

Department of Management – Master's Degree in Management

**HOW AN EXTERNAL FINTECH STIMULUS CAN MODIFY
ORGANIZATIONAL IDENTITY AND VALUE PROPOSITION?**

*A qualitative research on the sensemaking process
during the Sandbox CONSOB case study*

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Abstract

The aim of the paper is to explain how a new regulatory task affects, through a sensemaking process, the evolution of organizational identity (OI) creating challenges and opportunities. The concept of organizational identity refers to what is central, enduring and distinctive in defining the organization itself: the research is addressed by relying on a case study of the Sandbox project in CONSOB national regulatory authority (project also called CONSOB-tech) . A deep analysis of SIT social identity theory is provided, while defining patterns fundamental to the recognition of institutional theory and social constructivism theory: these factors create the basis to evaluate interdependence between organizational identity and cultural identity.

The research will evaluate the findings in order to answer the main research question:

How an external Fintech stimulus can modify organizational identity and value proposition?

As from a literature review, there exists a gap in existing academical publications since a focus on how organizational identity is modified by an external stimulus is missing. In order to assess this ‘how’, the specific case study of Sandbox project fits in a context of innovative fintech services provided by startups which are supported by a traditional Italian regulatory authority: in this view, the project is aimed at exploiting potential regulatory benefits and exceptions to selected startups in the FinTech ecosystem.

To address this concern, the paper relies on a qualitative research on employees that are interviewed twice – before and after the Sandbox project start date, all the individuals work are part of the team responsible for the CONSOB Sandbox. The interview is based on the concept of sensemaking as “the act of constructing interpretations of ambiguous environmental stimuli” from Weick.

Analysing around 192 cumulative answers, the study presents a cognitive mapping process to create crucial nodes related to the main keywords of the unstructured questions, for the structured part of the interviews, graphical visualizations and analytics are presented. The main findings are related to changes in the perception of organizational identity, the language and communication patterns, the sensitivities to changes, the formality and hierarchic approach used, and many other attributes.

Introductory preview

The research is based on a case study of the Sandbox project at the CONSOB national regulatory authority, proposing to study the following research question, giving a qualitative research approach:

How an external Fintech stimulus can modify organizational identity and value proposition?

The paper defines Organizational Identity as "what is most central, enduring and distinctive about an organization", relying on the famous notion by the academics Albert and Whetten.

The work then is conducted to determine how a new regulatory responsibility influences the growth of organizational identity through a sensemaking process, posing difficulties and opportunities. In this specific context, the regulatory task introduced is the Sandbox project: the mission of the initiative is to support financial technology services provided by startup and businesses, that are backed by a traditional Italian supervisory agency CONSOB: in this perspective, the Sandbox seeks to maximise significant regulatory advantages and waivers for selected Fintech companies.

The study is arranged starting with a one-page abstract followed by this introductory preview.

Following this paragraph, a literature review and theoretical explanation of ideas in the first chapter, with an emphasis on research evaluating organizational identity. The contra-opposition of Social Actor versus Social Aggregator is used to analyze the fundamental academic and scientific themes of Social Identity theory. Furthermore, the influence of organizational and cultural identity interdependence is assessed. This concept is then linked to the most important theoretical background from scholars in the field as specifically with Institutional Theory, Constructionist Theory and Social Identity Theory. The connection between these theories and OI is depicted in the following work.

The second chapter focuses on the concept of Sensemaking and Sensegiving by Weick's work, which is at the core of the whole research. Definition, meaning and implications of differences between the two terms by Weick are provided, this is useful to assess the relevance in the case study analyzed, while relying on the theoretical background of the scholar. Moreover, it gives an outline of the regulatory authority's responsibilities and the CONSOB national authority's features. As a result, this section also looks at the Sandbox project and its consequences, as well as the RegTech difficulties and prospects.

The chapter then includes exclusive contributions by two academic experts providing the reader with critical sector-specific experience from two prestigious Italian Universities, studying Sandbox initiatives from 2017 onwards: namely La Sapienza University of Rome and Politecnico di Milano University. The two scholars give an unconventional appraisal of the Italian Sandbox phenomenon which turns out to be relevant for both growing businesses and government regulators.

In the third chapter, to ascertain the ‘How’ presented by the research question, the work focuses on a qualitative study of 16 workers who were questioned twice – before and after the initiative: all the participants are members of the CONSOB Sandbox group. Indeed, the paper includes a cognitive mapping technique to build essential nodes connected to the primary themes of the unstructured interviews. Later on, graphical representations and metrics are offered for the formal component of the interviews provided by the research. The findings of the research are presented in the last part of the paper, which concern transformation in organizational identity awareness, linguistic and interaction patterns, changing sensitivity, formalism and meritocratic attitude, and a range of other factors.

A final conclusion is presented as conclusive remarks and managerial implications from the paper provided in light of the whole work reported to the managerial implications given by the findings. Here, limitations of the work and hints for future research needed are stated to encourage further studies and publication on the topic.

After the full-length research presentation, the work presents an executive summary of the qualitative research, with the purpose of summing up the main topics and insights from the work. Here three chapters are summed up and introduced in the light of the main topics above.

Finally, the paper concludes with an appendix, providing the full representation of graphs and table used in the text, and a paragraph assessing the need for limitations of the research, while concluding with the references and literature, that presents a list of all the sources on which the work has relied upon.

Chapter One

The organizational identity: what is central, enduring and distinctive

The topic of organizational identity has been a center of debate and discussion among several academics and professionals since its widespread in the 90s. This concept was presented by Albert et al in 1985, where the academics define the term "organizational identity" as it refers to what is most central, enduring, and distinctive about a corporation (Albert et al., 1985).

1.1 Introduction

Chapter one is structured based on three macro categories and six paragraphs related to the concept of Organizational Identity. The idea of Sandbox is an innovative phenomenon proposed in several countries in the last few years, achieving many objectives and influencing regulative procedures worldwide. As introduced in the abstract, providing a qualitative research process, this study aims at analyzing the phenomenon of Sandbox, assessing its impact on organizational identity: one of the main topics discussed and evaluated by organizational design academics.

The paper is organized with a first chapter dedicated to the literature review and theoretical presentation of concepts, with a focus on studies evaluating organizational identity. The paper focuses on the main academical theories from scholars such as Whetten and Albert, focusing on the patterns of Social Identity theory, with the contra-opposition of Social Actor and Social aggregator. Moreover, there is an evaluation of the impact of interdependence between organizational identity and cultural identity.

1.2 Analyzing the concept of Organizational Identity

1.2.1. Defining what is central, enduring and distinctive in the organization

Several academics and professionals tried to find a proper definition for this phenomenon, while there is still not a common know recognized one from the interested community. The most interesting ones come directly from researchers who studied and committed to explain the concept of organizational identity.

This work presents only the two definitions that are relatable and crucial for understanding the following chapters, where those will be explained deeply.

Organizational identity resides in institutional claims, available to members, about central, enduring and distinctive properties of their organization

(Whetten et al., 1985)

Organizational identity resides in collectively shared beliefs and understandings about central and relatively permanent features of an organization

(Gioia et al., 2000)

Given the complexity of the topic, this paper provides a first literature analysis of what has been written and studied about Organizational Identity (from here onwards also OI). Nevertheless, this chapter is not comprehensive of the topic knowledge for any pattern, the work presents the literature that is accordingly reliable for its own scope of research.

Even if stemming from many opinions and discussed theories, it is crucial to identify that others, each on its own perspective, can see the change of OI as a defensive processes triggered by a perceived danger: in this view the members of the organization's wish to retain their identification qualities being not willing to change and adapt to its new characteristics.

The modern idea of OI was presented by Albert and Whetten in 1985 (Albert et al., 1985), who have the merit of being among the first scholars to have used the term "organizational identity", and their work has since been broadly cited in thousands of later works and studies.

Albert and Whetten (1985) noticed that OI can be adjusted when a youthful organization loses its original structure or when it goes through an extreme change at the corporate organization level. Albert and Whetten's concept of organizational identity does not stray far from the etymological meaning of identity, in their study the concept of identity crisis is transformed and shifts from the individual to the organization and vice versa (Hatch, 2013). In their definition, the authors therefore argue that an organization encapsulates various personalities, since there are alternate points of view through which result in a complex and challenging phenomenon to

address. Nonetheless, expressing those different characters coincide in an organization doesn't really imply that they are in struggle with one another.

1.2.2. An overview of literature analysis and theoretical background

As from the literature review, the most notable OI knowledge presented in the last 30 years has been provided mainly by academics and researchers within this list: Ashforth et al, 2011; Brown et al, 2006; Corley et al, 2006; Cornelissen, 2006; Gioia et al, 2013; Ravasi et al, 2013; Ravasi et al, 2003; van Rekom et al, 2000; Whetten, 2006.

A comprehensive while unconventional approach to the study of existing literature on this topic was made from two scholars (Foreman et al, 2016): in their work they argue that a complete and rigorous study of how OI is measured is lacking in the field. Thus, according to the findings of the study, this research could serve as an informative step to study the methodology of past OI-related papers and articles.

Foreman and Whetten indeed provided a review of over 80 studies, which they tend to define as the most reliable regarding the topic. These are summarized in the table below: each group has its own view and conceptualization of the phenomenon addressed.

| Methodology | | Theory | Topic overview | Academics |
|-------------|--------------------|---------------------|---|--|
| A | Discourse Analysis | Narrative | <ul style="list-style-type: none"> - OI as stories, themes, language, discourse, etc. - Residing in “texts”, conversations and documents - Discovered through reading/listening to members’ accounts | <ul style="list-style-type: none"> ○ <i>Alvesson (1994)</i> ○ <i>Humphreys & Brown (2002)</i> ○ <i>Chreim (2005)</i> ○ <i>Brown (2006)</i> |
| B1 | Grounded Theory | Social Construction | <ul style="list-style-type: none"> - OI as socially constructed claims and understandings - Residing in the perceptions and beliefs of members - Discovered through ethnographic methods & grounded theory, using a more structured, systematic approach | <ul style="list-style-type: none"> ○ <i>Gioia & Thomas (1996)</i> ○ <i>Corley & Gioia (2004)</i> ○ <i>Ravasi & Schultz (2006)</i> |
| B2 | | | <ul style="list-style-type: none"> - OI as claims and understandings; also schemas and scripts - Residing in the perceptions and beliefs of members - Discovered through ethnographic methods & grounded theory | <ul style="list-style-type: none"> ○ <i>Golden-Biddle & Rao (1997)</i> ○ <i>Glynn (2000)</i> ○ <i>Fiol (2002)</i> ○ <i>Tripsas (2009)</i> |
| C | Case Study | Mixed | <ul style="list-style-type: none"> - OI as social claims, attributes, characteristics - Residing in member perceptions, org documents, visible characteristics, etc. - Discovered through qualitative case-study-like methods | <ul style="list-style-type: none"> ○ <i>Dutton & Dukerich (1991)</i> ○ <i>Elsbach & Kramer (1996)</i> ○ <i>Lounsbury & Glynn (2001)</i> ○ <i>Battilana & Dorado (2010)</i> |
| D | Survey | Social Actor | <ul style="list-style-type: none"> - OI as key attributes and characteristics - Residing in structures, systems, mission, values, etc.; reflected in member perceptions - Discovered through focus groups, key informants, surveys | <ul style="list-style-type: none"> ○ <i>Bartel (2001)</i> ○ <i>Foreman & Whetten (2002)</i> ○ <i>Dukerich et al (2002)</i> ○ <i>Brickson (2005)</i> |
| E | Data Analysis | Institutionalist | <ul style="list-style-type: none"> - OI as social categories or forms - Residing in org form/type, industry group, legal structure, etc. - Discovered through external, formal designation or assignment | <ul style="list-style-type: none"> ○ <i>Zuckerman (1999)</i> ○ <i>Rao, Davis & Ward (2000)</i> ○ <i>Hsu & Hannan (2005)</i> ○ <i>Navis & Glynn (2010)</i> |

Figure 0, View of OI literature from Foreman and Whetten (Foreman et al, 2016)

According to some authors (Fiol et al., 1992; Gioia et al., 1996), organizational identity is a shared conceptual framework, which creates and generates organizational stagnation by limiting the interpretation of the environment. A portion of the literature (Ashforth et al., 1996; Dutton et al., 1991; Fiol, 1991; Reger et al., 1998) contends that administration, intended as a corporate concept, can deal with the elements connected with OI.

