 2005). During the project, it has been noticed that active members and enthusiasts indeed often have many ideas and see new opportunities. However, there is an imminent risk that these are never brought forward, as the active members coming up with the ideas often have to count on executing the ideas themselves. After having suggested ideas a few times, they realize that it is better to keep quiet than having to do all the work themselves. They cannot rely on passive members stepping up. This is a reason why many ideas and opportunities are never realized. In other words, one of the main reasons why associations do not renew their action plans is not that there is a lack of ideas, but rather that there is hesitation as to whether there are enough resources, not only financial but also social, to make new things happen.

While some of the associations we worked with did not seem to get past the obstacles of not trusting that people would help each other out, there were also associations that, during the course of the workshop, decided to try out something new. These new ideas were often ideas that had been brewing in the background for a while, but that someone brought to light in a setting where positive communication and creativity was emphasized. In this sense, the opportunity had already been created, but was then found when the circumstances were the right ones.

As to our first research question “How do non-profit organizations perceive opportunities?” we can conclude from our results that in line with what Renko *et al.* (2012) stated, it is perception rather than knowledge that drives the recognition of opportunities. Therefore, it is in this case not fruitful to separate between opportunity discovery and opportunity creation. Further on, the discussion about resource mobilization (Stevenson and Jarillo, 1990; Baker and Nelson, 2005) appears very relevant in this context. Sarasvathy (2001) suggested that resource mobilization may sometimes precede opportunity formation and this appears to be the case in many associations. Which opportunities are discussed and acted upon often depends on which resources are available. If people feel that acting upon a certain opportunity would require more from them than they are willing to give, they do not even present it as an opportunity. This is also an example of how people use perceptual filters and how these filters impact which signals are received and how they are interpreted (Renko *et al.*, 2012). If the cognitive scheme of a person indicates that the potential opportunity would require more effort than the person is willing to give, the signals are not even interpreted as an opportunity. This contravenes Stevenson and Jarillo’s (1990) definition of entrepreneurship as a process where entrepreneurs pursue opportunities without regard to the resources they currently control. Similar empirical results have also been found in a previous study (Aragon-Sanchez *et al.*, 2017). In that study it is suggested that the effect of access to resources on entrepreneurial intentions is mediated by attitudes, social norms and perceived behavioral control. As a result, lack of access to resources will affect both risk perception and attitudes toward entrepreneurial behavior.

Organizational identity

One thing we have asked associations during our workshops is “What is your association’s purpose?” This sounds like a very easy question, but as a matter of fact, many associations struggle with the answer. It might be easy to list what activities an association offers, but what the idea behind them is might not be evident to all members. Making the purpose clear and visible is the first step in creating an identity. We have worked with associations where all board members have had slightly different answers to the question stated above. It goes without saying that there will be difficulties running an association, and communicating its values and purpose, if not even the board members have the same stepping-stone.

During the workshops, it has become clear that a vague or unclear purpose creates difficulties in the association. There has sometimes been friction and frustration between members, as they have been pulling in different directions. This has made it difficult to recruit new members, when a clear identity has not been communicated to attract people to join the association. When asked the question about the association’s purpose, many workshop participants have started looking through the charter of the association. Naturally, the purpose should be stated there, and that is a good start, but the purpose needs to be more visible than that. It should be straightforward enough, and visible enough in the day-to-day operations, that every member should be able to answer the question without hesitation.

What is stated in the charter can be seen as the causal identity (Lellis, 2012). Without a causal identity, the association’s activities and communication will be unclear, causing the problems stated above. A strong causal identity provides the prerequisites needed for a stable association. However, for the much needed team spirit to appear, a collective identity is essential. During the workshops, associations with a strong collective identity have further developed this identity, and also been made aware of how important it is to keep working on the collective identity and not take it for granted. Associations with a poor collective identity, on the other hand, have had to put in a real effort, and have worked hard

on learning the importance of creating a collective identity. In these cases, the workshop has only worked as an eye-opener, but the real work has started after the workshop, as a collective identity takes time, and input from many members, to form.

