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LEADING THROUGH CHANGE

Identity, belonging, and leadership in times of change:

A white paper for senior leaders

By Dr Kim Aitken

Why identity matters in organisational change

Across Australia, organisations are once again navigating waves of change, whether through post-election Machinery of Government (MoG) reforms in the federal public service, mergers and acquisitions, or corporate restructures. These transitions offer real opportunities: stronger alignment, modernisation, innovation, and efficiency. But too often, they come with hidden costs, including disruption to people's sense of belonging, identity loss, and weakened commitment.

Research consistently shows that most change initiatives falter not because of strategic missteps or flawed structures, but because they overlook the human dimensions of transformation.^{1,2} When organisations focus solely on structure, reporting lines and governance, they risk missing the deeper psychological transitions their people are undergoing: Where do I fit in the new organisation? Does my contribution still matter? Do I belong here anymore?

At People Measures, we see this playing out daily in our coaching and advisory work. We are partnering with senior leaders across sectors who are guiding their teams through complex change; helping them steady the ship while also holding space for the ambiguity, complexity and emotional intensity that change brings. These leaders are not only responsible for executing reform; they are also stewards of identity and belonging.

The most effective leaders recognise that transformation isn't just technical—it's personal. It calls on leaders to engage with identity: their own, their team's, and their organisation's.



Understanding organisational identification

Organisational identification refers to the degree to which individuals define themselves by their membership in an organisation.^{3;4} It shapes how people interpret change, how committed they feel to the organisation's future, and how resilient they are when the familiar gives way to the unknown.

A strong sense of identification brings significant benefits. At an individual level, it supports psychological safety, engagement, and wellbeing. At the team level, it enhances trust, collaboration, and cohesion. And at the organisational level, it contributes to commitment, discretionary effort, resilience in times of change, and alignment to strategic goals.^{5;6;7;8}

In stable environments, identification develops through alignment with company purpose, visible values, trusted relationships, and consistent leadership. But in times of change, these anchors can shift.

In her PhD research, Dr Kim Aitken from People Measures explored how leaders shape organisational identity and identification during transformation. The research included a systematic literature review, a meta-analysis of over 70 studies, in-depth interviews and a Delphi panel involving senior leaders and leadership and change experts. The findings revealed that identification during change is not automatic. It is either stewarded—or eroded—through leadership.

Interestingly, the research found that 'organisational identification' is not a term that many senior leaders use in their day-to-day leadership language. Rather, they were more familiar with related concepts such as employee engagement, organisational commitment, and organisational citizenship. Yet beneath the terminology, the themes resonated strongly: leaders intuitively understood the importance of fostering a sense of belonging, alignment and pride in their organisations.

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A Spectrum of Identity Responses

Identification is not a binary state, rather there are a range of responses:9

Identification

Neutral identification

Ambivalent identification

Disidentification

Identification – strong psychological alignment with the organisation's purpose and values

Neutral identification – minimal emotional connection or engagement

Ambivalent identification – a conflicted or conditional sense of belonging

Disidentification – active distancing or rejection of organisational values

Understanding this spectrum helps leaders avoid assumptions that employees will automatically embrace change once it's announced.



Multiple identities and the challenge of structural change

Most employees hold **multiple identities:** 10;11;12 their professional roles, their immediate team, their function, and the broader organisation. Many also hold deep and important familial and cultural identities, shaped by history, language, community and place, as well as other identities such as gender and neurodiversity. In contemporary Australia, and particularly in honouring First Nations Australians, leaders have a responsibility to create environments where people can engage authentically and bring the full range of their identities to work.



In times of change, employees typically experience a strong sense of identification with their immediate teams, where trust, values and purpose are most visible. But as the groups get larger—divisions, departments, whole-of-government—the sense of connection can become more diluted.

During mergers, MoG transitions, or restructures, these identity layers are frequently disrupted, especially when one team, function or culture is perceived as dominant. When people feel their previous identity is being erased or undervalued, disidentification and disengagement can occur. This is particularly acute for employees from smaller or specialist areas being integrated into larger entities. Without thoughtful leadership, integration can feel more like absorption than inclusion. What is intended as synergy can be experienced as loss.

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The perils of over-identification

While fostering organisational identification is largely beneficial, it is important to remain alert to its potential downsides.

Over-identification can lead to uncritical loyalty, blind conformity,^{17;18;19} and inappropriate behaviour in service of perceived organisational goals. Robodebt is a sobering example of what can happen when strong group identification is not balanced by ethical reasoning and critical thinking.

In addition, over-identification can have significant consequences for individual wellbeing. When people overly define themselves by their work identity, they may begin to neglect other important life roles and relationships. This can manifest as workaholism, burnout, and a sense of personal depletion when organisational expectations shift or recognition is withdrawn. Leaders have a role in helping individuals maintain healthy boundaries and a broader sense of self.^{8;19}



Key research insights

Dr Kim Aitken's study combined academic research, the insights of leadership and change experts, and practitioner wisdom. The core themes of the research were reassuringly common-sense: Leaders should bring their authentic selves to stewarding change (2) they play a key role in sensemaking, and (3) the importance of prioritising authentic communication and relationships, being visible and accountable, and managing their own reactions to change.