Moreover, in branding activities within a company executive, OI is often connected with the corporate logo rather than to some other organizational components and patterns. Furthermore, some of the literature defines OI from a narrative perspective, defining it as merely texts formed by discourses (Chreim, 2005).

In another view indeed, organizational identity becomes more evident and recognizable in times of crisis, times when one wonders what elements and categories are enduring and sustainable, those capable of being able to overcome periods of change (Bizjak et al., 2015).

Among the several approaches to the problem, Margolis and Hansen (2002) case study is particularly relevant to this research. They undertook an empirical inquiry to reveal the internal perception of identity according to a process that the authors characterize as emergent and inductive in order to assess the sustainability of the content of an organization's identity during a big merger. The two scholars then provide three factors that might be used to define identity: priorities, practices, and predictions. Priorities are defined in terms of the company's fundamental principles; practices comprise new business procedures, goods, and services that put the company's philosophy and aims into action; predictions are defined as a symbolic depiction of the company's image and a future vision of its image.

Cheney (1991) goes further, expressing that critical individuals from an association have some impact in changing OI, proceeding to shape the convictions and reference points of the association's individuals.

The concept of OI, evaluated by a different perspective lately with respect to its initial standpoint of definition from Albert and Whetten, has been hypothesized that identity is not only an individual problem, but a collective one: indeed, it is crucial to assess the interaction between individuals and organizations in this regard (Bizjak et al., 2015).

Stemming from a new point of view, some other research (Van Rekom, 2002) implies that cognitive challenges occur when an organization's identity changes. A conceptual movement

of academics argues that cognitive challenges emerge when an organization's identity changes (Brown et al, 2000; Elsbach et al, 1996).

Corley and Harrison's (2009) work aims at trying to understand how durable the identity should be, whether it needs to be preserved forever or whether there are times when the characteristics of durability may change. In fact, the authors state that the organization must necessarily change in order to preserve its identity.

Gioia et al (2000) provided an applied elaboration of the concept of identity-image, stating that correlations among inside and outside perceptions: they evaluated the impact on OI from an academical point of view.

OI was a center of debate when addressing its Pros and Cons, as a more practical analysis: negative opinions can stem from the unclear definition of what is organizational identity, which include a low degree of aggregation at the organizational level, less wellness among workers, which can result in disappointment and turnover. On the other hand, as from Watson (Watson et al., 2016), we unquestionably observe an increment in aggregate execution of tasks, which come from having multiple points of view: this results in an expansion of thoughts, creating persistent sharing of information.

Empson instead focused his work to propose a system to investigate the interrelation between the advancement of organizational identity, and oneself respect of organizational individuals (Empson, 2004).

The applied model that rose out of the paper by Ravasi and Schultz (2006) gives an interesting view to address how the communication between outside improvements and inward sensemaking processes drives organizational elements.

Gioia et al. (2000) expand the durable and stable view of organizational identity by asserting that the organization, while retaining durable and distinctive characteristics, does not remain unchanged over time. They believe that the apparent durability of identity is actually encapsulated in the stability of the labels used by organizational members: therefore, these patterns are actually used in order to identify the organizational identity.

As from the work by Fiol in 1991 (Fiol, 1991), OI can help individuals to decipher which their social role is and indeed the improvement of organizational identity can progressively give the setting inside which people unravel their own conduct. OI has even obviously been criticized

during last decade as Whetten (2006) stated that the field of OI is going through an identity crisis: namely, for the portion of the literature that believes in knowledge sharing between different strands of research, a diverse approach to OI is seen as something positive and constructive. Still, conversely, those scholars who actually do not believe in sharing ideas between different academics, will tend to agree with Whetten's critical thinking.

1.3 Evaluating the core theories of the phenomenon

1.3.1. Social Identity Theory

Organizational members can resist to evolving OI traits when these changes are perceived as a threat. In this view, the individual creates a self-mechanism to maintain old identity traits and defence mechanisms emerge. Brown and Starkey, in their work in 2000, evaluated that this can practically emerge in dynamics of idealization of the current state of affairs, as well as rationalization of past OI (Brown et al., 2000). Current studies consider these signs of resistance to change as they are caused by the identity change of the organization, which has repercussions at the level of the individual member.

To understand this interrelationship, it is crucial to address and rely on the so-called Social Identity Theory (SIT). According to this theory, in normal situations individuals experience their identity based on their collective identity, indeed this occurs more often for people related to a context of social interaction (Ashforth et al., 1996).

SIT evolved from Henri Tajfel's pioneering works (Tajfel, 1970), which aimed to apply cognitive grouping and phenomenological processes to status groups (Hogg et al., 2000). Cognitive mapping comprises the so-called judgmental accentuation, where different qualities between categories directly and indirectly magnify category distinctions. When applied to social groups, this theory might be used to explain biased and exaggerated perceptions of group differences.

As indicated by Ashfort and Mael in 1989, the singular attempts to accomplish a superior social idea of an organization go through a course of social identity process from the organization itself. The organization, on the other side, aggregates the social models that the actual individuals create. SIT sheds light on the social identity underpinnings of discrimination,

prejudice, and intergroup conflict by identifying these occurrences as the product of group-based categorisation and subconscious goals.

A social identity is an individual's information that the person in question has a role in a social gathering. In early work, this concept incorporated all the several psychological characteristics consistent with that social environment. Later scientists regularly isolated the self-classification component from the mental parts to experimentally examine the connections between them (Ellemers et al., 2003).

Since social identity consequences are founded on the maintenance and enhancement of consciousness, threats to consciousness would seem to be associated with the sharpest identity implications. Several analytical and experimental investigations have scientifically verified that when groups offer a danger to each other, the impacts of identification become more pronounced. According to SIT, oneself is reflected in the sense that it may accept itself as an article and arrange, describe, or designate itself in certain ways in relation to other people groups or hierarchies. Studying last decade's publications, SIT may have shifted more toward an individualist cognitive approach at the expense of its social roots. However, the range of modern approaches to "social identity" resists simple explanations, and the tale of the academic growth of the social identity notion is far from complete.

1.3.2. Institutional theory and social constructivism

The debate raised by Shultz and Ravasi in 2006 regarding OI change takes place mainly around the perspective of the identity of "social actor" and that of "social aggregator".

As from the figure 1 below and recalling the definitions at the beginning of this chapter, institutional theory (Whetten, 2003) defines Identity as

“OI resides in institutional claims, available to members, about central, enduring and distinctive properties of their organization.”

On the other hand from Gioia publication in 2000, social constructionist perspective sees it as

“OI resides in collectively shared beliefs and understandings about central and relatively permanent features of an organization.”

| Characteristic | Social Actor | Social Constructionist |
|---|---|---|
| <i>Theoretical foundations</i> | Institutional theory | Social constructivism |
| <i>Definition of identity</i> | OI resides in institutional claims about central, enduring and distinctive attributes of the organization (Whetten, 2003) | OI resides in shared beliefs about central and permanent attributes of an organization (Gioia et al., 2000) |
| <i>Emphasis on cognitive process</i> | Sensegiving: identity claims are defined by organizational leaders to create a collective sense of self. | Sensemaking: shared understandings result from the sensemaking process performed by members. |
| <i>Emphasis on endurance or on change</i> | Identity claims are resistant to change, labels change rarely. | Shared understanding change periodically. |
| <i>Fundamental Work</i> | Whetten (2003) | Gioia et al. (2000) |

Figure 1, Perspectives on OI: Social Actor vs Social Constructionist (Ravasi et Al., 2006)

Relying on institutional theory, the Social Actor perspective gives a meaning of OI that is based in the view of institutional cases. This view addresses changes in organizational identity, indeed scholars underline the importance of internal communication.

From the direct individual perspective, this view is aimed at justifying the group's collective behaviours as from inside the organization (Whetten et al., 2002). According to this concept, individuals build meaning without objective values, and thus their perception is completely

based on the meaning given by the observer. The social actor bases its approach on the idea that durability of OI does not imply that the organization itself is immutable. OI then is seen as a series of institutionalized claims, which comes from what is most central, distinctive, and durable about a company, as from the OI original definition (Whetten et al., 2002).

Evidence for these patterns can be found in the work by researchers (van Rekom, 2002), who states that this theory can be applied to real firms to reduce the gap that exists in strategic consultancy business routines.

On the other hand, is important to address the social constructionist view that is opposite to the social actor theory. The "social aggregator" viewpoint of OI, organizations are seen to be socially created through time as a result of the interpretation of organizational members in various ways: organizational identities do not change unless the meanings of these claims shift. This theory shifts the main attention to the perception of OI from outside the organization: these scholars such as Fiol and Chreim (Chreim et al, 2002), interpret OI to be fluid (Fiol et al, 1998). Social constructionist approach stands at the core of OI, by shifting the focus from formal claims to internal meanings. Moreover, this view was evaluated by studies in the paper by Ravasi (Ravasi et al, 2006), with the final goal of studying how distinctive features can be modified by externalities.

Indeed, scholars based their work on the concept that OI is to be constantly interpreted in a variety of ways (Fiol et al. 1998): according to Fiol for example, is crucial to assess the impact and influence of how individuals form a view of collective understandings of their organization.

1.4. The impact of interdependence between organizational identity and cultural identity

1.4.1. The Organizational Identity dynamics model

According to the work by Hatch and Schultz in 2002, it is possible to framework four stages that interconnect identity, culture, and perception: Mirroring, Reflecting, Expressing, Impressing.

- *Mirroring*, the workflow whereby the identity is mirrored in the images of others;

Scholars (Dutton et al, 1991) asserted that the beliefs and emotional responses of the others influence identity through mirroring, a phenomenon that results in empowering people in the organization to become involved in issues that may have the capability to minimize public perception of each entire organization. In the mirroring concept, the impressions others have of the organization are the mirror: conceptualizing identity as it is more than simply reflection in the mirroring procedure, but rather about self-examination of each own perception. According to the view in the work of these academics, if people in the organization perceive themselves to be more optimistic than they genuinely think others interpret them to be, the imbalance will stimulate them to alter their appearance or identity. This concept was introduced as a so-called “imbalance assessment”.

- *Reflecting*, the procedure whereby identity is incorporated in cultural perspectives;

According to scholars (Hatch et al, 2002), when organizational representations are reflected in identity, those are understood in reference to existing organizational self-definitions rooted in cultural knowledge. Identity is then transformed as a result of reflecting on identity, in connection to fundamental cultural beliefs that the reflection process activates. Organizational members form their identities not simply in connection to what everyone else believes regarding them, but rather to whoever they believe they seem to be. Reflecting on organizational identity, integrates that identity in organizational behaviours by activating values of its individuals. The authors hence consider self-awareness in OI development as the mechanism through which organizational members comprehend themselves as a group. Schultz contends indeed that the statements made by members of the organization about what the entity is, their

arguments convey the attributes of the context in which they have been integrated as individuals (Hatch et al, 2002).

- *Expressing*, the method through which culture helps to make itself recognized through identity claims;

Cultural identity encompasses all citations to shared identity: the identity statements discussed above enable organizational members to communicate about themselves while an entity rather communicates to others. According to the above-mentioned scholars (Hatch et al, 2002), when stakeholders connect with patterns of OI, these affiliations link them to the organization behaviour conveyed by the evidence of identity claims. In this view, the entity gets itself recognized by combining its organizational reflections into its external attributes: hence institutional identity patterns are merely an example of the larger scope of cultural identity that is defined by us.