During our work with associations, we have been able to pinpoint the two major factors hindering the creation or development of a well-functioning organizational identity. The first one is a negative attitude, as well as a negative communication pattern among the members. If the go-to attitude is that nobody else cares enough, nobody else has ever cared enough, or will ever care enough, the ability to open up to opportunities and co-create a positive, edifying collective identity is restrained. The other factor, and perhaps the one harder to change, is poor self-perception. It is alarmingly common for members of an association to complain about a lack of funding, lack of engagement, lack of new members, and so on. The communication pattern is negative. However, when asked about the atmosphere in the association, the members see no problem, but might even say that the atmosphere is positive. The poor self-perception makes it difficult to change the negative communication pattern, as it is not evident to the members themselves. One of the main purposes of the canvas for organizational development created during the project is, therefore, to show the importance of having a team spirit and encourage members of associations to analyze their communication pattern and atmosphere. Some associations we have worked with have gotten a rough awakening, when they themselves have come to the conclusion “All we do is complain. Why would anyone want to join our association? No wonder we have difficulty recruiting new members.” Forming a positive, edifying collective identity, where there is none, starts with self-awareness and a willingness to make an effort to use positive communication.

As to our research question about how non-profit organizations foster an organizational identity and what kinds of identities are adopted, we can see from the results how important the collective dimension is. If the members have divergent perceptions of why the association exists and what the main goals are, it will, as [van Tonder \(2011\)](#) stated, result in a weak and diffuse identity. This will cause problems especially in times of change. We can see from our results that fostering a collective identity is important, and often challenging for organizations. But a collective identity roots in a causal identity, and therefore, the organizations first need to make sure all members agree on the causal identity. A collective identity is created through a process of co-operation and communication. As we can see from our results, both internal and external misunderstandings easily arise and they need to be made visible.

We have been able to confirm that identity formation is essential for an association to function long-term. Having a collective identity creates a team spirit, which is of great importance for an association to be successful. Without a team spirit, people will not feel enough of a sense of purpose to stick with the association through thick and thin.

Strengthening identity formation and opportunity perception through co-creation and storytelling

The canvas for organizational development created during the project allows members of an association to co-create the association’s strategy, action plan and communication plan. It encourages associations to make conscious decisions. The only reason to do everything exactly the same as last year, should be that everything was done in exactly the right way then, and not that the members have not had time or energy to review the situation. We have seen that much work in associations is done in the same way it has always been done. The idea behind the canvas is to avoid monotonous routines and prioritize conscious updates.

By being involved in the development process presented during the workshops, members have felt included, and gotten the feeling that this is not just any association, but it is “my association”. There is a great deal of silent knowledge in associations, things that members believe that “everyone knows”, even though this is not the case. During the workshops, much of this knowledge has been said out loud and presented to new members, which has made them feel included. Collaboration and co-creation has taken place in a setting where everyone’s input has mattered, whether someone has been involved in the association for a long time or has recently become a member.

During the workshops, one of the tools used for helping the members create the collective identity of the association has been storytelling. The members have first been asked to think of what core values should permeate the association, think of examples of when these values are seen in the association, and then been asked to share them with others from the same association. These shared stories have reinforced the collective identity. It has given all members a chance to connect, remember together, laugh together, forget finances and strategy work for a while, and just feel. It has reminded them of the joy of coming together. It has allowed people to express themselves freely, as factors like position or age have not mattered. A story is a story, no matter who tells it. The most concrete result of storytelling is that it focuses on what is unique about an association. No association has the exact same stories to tell as another.

The challenging thing has been to get people to start sharing stories. Upon first being given the assignment to tell an anecdote about the association, people have often thought that it needed to be spectacular or out of the ordinary, and they have not been able to think of anything worth telling. Once they have realized that the beauty lies in the small anecdotes, they have dared to start sharing. When people have shared their stories, a pattern of common themes has usually started showing, such as friendship, loyalty and joy. The more stories have been shared, the clearer the patterns and themes have become, and that is where a collective identity has been deciphered.