1. Leaders can bring their authentic selves to stewarding change

The research included a meta-analysis of different leadership styles and their relationship to organisational identification. The findings were both encouraging and insightful. All but one leadership style reviewed had a positive association with organisational identification, illustrating that leaders don't need to adopt a single, prescriptive approach. Rather, they can draw on their authentic leadership style to foster belonging and alignment.

The leadership styles examined in the meta-analysis included transformational leadership, authentic leadership, ethical leadership, servant leadership, and transactional leadership.⁸ Each brought distinct strengths to the task of fostering organisational identification. Not surprisingly, laissez fare leadership did not positively impact. Notably, ethical leadership—characterised by fairness, integrity, and concern for others—emerged as having the greatest effect on organisational identification. This reinforces the importance of values-based leadership, especially during times of uncertainty.



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2. The role of leadership in sense-making

In times of uncertainty and change, leaders are not only responsible for overseeing operations, they are also sense-makers. The research highlighted the importance of *sense-making*, *sense-giving*, and *sense-breaking* as core leadership capabilities during change.^{20;21}

- Sense-making involves helping individuals understand what is changing and why.
- Sense-giving refers to the leader's role in articulating a coherent narrative that enables others to connect emotionally and intellectually to the transition.
- ► **Sense-breaking** acknowledges the difficult process of letting go of previous identities, routines, and assumptions.

Leaders who navigate these processes with care, clarity and integrity help people make meaningful transitions, not just structural ones.

3. Four core domains of leadership to foster belonging during change

One of the key outcomes of the research was a Capability Framework focused on the key leadership behaviours that foster belonging during change⁸. The four core domains were associated with:

1. Effective communication

Going beyond updates and announcements. Creating forums for meaning-making. Acknowledging uncertainty and helping people connect the past to the future.

2. Focus on Relationships

Investing in connection—particularly across legacy teams or functional boundaries. Making time for listening, dialogue and presence.

3. Stewardship of the Organisation and Change

Leaders are symbolic figures in transition and must honour what's come before.

Creating shared rituals that shape the story of what's emerging.

4. Management of Self

Leaders must reflect on their own experience of change. And do their own inner work to remain grounded, authentic and transparent.

Applying these behaviours to organisational change

Leaders can support organisational identification during mergers, acquisitions, restructures, MoG transitions and major transformations by:

Acknowledging identity loss

Recognise what people are being asked to let go of. Honour legacy systems, language, and rituals that mattered.

Creating shared meaning

Use storytelling and metaphor to articulate a vision that includes multiple perspectives.

Avoiding assimilationist language

Words like 'absorbing' or 'taking over' suggest erasure. Instead, frame integration as co-creation.

Designing transition rituals

Welcome new teams, recognise contributions, and symbolically mark change in ways that build belonging.

Empowering local leaders

Equip managers with the tools and language to navigate emotional reactions and support re-engagement.

Blending teams deliberately

Create meaningful work that connects people across legacy groups. Use integration projects as opportunities to shape shared identity.

Being visible and real

Senior leaders set the tone. Show up with presence, humility and hope.

Additional strategies for fostering organisational belonging

Beyond leadership behaviours, organisations can build belonging through:

- ▶ Values-aligned onboarding that connects new joiners to organisational purpose.
- ▶ **Storytelling platforms** where employees share experiences that reflect shared values.
- ▶ Inclusive design of systems and rituals that reflect the diversity of legacy cultures.
- ▶ **Regular pulse checks** to assess and act on emerging identity risks or shifts.
- ▶ Celebrations and recognitions that honour contribution and reinforce shared success.
- ▶ Employee-led networks and cultural groups that support identity expression and foster community.
- ► These initiatives are especially effective when co-designed with employees from across legacy groups.



Conclusion

Change doesn't just challenge structures—it challenges identity. And when identity is overlooked, even the best transformation plans falter.

The best leaders don't just manage the work. They steward identity. They make space for reflection, invite new meaning, and build cultures where people can see themselves in the future they're being asked to create.

The question for senior leaders is: **How will you help your people carry their identity forward into what comes next?**

If you'd like support with executive coaching, team coaching, leadership development, or culture programs to support your teams through change, please get in touch with the team at <u>People Measures</u>. We'd be delighted to chat.

About the author



Dr Kim Aitken

Kim is a leadership and organisational development specialist with over 25 years' experience in leadership assessment and development, coaching and organisational development. Kim holds a PhD in Organisational Psychology, with her thesis focusing on the key leadership determinants of successful organisational change. She commenced her career as a registered psychologist in New Zealand before moving to Australia in 2007, and also spent four years working and studying in the United Kingdom. Kim has worked with the People Measures team since 2013.

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Ready to take the next step?

If you're looking for support with executive coaching, team coaching, leadership development, or culture programs to empower your leaders and teams to thrive through change, <u>contact People Measures</u>.

We'd love to start a conversation.

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