- *Impressing*, the procedure under which manifestations of identity end up leaving impressions on someone else;

This concept relies on the idea that the perceptions created from external channels attenuate organizational efforts to influence individuals: such outward perceptions are magnified by the impacts of organizational publicity. OI manifestations indeed may contribute meaningfully to impressing people that go beyond the planned impressions made by conscious attempts to transmit their perception of OI. The sensitivity for such perceptions produced by the organization, pulls it back from worries about culture and its manifestations to issues about image and its organizational implications.

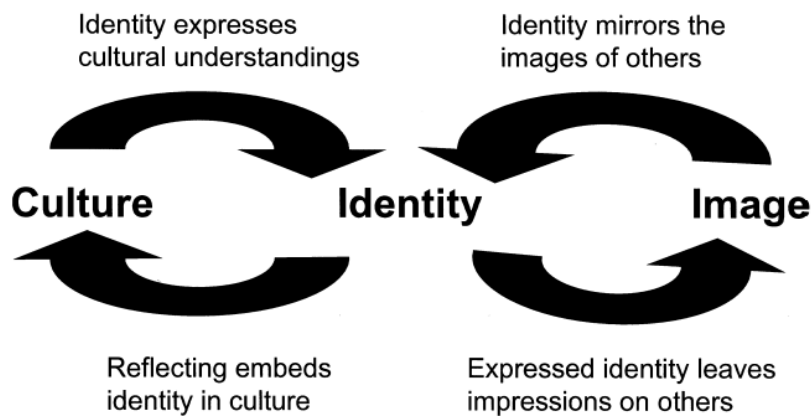


Figure 2, Visual representation of four OI Dynamics Model (Hatch et al., 2002)

In this view organizational identity must be conceptualized in connection to both culture and vision in an attempt to comprehend how externally and internally conceptions of organizational identity operate.

A well-known concept is the one from the work by Mead published in 1934 (Mead, 1934). In his research, the scholar defines the self as a synthesis of at minimum two points of view: a self that acts as an observer and a self that is observed. Indeed individuals prefer to identify themselves based on a social role which is most important to themselves. According to Hatch and Schultz (2002), Mead's notion of identity may be applied to organizations: in this idea, they believe that OI is expressed and simultaneously reflected in its culture.

1.4.2 Assessing the nature of beliefs recognized by organizational identity

Schein (1992) viewpoint identifies organizational culture as a series of core beliefs: the beliefs are taken-for-granted and thus operate continuously even when individuals are not aware of them at all times, which is the basis of this hypothesis.

These beliefs, that have proven to be so fundamental for the members of the organization, that those patterns become then regarded as correct by the organization and crucially related to OI concept. Evaluating and dividing the organizational culture into several tiers as from this perspective, the scholar proceeds to deep dive the three main “culture categories” identified: Artifacts, Beliefs and Values, Underlying Assumptions.

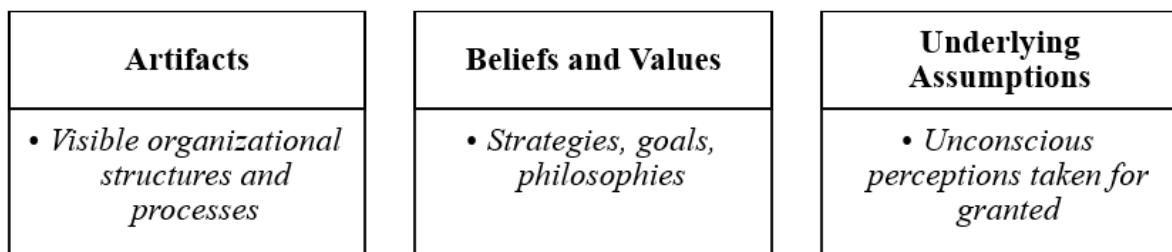


Figure 3, Graphical representation of the three tiers by Schein perspective (Hatch et al, 2000)

“Artifacts” are exemplified by all of the visual cues that are immediately noticeable upon entering the organization even if for the first time: these artifacts are the shared basic principles

around which organizational behaviour is done. The final aim is to reveal the impact of these patterns and its implications both to its members and to external stakeholders of the organization.

The second level is the one of "beliefs and values": when a beneficial situation is regarded as efficient and reliable by the team members, the value of a behavioural transformation process will convert it into a belief for the whole OI. Indeed this view considers that only popular consensus may confirm values in the external environment.

Finally, the last category this work examines is the "underlying assumptions": this is the layer where culture is based on established values that are taken for granted as long as the organization operates. Here the basic assumptions are seen as fundamental beliefs that influence behaviour and implying to group members how to interpret the OI.

1.5 Conclusion

This chapter is dedicated to the literature review and theoretical presentation of concepts, with a focus on studies evaluating organizational identity. Addressing the macro categories, the chapter starts with a focus on the literature review and academical background provided by main scholars over the last 30 years: some remarkable examples are Ravasi, Gioia, Whetten, Albert and Brown. Albert developed this approach in 1985 describing "organizational identity" as "what is most central, enduring, and distinctive about a firm."

Moreover, in this view the paper provides a dive-deep into the main academical theories is presented, with a focus on the differences between Social Identity theory, Institutional Theory and Social constructionists.

The Social Identity theory stands with the concept that when people are used and related to a fixed context of social interaction, those individuals are more likely to perceive their organizational identity based on the experience of their collective identity.

If on one hand the social actor (Institutional theory) approach is based on the idea that the long-term viability of OI does not imply that the organization is unchangeable; on the other the social aggregator (Social constructionist theory) approach relies on the idea that organizations are considered as socially generated over occur as a consequence of the perception of organizational members in different ways, according to OI's "social aggregator" perspective: organizational identities do not vary unless the interpretations of these claims move.

Furthermore, the impact of interdependence between organizational identity and cultural identity is evaluated, by focusing on the work by Hatch and Schultz in 2002: based on the four stages interconnecting identity, culture and perception of Organizational Identity.

The chapter has the role to present the work of scholars who studied the topic for decades, this leads a first process to provide and identify existing gaps in literature for the purpose of the research. This leads to the theoretical basis of Organizational identity, which is later on detailed in the next chapter as related to the specific case study.

Chapter Two

The role of the sensemaking process in evaluating the research

In order to describe how the implementation of Sandbox is modifying organizational identity in CONSOB, this study analyzes the process of sensemaking within the team involved in the Sandbox project: this phenomenon caused an “ambiguity” among employees which try to reduce it making sense of new reality.

2.1 Introduction

The second chapter provides an overview of the regulatory authority role and the characteristics of CONSOB national authority. Hence, this part also examines the Sandbox project and its implications, evaluating challenges and opportunities in one of the main trends of the regulatory fintech innovation, the so-called RegTech. A detailed landscape of Sandbox concept in both a broader and dive-deep scope are presented as for the specific CONSOB case study.

In this regard, the study provides an exclusive interview to academic scholars who are studying Sandbox projects from 2017, providing the reader crucial on-field expertise: from both La Sapienza University of Rome and the Politecnico di Milano University.

This chapter offers an industry-specific insight to address the research questions at its best: by relying on the details of CONSOB Sandbox process, the reader is enabled to evaluate and assess the relevance of such dynamic on Organizational Identity. In this way the change brought by an external stimulus on OI is simpler to comprehend, while connecting the concept of sensegiving (and sensemaking) with the framework of the Consob-Tech phenomenon.

2.2. Relying on Weick’s principles to investigate organizational identity

2.2.1. Assessing the rationale of the sensemaking concept as ‘the act of constructing interpretations of ambiguous environmental stimuli’

To analyze this process, the Weick’s approach has been used as a basis to rely on.

The idea of sensemaking has been evaluated by scholars as a process of continuous social negotiation. As stated by Weick, sensemaking is “the act of constructing interpretations of ambiguous environmental stimuli” (Weick, 1995). Indeed, people need to reduce ambiguity, this is socially done by looking for a new equilibrium which is in continuous progress.

The three premises of his constructionist approach are:

- any action is subject to multiple identifications
- the identification of any given action is subject to infinite revision
- any interpretation relies on a series of continuously modifiable interpretations

In figure below, a simplified representation of the process of ambiguity reduction and sensemaking is provided.

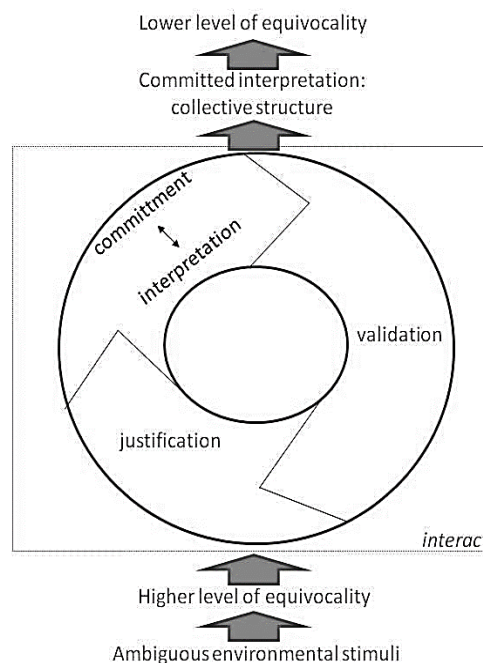


Figure 4, Sensemaking process representation (Weick, 1995)

Weick expands on the term of committed interpretation, as from the figure above: the so called committed-activities can manifest when rationalized as macroscopic requirements and raised as explanations. As per Weick committed interaction is what could be compared to the real appearance and the legitimization is what might be compared to the hidden pattern that assumes a full-scale setting.

We observe legitimizations for our activity in each interface we do and they could be different relying upon the others. In this way, when we act, various claims produce disarray after the choice, and we attempt again to defend our decisions to approve them. Defense can turn into a

significant wellspring of social culture and whenever defense is changed from a self-support to an aggregate expectation, it might become authoritative objectives. These objectives are vital to such an extent that they are important for the meaning of organization.

Regarding the validation stage, the post choice approval is crucial since ambiguity can be challenging, it relies upon the number of supports the chief has given to that activity. A justification with minimal characteristic legitimacy comes to be viewed as more legitimate, in light of the fact that influential individuals have confidence in it, following up on these convictions (Snyder, 1984).

In any case, this work to assemble an aggregate structure and to accomplish a common interpretation implies socially haggling for discovering a few normal focuses among the various interpretations that everybody persistently assembles. In sensemaking, Weick recommends that a relationship that better portrays sensemaking is the action of map making (Weick, 1995).

“There is some terrain that mapmakers want to represent, and they use various modes of projection to make this representation. What they map, however, depends on where they look, how they look, what they want to represent, and their tool for representation.”

As from a Monmonier, 1991

Therefore, a justification behind inclining toward map making as a representation is that a similar region can be depicted utilizing various guides and there is no "correct" arrangement.

Symbols can aid in this relationship: understanding of this symbolism is required in order to bring about improvements, and so attempt to clarify the retroactive character of sensemaking. These symbols likewise are connected to hidden designs through a cycle called documentary strategy. Garfinkel characterizes this strategy as a technique comprehending the idea of evaluating a genuine appearance as the record of a fundamental pattern. (Garfinkel, 1967).

Justification becomes then viewed as an aggregate goal solely after both single and double interaction: it is the object of responsibility, as from the words of Weick. Including in our evaluations interactions, and not just demonstrations, builds the likelihood that defenses summon social structures as the clarification of commitment.