Our third research question was how identity formation and opportunity perception can be strengthened through co-creation and storytelling. During the workshops arranged for the FöreningsKICK project, it has become evident that new ideas and opportunities have been found, or perhaps created, when people have had the chance to sit down and work together. Without a sense of team spirit it has been less likely that members have had the motivation to find solutions. It seems like problems have been easier solved once the team spirit has appeared. What has earlier been seen as challenges has often been turned into possibilities, as long as positive communication and teamwork have been used. The identity has been created through storytelling, and the shared stories have resulted in a team spirit that has opened up people’s willingness to work together to find opportunities for the future of the association. During the workshops, we have been able to see that associations that have had a strong identity have dared to realize new ideas. Not necessarily because they have been better at seeing opportunities, but because they have dared to trust that resources will be found thanks to the collective identity or team spirit.

Conclusions and implications

Through our work with associations, it has become evident that the sense of team spirit and organizational identity is the deal-breaker as to whether or not people prioritize volunteering for a non-profit organization. Having a team spirit means that everyone is working toward the same goal, people enjoy each other’s company, and get something out of the experience that goes beyond monetary value. Easily put, the non-profit

organization gives its volunteers more than it takes. But how is this team spirit created? With different people and differing opinions, it can be hard to listen to each other long enough to find common ground. In our research, we have found that a team spirit can be reached by having members co-create the organization's identity. If you take part in the creation of the organizational identity, you get a genuine sense of belonging, and the satisfying feeling of doing something worthwhile together with like-minded people. The role of entrepreneurial identity building has been pointed out also in previous research (Thrane *et al.*, 2016; Navis and Glynn, 2011; Shepherd and Haynie, 2009; Farmer *et al.*, 2009). In our study, we can confirm the impact of identity on opportunity recognition and we can also see that in the case of non-profit organizations, the role of organizational identity seems to be much more important than the role of the individual identity. In line with previous research (Hytti and Heinonen, 2013; Werthes *et al.*, 1997), we can also see that identity building is a continuous process where the individual and the group form their identity through interactions with others and they are constantly "re-storing" their identity.

Associations have a tremendous amount of stories, telling of friendships being built, people being helped, ideas being created, and so on. We have found that storytelling can be of great importance when people from different backgrounds and with different experiences are to understand each other. The challenge is making people realize that these stories are important and can be used to build a common identity. At the beginning of the workshop, the participants often felt that their association was not special enough, and did not have stories strong enough to tell. It was once we broke through that first humbleness and insecurity, that each association inevitably found stories that strengthened the identity. As the process of co-creating a common identity began, storytelling became a useful tool for realizing the common core values. By telling stories about the day-to-day operations, unspoken rules and values became evident, and the result of comparing stories was the emergence of common values, which were then used as the basis for co-creating a tangible, common identity. During the workshops, we wanted to inspire associations to work together and board members to take common responsibility, to create an atmosphere of trust where members would dare to express ideas and count on the team spirit to engage the whole group to join in the development process. In addition, what we have seen is that if everyone is on board, members dare to invest in new ideas and opportunities.

Previous studies (Dana, 1995a, 1995b; Ramadani, 2017) have shown that entrepreneurship should be viewed as a function of cultural perception of opportunity, i.e. the context will affect what will be perceived as an opportunity and what action will be taken. From our results, we can see that identity and organizational culture are strongly linked, and by developing the organizational identity one can also change the perception of opportunities. This has implications both for non-profit organizations themselves and for organizations supporting them in their development. To sum up our results, we have shown in this study that storytelling and co-creation can be used as tools for developing a collective identity in non-profit organizations. A collective identity is important because it influences how opportunities are perceived. A weak team spirit and a weak identity may even lead to situations where members choose to ignore good opportunities because they feel that pursuing the ideas would result in too much work for them personally. On the other hand, a strong collective identity fosters an atmosphere of trust, which makes the members more willing to recognize and pursue opportunities.

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