2.2.2. The concept of sensemaking and sensegiving in explaining organizational identity evolution

The definition of sensemaking as from the descriptions above is distinct from the concept of sensegiving, which refers to a concerted effort to "compel" people to share a common understanding of reality. Scholars have frequently utilized these two different approaches and principles to understand organizational identity evolution.

| Reference | Role of sensemaking and sensegiving |
|-------------------------------|--|
| [1] Gioia, Chittipeddi (1991) | Four phases: 1) envisioning, 2) signaling, 3) re-visioning and 4)energizing; show how sensegiving phase follows each sensemaking phase. |
| [2] Corley (2004) | Sensegiving is the reaction to ambiguity and the “leaders’ responses to sensegiving imperative”. |
| [3] Ravasi, Schultz (2006) | Define the sensemaking phase – thought as which comes before sensegiving one in the model - as the process for managers to make a revision of the official identity claims. |
| [4] Clark (2010) | Sensemaking is one of the sources of identity inertia. |
| [5] Gioia (2010) | Sensemaking is described as follows “Organizational identity is progressively, even continuously, negotiated by organization members—via their interactions with each other...”. |
| [6] Wessel (2021) | Sensegiving is analyzed in relation with Digital Transformation: identity claims expressed by executives lead to impositions and reconciliations, the interplay of which is the outcome of a new OI. |

Figure 5, Six models related to organizational identity, self-developed.

The paper presents a summary of these investigations in the figure above, which are explained after in the paragraphs below.

Model [1] - Gioia, Chittipeddi (1991)

In a paper by Gioia and Chittipeddi (1991) it was established a framework to examine strategic change in OI. The study identifies a four-phase process based on senior management of a university who were interviewed. The sensemaking phases are then followed by a sensegiving phase, these two phenomena are the one the opposite to the other, and are alternated as cognition and action: the four stages are *envisioning, signaling, re-visioning, and energizing*.

In the paper, the envisioning stage is addressed with the employee collecting information about the organization he would lead. Later on in the signaling phase, the individual created ambiguity while stimulating a strategic plan for the future. In the third phase, the employee provides a knowledge of the entity’s various patterns, and in the final energizing phase, a broader commitment to strategic change is made by the individual.

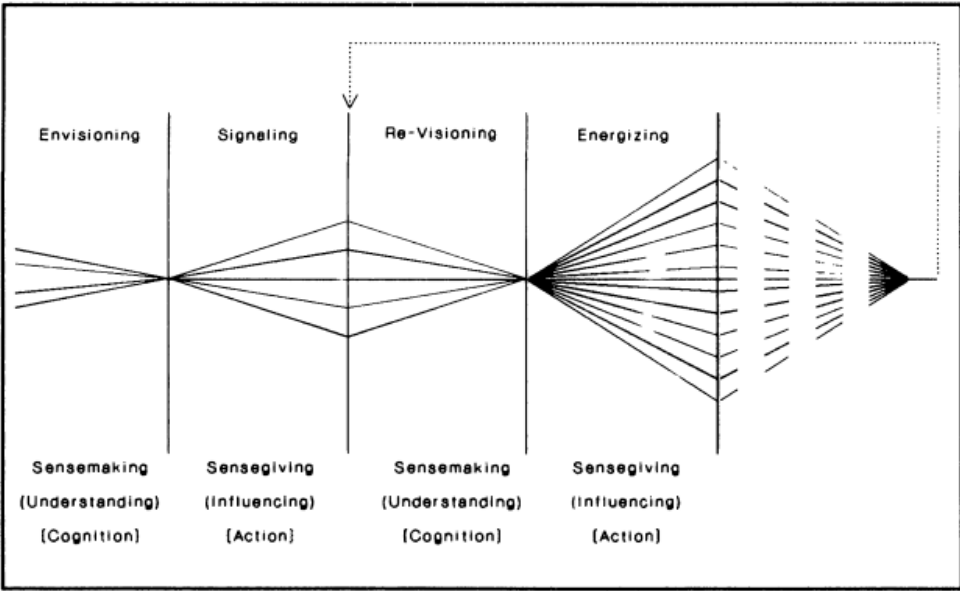


Figure 6, Sensemaking and sensegiving (Gioia and Chittipeddi, 1991)

Model [2] - Corley (2004)

A model based on the concept of pre-spin-off and post-spin-off related to identity ambiguity: a separate organizational identity emerges after and during spin-off (Corley, 2004). The following picture depicts the intriguing paradigm suggested within this paper to analyze identity shifts (pre and after a spin-off).

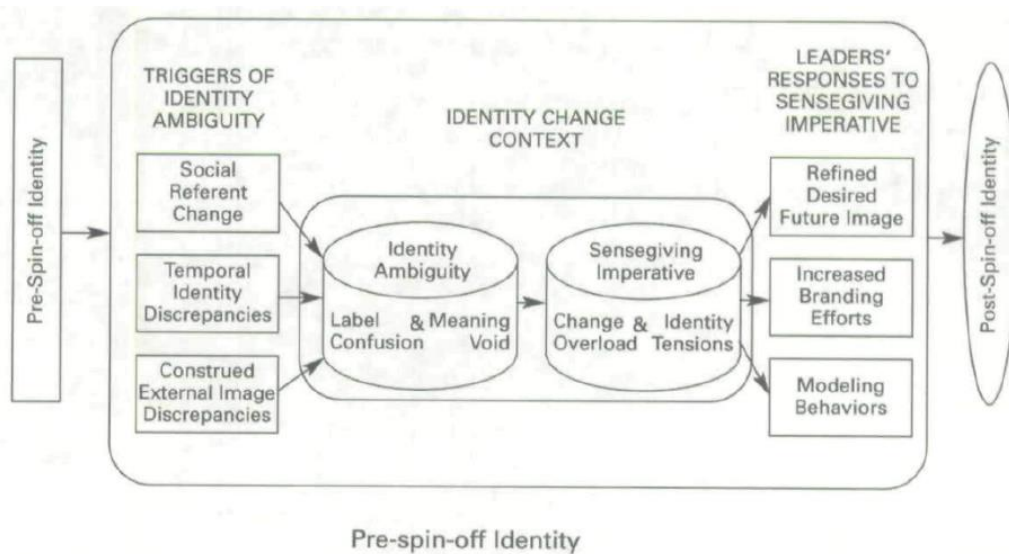


Figure 7, Organizational Identity change process (Corley, 2004)

The OI transition process has three phases and shows how pre-spin-off identity evolves into post-spin-off identity. Firstly, there is the identity ambiguity triggers, the second phase is the one of identity change context, the process of turning an unclear situation into one that makes sense. Finally is time for the phase of leaders' answers to the sensegiving imperative.

The authors developed this concept using an inductive process in which they questioned managers who led spin-offs asking information regarding OI evolution. Indeed as a result, they conducted a study and the answers were then grouped into three collective categories (Corley, 2004).

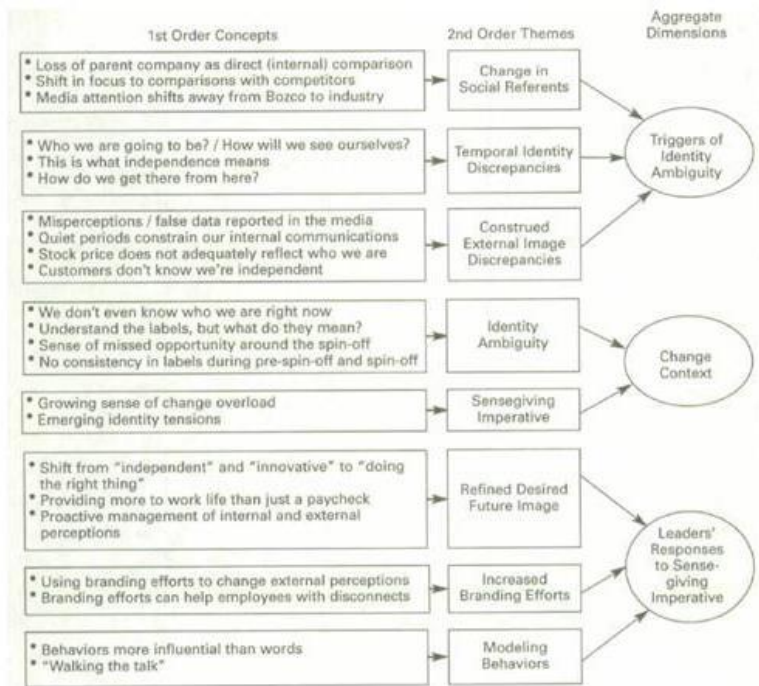
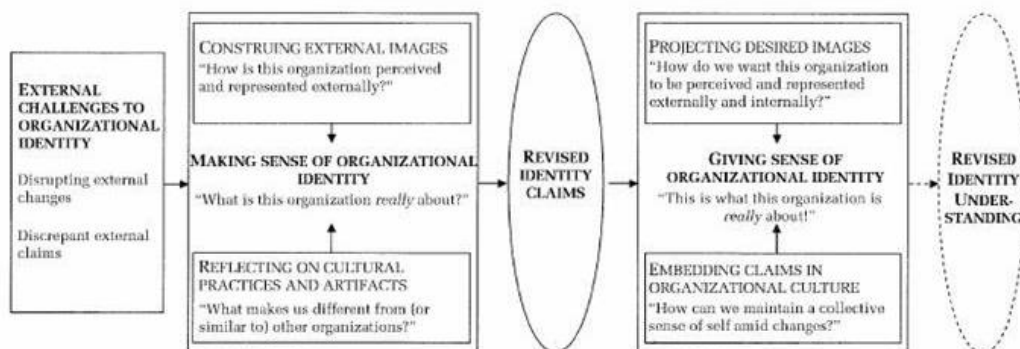


Figure 8, Aggregate dimensions of the model (Corley and Gioia, 2004)

Model [3] – Ravasi and Schultz (2006)

In a relevant case study of a Danish company, Ravasi and Schultz present an alternative paradigm to explain changes in identity that incorporates sensegiving: the authors show the importance of workplace culture in promoting leaders' sensemaking and sensegiving activities.



^a The dotted line indicates relationships and constructs for which we could collect only limited evidence.

Figure 9, Organizational Reaction to Identity Threats (Ravasi and Schultz, 2006)

How the organization is regarded from the outside and attitudes about different behavior patterns impact the perception of the organization: this model states and explains how a shared awareness of OI processes is addressed coming both internally and outwardly. This is linked to the justification concept, indeed the authors identify the sense generating phase before sensegiving stage in the framework (Ravasi and Schultz, 2006).

Model [4] – Clark (2010)

Transitional identity is often described as a notion held by the majority of the employees about what their companies are becoming. It has recently been described as the development of organizational identity following a merger as the authors used a grounded theory approach (Clark, 2010). Their research found that the transitional identity enabled for the suspension of previous organizational identities while working toward the creation of a new one. They introduced a methodology of organizational identity transformation in the context of a merger between two firms as in the following figure.

Figure 2. An emergent model of identity change during a merger.

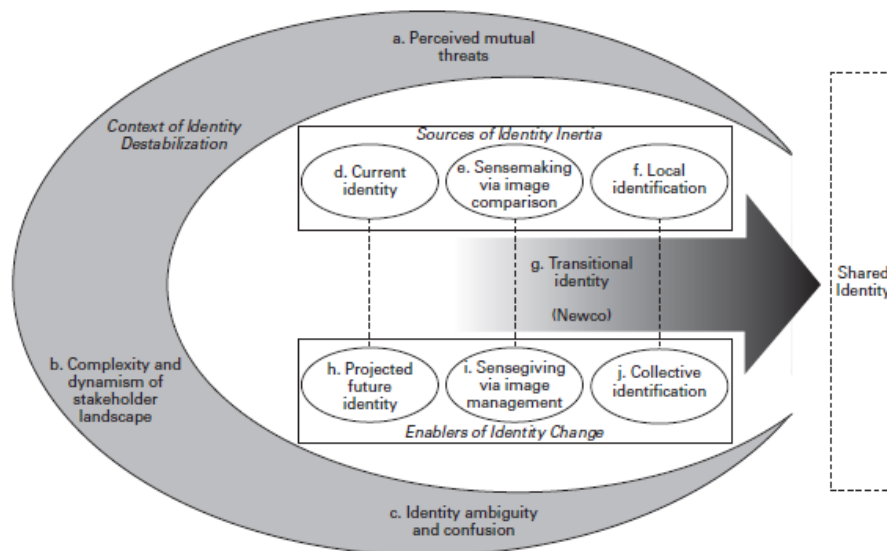


Figure 10, Emergent model of identity change (Clark, 2010)

Model [5] – Gioia (2010)

Another study looks at what happens when a company starts its business and how it might develop an OI (Gioia et Al, 2010). The process is stated in various stages based on a grounded approach:

1. *expressing a vision*
2. *experiencing a definitions void*
3. *participating in experiential contrasts*
4. *converge on a negotiated identity*
5. *negotiating identity claims*
6. *achieving beneficial distinctiveness*
7. *conducting practical actions*
8. *assimilating justifying feedback*

The last four steps (Figure 11) illustrate a similarity with the individual identity building process. The findings of this paper recommend that OI is negotiated gradually by people in the organization: OI is continuously influenced both internally and externally.

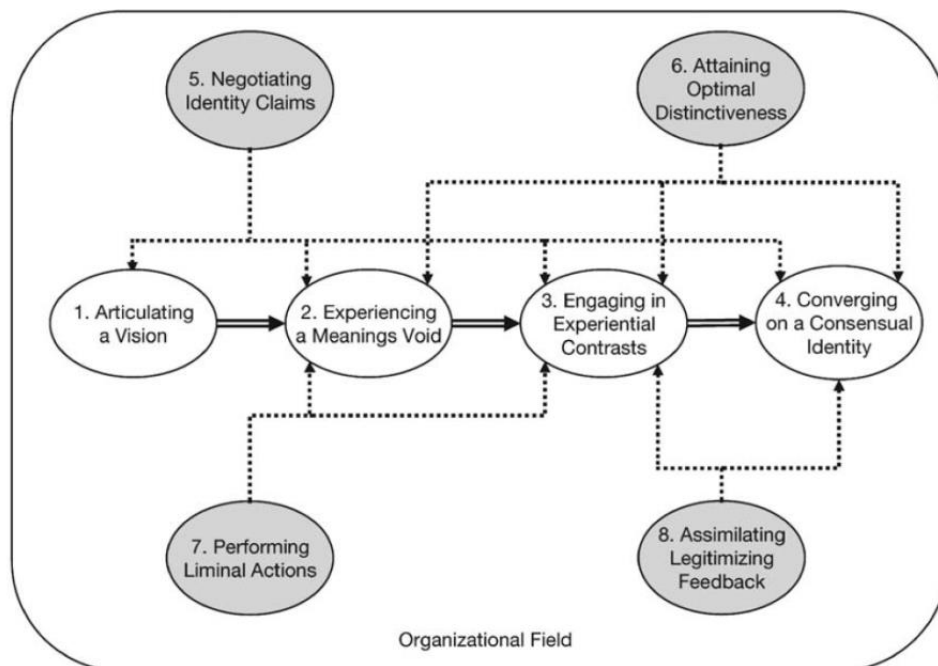


Figure 11, Various stages of the model in organizational field (Gioia et al., 2010)

Model [6] – Wessel (2021)

Wessel proposed a model to explain and study how OI changes when the market innovation creates new product offerings.

In the paper, the authors details two distinctive differences when studying the process of transformation in organizational identity claims:

- IT-enabled organizational change entails the improvement of an established one, while digital transformation entails the creation of a new organizational identity
- IT-enabled organizational change uses digital tools to optimize the business model, on the other hand digital transformation operations use technological tools to reimagine an organization's business model

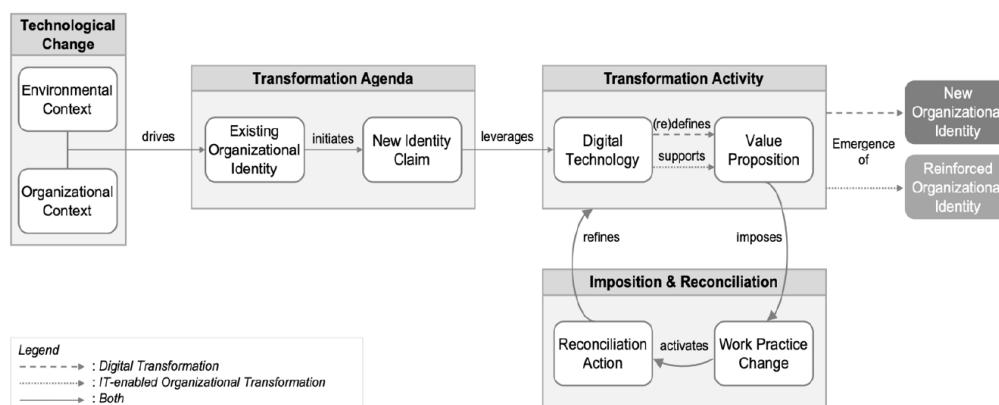


Figure 12, Process model of transformation (Wessel, 2021)

The emphasis in this research is on managers' demand: in fact, that is not easy to evaluate if reconciliation action occurs as the product of a sensemaking process or not. This specific is actually different and in contrast to other studies where sensemaking has a key role in clarifying OI change (Wessel, 2021).

This need to clarify “how” an external stimulus causes a change in organizational identity gives evidence of a gap in literature and brought us to address the following research question:

How an external Fintech stimulus can modify organizational identity and value proposition?

This question is positioned to fill a literary gap between the above-mentioned papers and studies, on which the research relies to provide a specific interpretation of OI changes. To conduct the research, a qualitative approach is used for the purpose of the research question to address the “how” gap.

The CONSOB case study of the Sandbox project is a perfect fit for the aim of the qualitative research, which is presented in the next paragraphs in detail, starting from the methodology until the evaluation of main findings.

2.3. The CONSOB case study to address changes in organizational identity

The research analysed a sample of employees from the CONSOB offices, in relation to how a change in regulation influenced the organizational identity of the authority, regarding the launch of the Sandbox project.

2.3.1. Introducing the industry-specifics of a regulatory authority as fundamental basis to understand the research purpose

CONSOB is the Italian financial products market's supervisory authority, its goals are to protect investors as well as the economy's effectiveness, integrity, and growth. CONSOB supervises market property managers, as well as the disclosure and organized effectiveness of negotiations, but also the accountability and accurate nature of intermediary and authorised individual behaviour.

The relationship between CONSOB and market bodies is regulated by the legal requirements that empower it with their oversight. Within the bounds of professional secrecy, CONSOB collaborates with other Italian government agencies by sharing information. CONSOB assists judicial authorities by supplying requested monitoring and reporting circumstances of possibly criminal significance that arise throughout the course of its operations.

CONSOB controls the stipulation of financial activities and services by financial intermediary, and also the reporting obligations of quoted companies on established capitalism and government investment appeals. Moreover, is in charge of controlling the market information provided by entities launching public investment appeals and material held in the financial accounts of publicly traded companies (CONSOB, 2022).

Its mission is to safeguard the interests of investors. In this regard, CONSOB is the responsible body for: making sure accountability and accurate behaviour by traders and investors; listed enterprises' reporting of accurate information to the stock market; accuracy of facts represented in proposals pertaining to services of municipal bonds to the capital markets; and regulatory requirements by audit firms listed in the Special Register. It investigates complaints into any violations of the insider trading and financial fraud laws.

Furthermore, the authority also determines any irregular trends in the buying and selling of stocks listed and takes all other steps necessary to verify violations of bank fraud and market

abuse regulations. CONSOB works with and contacts trade associations and takes their suggestions into account when performing its regulatory tasks. The structure and administration of the Italian banking system is aided by a variety of legal bodies and market groups. Cooperation in the form of initiatives, opinions, understandings, and information sharing ensures the overall uniformity and usefulness of their actions.

The entity also collaborates with other local and foreign bodies charged with organizing and operating stock system and interacts with operator and buyers in order to create a better value and maintain shareholder financial knowledge (CONSOB, 2022).

As from the official website, the Regulatory Sandbox allows FinTech companies to test revolutionary solutions while benefiting from a streamlined transitional framework and maintaining constant communication with regulatory authorities. CONSOB-Tech is a CONSOB initiative targeted to firms who have produced or are developing a project in the financial industry to develop technological advances.

The Sandbox Regulation specifies the circumstances under which FinTech companies may use the Regulatory Sandbox and, in any case, ensures that FinTech companies have the opportunity to engage in interaction with CONSOB and other regulatory authorities.

2.3.2. Framework, objective and patterns of the Sandbox project

The CONSOB-Tech Team's goal is to generate a support network within CONSOB's supervisory and regulatory boundary of activities, facilitating communication with FinTech contractors and industries that are using FinTech products. This project is an innovative task for regulatory authorities where the aim is to support startups instead of supervising them, providing regulation-specific exceptions to foster value creation in fast-moving industries (CONSOB, 2022).

Eligible to participate in the Sandbox managed by CONSOB are projects concerning:

- activities that would be subject to authorization in a register held by CONSOB
- activities affecting regulated areas carried out by outsourcers in favour of subjects supervised or regulated by CONSOB

- activities that affect regulated areas carried out by a subject supervised or regulated by CONSOB

The firms interested present an application to the open call, which is revised and evaluated by the official committee. The Committee observes and monitors the evolution of FinTech at the national, European and international level, in order to identify the objectives, define programs and implement actions to promote the development of FinTech. Moreover, it also does so by promoting and supporting interventions of administrative simplification, formulation of guidelines and best practices, in compliance with fair competitive dynamics: ensuring the protection of customers and financial customers and financial stability.

One of the aims is to facilitate the contact of the operators of the sector with the institutions and with the authorities. This is achieved also through studies, analyses, comparative tables and hearings of operators in the FinTech sector and of foreign institutions active in the regulation of FinTech, in order to improve its own activity and that of its members. When deciding each case, the committee takes into consideration also the discussion on risk areas, identified by the members of the Committee, which promotes and coordinates the content of activities of information exchange with the competent institutions, including the European authorities, which should be necessary and appropriate (CONSOB, 2022).

Among the factors (CONSOB, 2022) to be assessed when evaluating various applications, these are the main requirements to be met in order to be a good-fit in the case of a startup that:

- is significantly innovative: through the use of new technologies, it contributes to offering services, products in the banking, financial or insurance sectors that are genuinely new and different from what is already present on the national market
- benefits end users in terms of quality of service, promotion of competition of the service, promotion of competition, conditions of access, availability, end-user protection, or cost
- contributes to the efficiency of the banking, financial, insurance sectors or operators participating in it
- it makes the digital application of regulation of the banking, financial, insurance industry
- enables an improvement in the systems, procedures or internal processes of banking, financial or insurance industry participants, with respect to risk management

The firms applying to the Sandbox project are then evaluated and if the criteria are met are directly contacted to ensure full provision of documents and data needed.

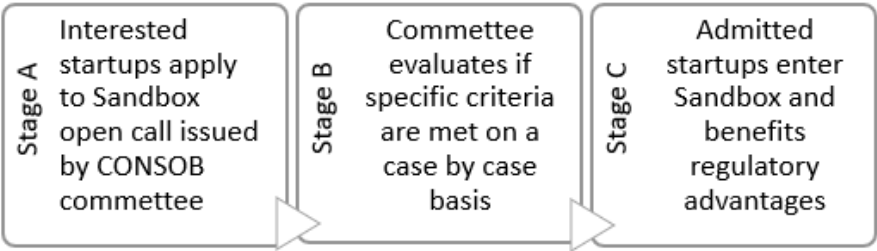


Figure 13, Representation of the three stages in Sandbox project. Own developed graph.

Startups selected for the project will potentially benefit from several regulatory advantages and exceptions, based on the specific situations. As from the official open call, these are some of the possible beneficial applications for startups admitted to the Sandbox (CONSOB, 2022).

These could stem to issue permits (or limit the operativeness) with a different scope than that provided from general law, with regard to the volume of activity, the type or the modality or duration of the service, the characteristics and the number of end users. Moreover, the project could allow derogation from provisions contained in a regulation issued by the Authority. Finally, for specific cases CONSOB could enable the adoption of a different corporate form from that provided for in the consolidated text of banking and credit laws.

2.3.3. Exclusive interviews to provide an academic perception of the phenomenon

In order to present a new vision of the phenomenon studied, this paper proposes to interview and collect the opinions of two academics who have studied projects in the regulatory field in recent years. In particular, were interviewed two scholars who have published and analyzed the phenomenon in two important Italian universities: La Sapienza University of Rome and the Politecnico di Milano University. For reasons of research methodology the identity of two academics has been deliberately left anonymous.

The perception of the Sandbox phenomenon, the birth and development in other nations of this type of projects has been evaluated from 2017 onwards by Italian academics in different universities. This type of study pinned a knowledge of the field and possibility to identify the advantages and disadvantages for companies and authorities in charge of the matter.

In particular first scholar claims to have found several interesting novelties compared to what can be imagined through the literature review of the topic: the paper presents therefore the major findings of the research conducted at the University of Milan.

Academic contribution from Politecnico di Milano University

The university started studying RegTech, the area of innovation to insert the Sandbox concept, in 2017. It is a phenomenon that is very broad because it includes the whole part of technological innovation applied to regulation, the future of regulation to what the authority is experimenting and wants to experiment.

The first researches that were set up, were researches that went to study all over the world in countries where a Sandbox had been activated. From the various projects what emerged was that the start-ups that entered into the Sandbox actually used this also as if it were a seal of quality: that is, its meaning has assumed a seal of quality that somehow has also facilitated certain start-ups not so much for the Sandbox itself but for the perception of the company.

The goal was shifted from the more regulatory entity to the concept of collection of credit funds with respect to potential customers suppliers and investors. The startup was often then viewed and evaluated positively by investors when capital raises or investments were made. Of the start-ups analyzed, an interesting fact emerged: a good part of the start-ups that said they were ready to be inserted in a Sandbox context in the project, turned out to be start-ups whose business model does not require contact with the national regulatory body.

Indeed, of those who stated to seek for a Sandbox application, around 40% were startups that were not supervised by the regulatory authority. Consequently, this is evidence of how important it was for start-ups to obtain a certification of the prestige due to the project rather than to obtain a regulatory advantage from the project itself (these data refer to a survey conducted in 2021 by the academic).

CONSOB Sandbox project is undoubtedly an example of innovation and regulated future alive for the Italian sector this allows startups to take advantage of a whole range of benefits that could otherwise result and even lead to the failure of the companies themselves. However, this has been done without totally adopting a technical-scientific approach in order to keep up with the times and the innovation of the technological trends that follow the fintech world. In fact, in this sense it could be advantageous for the authorities that oversee the proper functioning of the markets to hire and invest in training employees just to fully understand dynamics due to the latest emerging technologies. This would allow CONSOB to speed up and facilitate the understanding of some services based on new technologies such as blockchain and artificial intelligence on which the authority itself is investing many resources.

As looking to the worldwide picture, the most developed Sandbox system has been that of Singapore, even though there were differences at a regulatory and financial market level, it developed in a decisive and innovative way. This has allowed other nations to take a cue and copy over the years resulting in a vast and varied phenomenon over the last few years. It is in fact possible to see, as shown in the figure below, the number of similar projects in the world and how they are homogeneously located throughout the world regardless of the dynamics of the market or the regulation of each country.

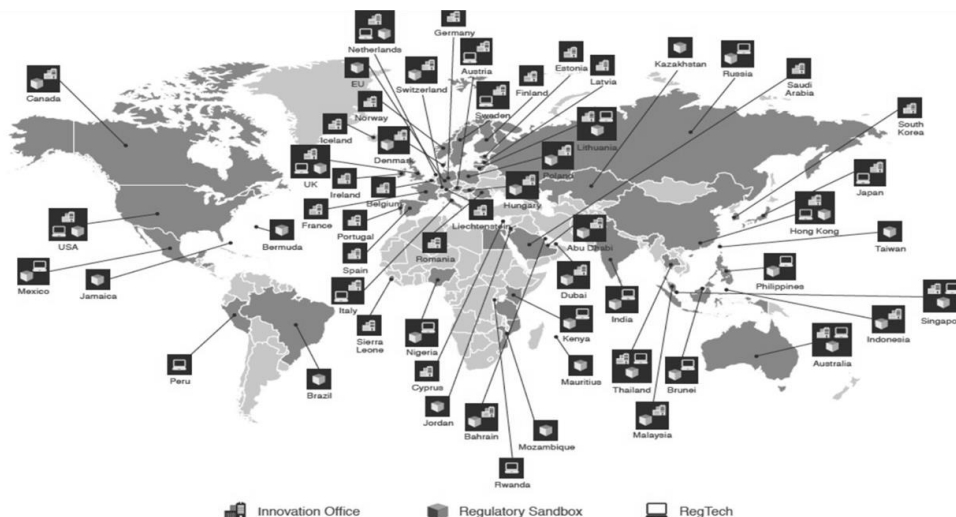


Figure 14, Worldwide representation of RegTech (CCAF, 2019)

As for the European landscape, the UK was the leader in Europe before Brexit for capital invested in fintech startups as well as one of the most active markets globally, it was the first country to introduce the Sandbox in 2015. Again, this offers a neutral ground to test innovation, with a mechanism to protect users and the possibility for companies to grow without supervision costs.

This is clear from the official statement provided by FCA in 2015.

“The FCA is committed to promoting effective competition in regulated financial services in the interests of consumers. Disruptive innovation is a key part of effective competition, which is why we launched Project Innovate. Project Innovate aims to support innovation that offers new products and services to customers and challenges existing business models. To do this, we engage constructively with innovative businesses, and seek to remove unnecessary regulatory barriers to innovation. ...

We have considered three key questions when investigating the feasibility of a regulatory Sandbox:

- *Barriers – what regulatory barriers do firms face when testing out new ideas? How and to what extent can they be lowered?*
- *Safeguards – what safeguards should be in place to ensure consumers and the financial system are appropriately protected during testing?*
- *Legal framework – what regulatory arrangements are mandated by EU legislation and therefore are not within the gift of the FCA to change?*

...

A regulatory Sandbox is a ‘safe space’ in which businesses can test innovative products, services, business models and delivery mechanisms without immediately incurring all the normal regulatory consequences of engaging in the activity in question”

Financial Conduct Authority, 2015

2.4 Conclusion

As from a literature provided in the previous chapter, where is presented a gap in existing academical work by scholars, since a focus on how OI is changed by an external stimulus is still missing.

How an external Fintech stimulus can modify organizational identity and value proposition?

To ascertain this 'how,' the Sandbox mission is in the setting of financial technology services offered by startups that are endorsed by a traditional Italian supervisory agency: in this perspective, the initiative seeks to maximise potential regulatory advantages and outliers for selected Fintech companies.

The framework at the basis of the differences between sensemaking and sensegiving is expanded, this is crucial to investigate organizational identity attributes. The six models evaluated are crucial to then analyze correctly the various perceptions of the topic, based on different patterns of sensemaking and sensegiving from Weick's work.

Even if quite unpredictable, the interviews of the two academics provide a non-conventional assessment of the Sandbox phenomenon in Italy: the Sandbox mission is then shifted from its initial proposition to a more prestige-related pattern. Indeed, the need for startups and fintech firms to achieve financial fundraising overcomes the real need for regulative exemptions. This is interesting for both potential startups and the regulatory authorities: is fundamental that the final purpose of the Sandbox is addressed to provide real regulatory benefits for firms.

Moreover, both scholars argue that is important for the Italian case to take the best perks from the UK Sandbox experience, which embeds totally the idea at the basis of the project.

The role of this chapter is to interconnect between the first one, in which academic theoretical background is provided on the basis of literature, and the third one, where the core qualitative research is conducted and analyzed as to fill the literary gap. The section is therefore a bridge to the contextualization of the findings from the research in CONSOB Sandbox project.

Chapter Three

Qualitative research on the CONSOB Sandbox project

Weick states that the pictures of reality will be social pictures in light of the fact that interaction are analyzed. Interaction is the object of responsibility and reification is the substance of understanding. Understanding is a social defense shared by gathering that form aggregate constructions where social substances are reified.

3.1 Introduction

Chapter three is based on two macro categories for a total of four paragraphs, all related to the purpose, methodology and findings of the qualitative research. This section of the paper is devoted to analyzing and studying the qualitative research, including the methods, assessment, and conclusions for the 16 employees that were interviewed. The examination of both semi - structured and unstructured interviews is then used to carry out this research, that combines the theoretical notion from the very first two chapters with the realistic and practical perception found in the patterns encountered by the employees and supervisors.

This section relies on the approach of data visualization given by cognitive mapping presented by Weick (Weick, 2001), indeed when depicting a research process in the context of what is undiscovered, the cognitive map displays the boundaries of intellectual viewpoints. These maps depict how people utilize sensemaking to govern their circumstances, with sensemaking originating from the structural characteristics of perspectives.

Moreover, in the chapter are presented the main findings from the research, which come directly from the exclusive interviews carried out by the author in the CONSOB employees setting. Hence, main findings are grouped and summed up in the conclusion of this chapter in order to facilitate the understanding of them for the reader, providing in a first sight the inputs chosen for the research and only later on the conclusions drawn as outputs.

3.2. How an external Fintech stimulus can modify organizational identity and value proposition?

To sort out the real world, individuals in organizations need to share at minimum a few common points through the changeable pattern of interpretations. This aggregate design can be viewed as a mental map or the so-called cognitive map: a mental map is our very own portrayal information that we alter from our authoritative experience.

Weick defines it as *"the concepts and the relations a participant uses to understand organizational situations"* (Weick, 2001)

3.2.1. Cognitive map model as a basis to present the causality map of the qualitative research

A particular type of mental map is addressed by the causality maps: causality is one of the main patterns that we can acquire matching occasions basing on the time at which they happen and their arrangement. In the cognitive map below a focus on the questionnaire of qualitative research that this paper is studying, on the basis of the sensemaking model provided by Weick. The advantages of the cognitive mapping method were multiple. Analytical reports might help to systematize complexity to the point where information could be successfully managed, and data might be acquired in a short amount of time. The cognitive ability to categorize, organize, store, and retrieve knowledge, and so produce an active and dynamic cognitive series of activities.

The cognitive map shows the limits of intellectual viewpoints when portraying a course of research in perspective of what is unknown. These maps show how people use sensemaking to regulate their surroundings, with sensemaking coming from the relational features of points of view. The maps provided a way to develop a participative relationship in a short period. Moreover, a crucial factor is the adopting the participant as kind of a creator of the research data. It was also a method that could be tailored to fit certain conditions. Without the use of software or specialized resources or facilities, the process could be completed and participants were able to adjust the process at their own pace and exert some control over how it was accomplished.

| Phase | Source for meaning | Output | Questions |
|----------------------------|---|--|--|
| Pre-Sandbox | | Stability | <i>Before your experience on the CONSOB-Tech team, what adjectives were appropriate to describe what you felt was central, distinctive, and enduring about CONSOB's identity?</i> |
| Normative external stimuli | | Ambiguity | <i>How the new tasks associated with the launch of CONSOB-Tech have challenged the identity described above?</i> |
| Justification | Interacts (public, irrevocable, explicit) | Common points on cognitive causal maps | <i>Based on your interlocations with individuals who have proposed for access to CONSOB-Tech, how has your view of supervised entities changed?</i> |
| | Symbols (labels, metaphors, platitudes) | | <i>While working on the CONSOB-Tech project, did you notice that the language used was different from what you were used to?</i> |
| | Underlying patterns (including organizational identities) | | <i>During your experience working on the CONSOB-Tech project, which aspects of CONSOB's identity do you notice have changed?</i> |
| | Past events | | |
| Interpretation | Reification of social and organizational roles and causal relationships | Collective structure | <i>How has your experience working on the CONSOB-Tech project made you re-evaluate your role as a "civil servant"?</i> |
| | Common points on cognitive maps | | <i>During your work experience in the CONSOB-Tech project, how did relating with other team members help you understand the new tasks?</i> |
| | Motivations to act | | |
| | Interacts (public, irrevocable, explicit) | | <i>During your work experience in the CONSOB-Tech project, in your interaction with other team members and other colleagues involved, how do you value the presence of different sensitivities?</i> |
| Validation | Interacts (public, irrevocable, explicit) | Post decision justification | <i>Based on your experience in the CONSOB-Tech team, what do you think is now central, distinctive and enduring in CONSOB's identity? (the question is specular to the first one and tends to verify the eventual evolution)</i> |
| | | Shared underlying patterns | <i>Do you think this experience in the CONSOB-Tech business has given you new skills?</i> |

3.2.2. Identifying assumptions, methodology and purpose of the research

The research was then organized as follows, after having received the legal permissions from the Sandbox project responsible, a questionnaire was presented to various employees from several departments, all working in the Sandbox project. The answers will be analyzed anonymously and, based on the results, the impact on organizational identity will be assessed in the section dedicated to findings.

The group was interviewed firstly with an unstructured modality, asking an overall opinion on the whole experience so far. Then, the paper addresses the interrelation between the specifics of the project and organizational identity with detailed questions to assess the impact of the Sandbox on OI. Each interview was performed individually on a total of 12 questions: among the various points, the crucial one is the one focusing on the change in what each employee defines as central, distinctive, and enduring about CONSOB's identity. This question is asked twice: the first time asked in relation to the period before the beginning of this project, then secondly asked in relation to when the project had begun and was already in place.

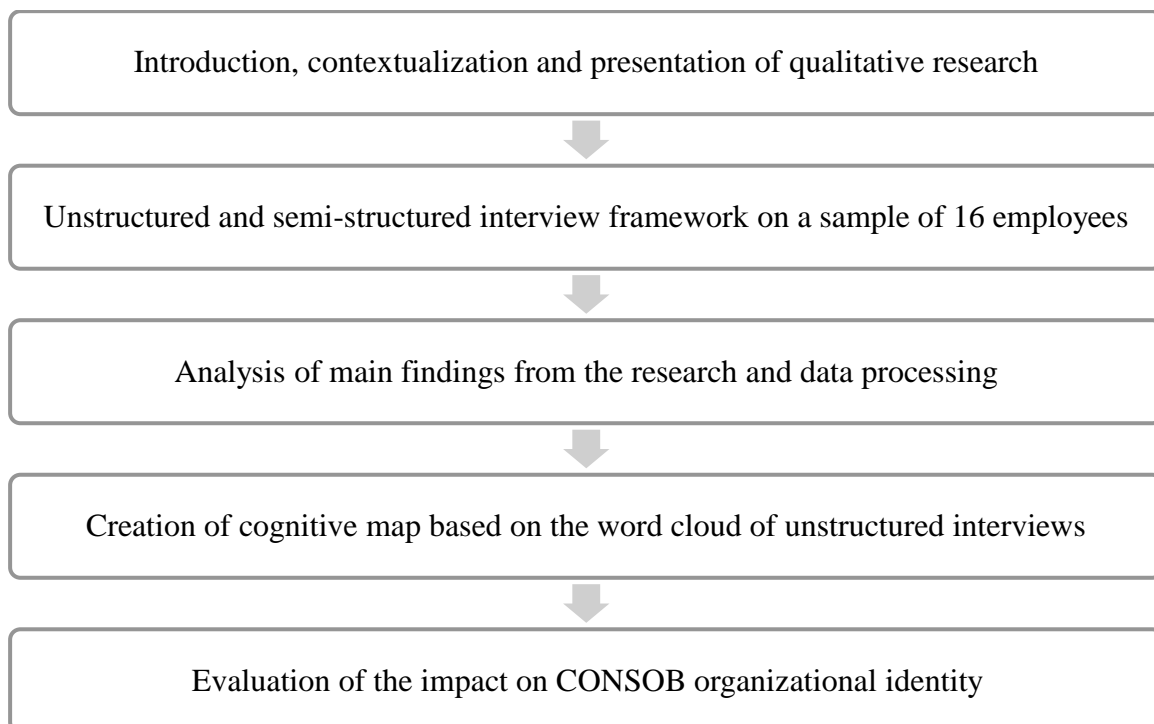


Figure 15, Chronological phases of the qualitative research. Own developed graph.

The qualitative research focused on a sample of 16 individuals working in various department, as from the sample the key metrics are:

- The mean age of the individuals in the sample was 49 years old, with the oldest being 61 and the youngest of 32 years old
- The mean years of the individuals in the sample was 14 years working inside the authority, with individuals even with a tenure of 25+ years
- On the totality of individuals, 3 out of 4 employees were females
- Regarding the level associated to each employee inside the organization, the vast majority (nearly 70%) were at an advisor level, with the remaining part of directors and experts
- Focusing on the academic background of the sample, 63% had an economics background, while the rest 37% came from a law experience

The two tables below show the details of characteristics in the sample of population that was interviewed for the purpose of the qualitative research.

| | GENDER | AGE | LEVEL | BACKGROUND | TENURE |
|----|--------|-----|----------|------------|--------|
| 1 | M | 32 | Expert | Law | 3 |
| 2 | F | 50 | Advisor | Economics | 5 |
| 3 | F | 59 | Director | Economics | 32 |
| 4 | F | 44 | Advisor | Economics | 14 |
| 5 | F | 52 | Advisor | Law | 5 |
| 6 | F | 50 | Director | Law | 25 |
| 7 | F | 55 | Director | Law | 27 |
| 8 | F | 61 | Expert | Economics | 2 |
| 9 | F | 48 | Advisor | Economics | 5 |
| 10 | F | 55 | Advisor | Economics | 26 |
| 11 | M | 59 | Advisor | Economics | 5 |
| 12 | F | 52 | Advisor | Economics | 5 |
| 13 | F | 52 | Advisor | Economics | 22 |
| 14 | M | 37 | Advisor | Economics | 10 |
| 15 | F | 51 | Advisor | Law | 19 |
| 16 | M | 44 | Advisor | Law | 10 |

| CATEGORY | DETAIL | VALUE | PERCENTAGE |
|------------|------------|-------|------------|
| Age | Mean value | 49 | N/A |
| Tenure | Mean value | 14 | N/A |
| Background | Law | 6 | 38% |
| | Economics | 10 | 63% |
| Gender | M | 4 | 25% |
| | F | 12 | 75% |
| Level | Director | 3 | 19% |
| | Expert | 2 | 13% |
| | Advisor | 11 | 69% |

Figure 16, Characteristics of sample from the qualitative research

3.3. Analyzing the impact of main evidences from the research on organizational identity

The research, who interested 16 employees of different departments, provided findings to be divided into:

- Findings from the semi-structured interviews (question 1 of the questionnaire) regarding the overall feedback on the Sandbox project
- Findings from the structured interviews (questions from 2 to 11 of the questionnaire)

3.3.1. Evaluating the findings of unstructured interviews to the regulatory authority employees

The employees provided several opinions on the Sandbox project with a large variety of points of view. Indeed, employees perceived that in a fast-changing environment like FinTech, forming a horizontal group (the transversal composition of the group, made up of different professionals from various organizational units) and sharing information are critical, and the same strategy should be used in other areas as well.



Figure 17, Word cloud related to unstructured question from the qualitative research

The CONSOB-tech project has shown to be advantageous in terms of establishing less hierarchical teamwork and the ability to manage internal activities more fluidly. This project allowed employees to connect with creative businesses and the services they provide. Because of the initiative, the group has been able to work more flexibly and meaningfully, bypassing the logic of predetermined positions. Hence, the CONSOB-tech project has proven quite useful in forming less hierarchical work groups and allowing for more informal management of certain procedures.

Individuals were able to gain new skills linked to interacting with new sectors and innovative companies as a result of this initiative. Regarding language and communication used, employees seem that the stakeholders were not used to dealing with a regulatory authority, and this was evident in the numerous communications: the terminology used appeared to be different from that used in past circumstances.

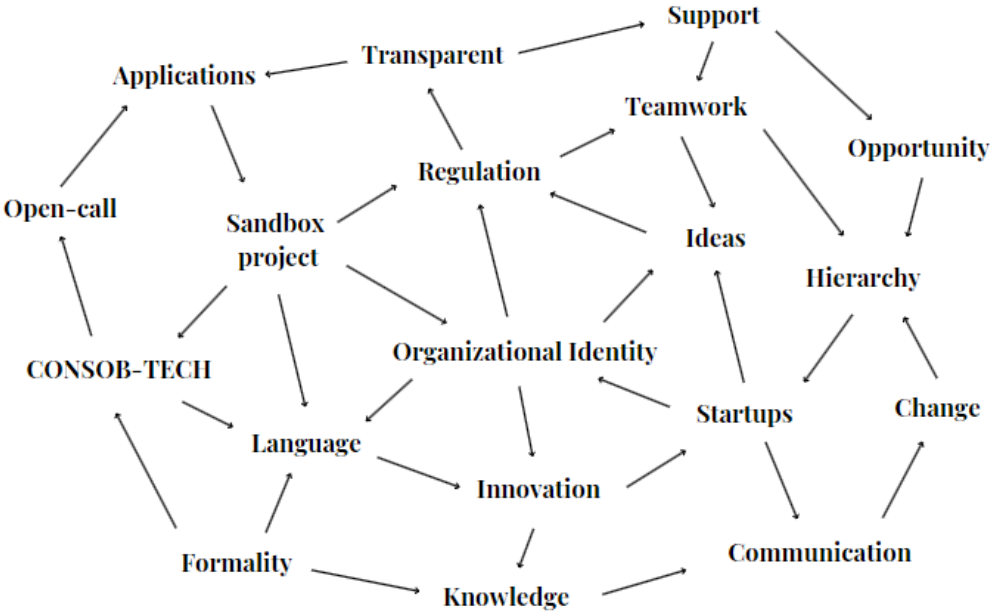


Figure 18, Cognitive map based on unstructured question from the qualitative research

The significance of emphasizing the map's significance as a portrayal of sensemaking in a contextual framework cannot be overstated. The map could show a change event that happened in the past, is happening now, or is coming up soon. The sensemaking that takes place when making the map is either emergent or established. The process of building the map and connecting concepts produces a new knowledge or viewpoint on the change episode in emergent sensemaking. The map represents solid knowledge systems where sensemaking is

established: indeed to inform perceptions, cognitive maps identify groups of ideas, knowledge, and experience. When making decisions, the person consults a map of concepts and connections, eventually massive information networks will be built (O'Connor, 2015).

UNSTRUCTURED QUALITATIVE RESEARCH - PRELIMINARY INTERVIEW QUESTION N.1

Tell us about your experience in the Consob-Tech project, specifying if and how it has changed your daily work activities or the way you work in a group with colleagues.

EMPLOYEE #1

Taking part in the Consob-tech project is a great opportunity to allow the various internal departments to work in direct contact with innovative companies and startups in the area. This allowed me to better understand the dynamics of certain young and fast-rising realities in various sectors.

EMPLOYEE #2

Participation in the Consob-Tech project is a privilege for me because it allows me to learn new things, explore a different and more dynamic way of working in a team and understand how the activity of supervision and oversight can adapt to the changing needs and demands coming from the market and from Fintech operators. Participation in the project required an additional effort as this activity joined those I was already carrying out, without the possibility of redefining the workloads within my office. However, the informal and collaborative atmosphere that was established in the group, thanks also to the coordination skills of the leaders, allowed me to follow the activities with extreme interest and satisfaction. Moreover, the transversal composition of the group, made up of different professionals from various organizational units, allowed me to get to know better the "real" Consob which, beyond formal documents, is made up of people with different knowledge, skills and sensibilities but all of the highest level. I have learned a lot from each of my colleagues and I hope that this new way of working, more dynamic, less formal and more attentive to substance, can be replicated in other areas within Consob.

EMPLOYEE #3

Participation in the Consob-Tech project allows, on the one hand, to work in an integrated way with colleagues assigned to different offices, in a more agile and less formal way than in the ordinary way and, on the other hand, to have a direct relationship with the industry. This last aspect allows to receive directly the requests of the market and solicits reflections on the correct framing of the proposed projects within the current regulation.

EMPLOYEE #4

Working in teams for the Consob Tech project has been useful for the exchange of knowledge between colleagues from different Divisions and for the synergies achieved. It was also a way to show to external subjects the ability of the Consob team to support the requests and to deal with an absolutely new subject, which will require the maximum confrontation with external operators in order to produce the necessary national legislation, in the run up to the issuing of the new EU MICA Regulation.

EMPLOYEE #5

It has been a very enriching experience both professionally and personally. I met people coming from other offices and/or divisions, all looking for tools to deal with a new world for Consob such as Fintech. The fact that the management of the work was characterized by greater informality than Consob's schemes also contributed to creating a more relaxed and pleasant environment.

EMPLOYEE #6

The creation of a horizontal group and the sharing of information are essential in a rapidly evolving context such as FinTech. the same approach should be applied to other areas as well, given that the siloed approach is now outdated.

EMPLOYEE #7

Participation in the project has allowed me to get in touch with many colleagues I didn't know before, but it hasn't changed my work habits.

EMPLOYEE #8

The project has the merit of creating non-hierarchical groups in which everyone feels free to express themselves. It is an opportunity to create direct relationships between the most diverse structures (and ages) and to develop new ideas and approaches, overcoming the adage of "it has always been done this way".

EMPLOYEE #9

The project has allowed the group to work more fluidly and more purposefully, avoiding the logic of preordained roles.

EMPLOYEE #10

The Consob-tech project has been very helpful in creating work groups with less hierarchy and having the ability to manage certain processes with less formality.

| EMPLOYEE #11 |
|--|
| <p>The Consob-Tech project has offered the possibility to work in a truly multidisciplinary team, formed by people coming from several O.U. of the Institute, with different qualifications, without the presence of Division/Office managers. The group therefore had a rather innovative structure compared to those usually employed by the Institute. Equally innovative is the sector in which we found ourselves operating.</p> <p>The consequence has been a less formal and hierarchical way of working, with a freer participation of individual members, less tied to the O.U. of origin. Even in interactions with external parties, a more informal and "collaborative" approach was used than that usually employed. This has had and still has undoubted merits, for example, in enhancing the contributions that each person can make. However, there are some limitations in the organization and integration of the Group's activities with those carried out by the Supervisory Divisions (a problem that became apparent when the applications for admission to the sandbox were received).</p> |
| EMPLOYEE #12 |
| <p>The Consob-tech project has proven beneficial in establishing teamwork with less hierarchical and the capacity to manage internal functions with less rigidity. The fact that the work was managed in a more informal manner than Consob's plans also helped to create a peaceful workplace. This aspect allows to receive directly the requests of the market and solicits reflections on the correct framing of the proposed projects within the current regulation.</p> |
| EMPLOYEE #13 |
| <p>A very stimulating experience that helped build a fruitful relational network and the sharing of knowledge of a different nature.</p> |
| EMPLOYEE #14 |
| <p>I found this project very appealing for my soft skills in order to achieve a better team-working experience with other employees. Individuals representing CONSOB are not formal and used to communicate with a national entity, thus the communications between the authority and the firms that are regulated are based on an informal and less institutional structure.</p> |
| EMPLOYEE #15 |
| <p>This experience provided me to get in touch with innovative firms and their related services. Working side-by-side with colleagues from other divisions and teams made it possible to create a more informal way of carrying out the various tasks. It is important for the regulatory authority to be updated with innovative trends from the technological world.</p> |
| EMPLOYEE #16 |
| <p>This project gave us the opportunity to acquire new competences related to communicating with new industries and innovative startups. I found the stakeholders not used to be in touch with a regulatory authority and this was clear during the various communications: it seems that the language used was different from the formal one used in previous situations.</p> |

Figure 19, Findings of unstructured question from the qualitative research

Working next to each other with co-workers from other departments and teams enabled a more relaxed approach to completing various duties: the job was also conducted in a more informal way than CONSOB's plans, which contributed to a peaceful workplace. It is critical for the regulatory authority to keep up with technological innovations, this feature enables direct market requests to be received, as well as views on the proper framing of proposed initiatives within the current regulatory framework.

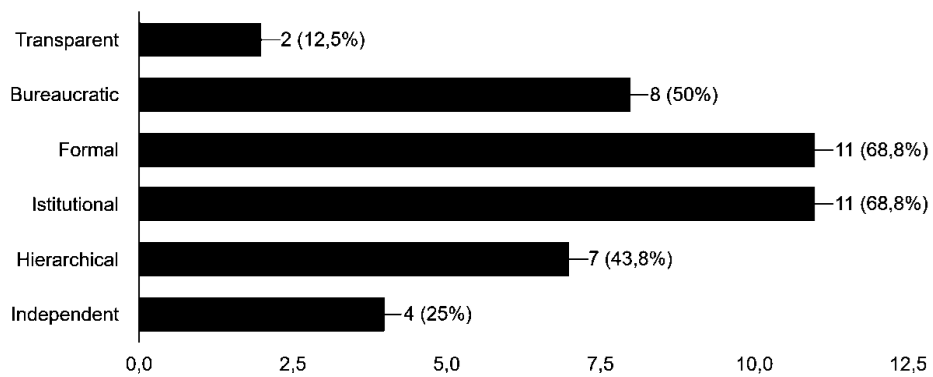
The project succeeds in forming non-hierarchical organizations in which everyone is able to express themselves. In this regard, it's an opportunity to forge direct connections across the most disparate structures and ages, as well as to come up with better ideas and methods, overcoming the cliché that "it's always been done this way."

3.3.2. How a new regulatory task provided by the Sandbox project can affect organizational identity of CONSOB

This section is focused on presenting the main evidence and findings from the research, based on the structured questions proposed to interviewed employees. Firstly, the individuals were asked about their perception of the CONSOB Organizational identity twice: once before the starting point of the project and later on during the Sandbox phenomenon (Figure 20).

Before your experience on the Consob-Tech team, what adjectives were appropriate to describe what you felt was central, distinctive, and enduring about Consob's identity?

16 risposte



Based on your experience in the Consob-Tech team, what do you think is now central, distinctive and enduring in Consob's identity? (the question is the first one and tends to verify the eventual evolution)

16 risposte

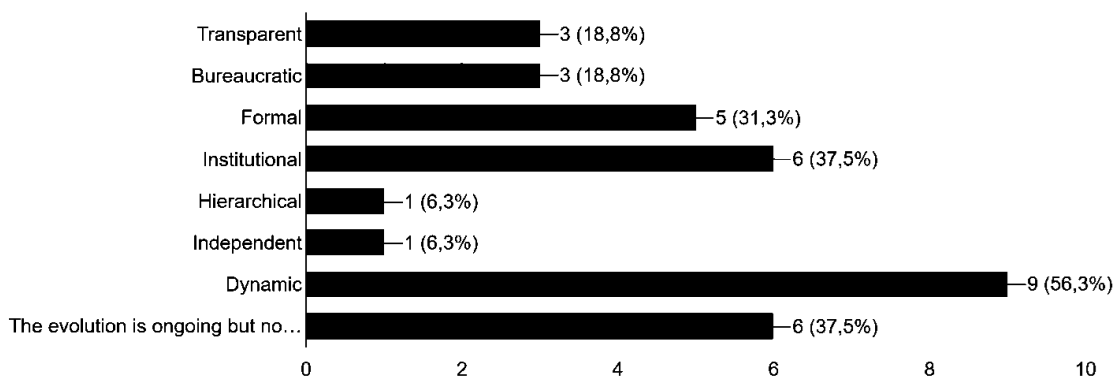


Figure 20, Questions n2, n10. Graphical representation of findings from the qualitative research

The question was proposed to analyze the evolution of organizational identity among group members involved in the CONSOB tech. The interviewees indicated as distinctive, central and enduring elements in defining the identity of CONSOB before the experience: the being formal, institutional and bureaucratic. Analyzing the responses after the experience of interlocutions with those who have proposed to use the Sandbox, the following aspects emerge instead.

Some key evidences from these questions was clearly assessed by a sharp drop of the attributes:

- Decrease in Hierarchical (from 43% to 6%)
- Decrease in Bureaucratic (from 50% to 18%)
- Decrease in Institutional (from 68% to 37%)
- Decrease in Formal (from 68% to 31%)
- Increase in Dynamic (from 0% to 56%)

The emergence of a new identity aspect (dynamism), the constancy of the institutional aspect, and a decline in the formal and bureaucratic dimensions appear evident (Figure 21).

During your experience working on the Consob-Tech project, which aspects of Consob's identity do you notice have changed?

16 risposte

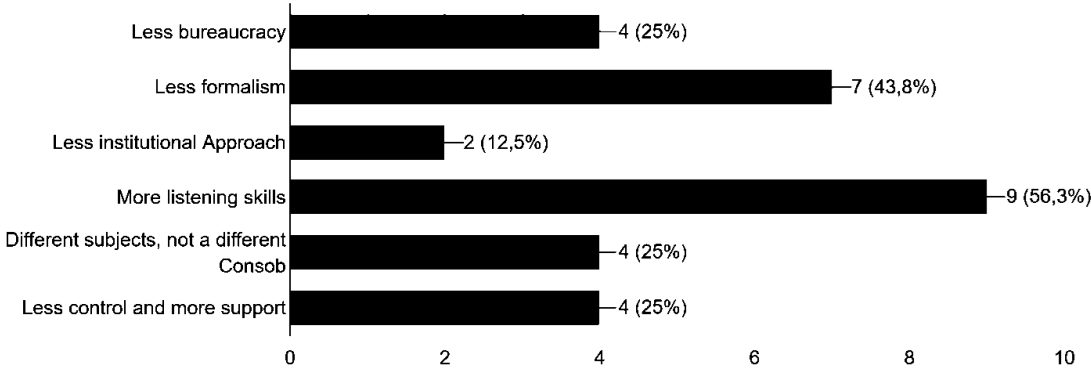


Figure 21, Questions n5. Graphical representation of findings from the qualitative research

The same respondents indicated the dimensions subject to more pronounced changes after the experience (Figure 21).

Particularly, the main factors perceived were a decrease in degree of formalism, also due to higher listening skills in the view of a changed communication pattern. In this sense, the

employees perceived the entity as more supporting and less controlling: indeed, the value proposition of CONSOB in this project shifted from being controlling creature to a view in which the authority provides regulative support to startups interested in the open call. This indeed is been evidenced by a less institutional and bureaucratic approach.

The figure (Figure 22) below shows the perception of new tasks associated to the Sandbox.

How the new tasks associated with the launch of Consob-Tech have challenged the identity described above?

16 risposte

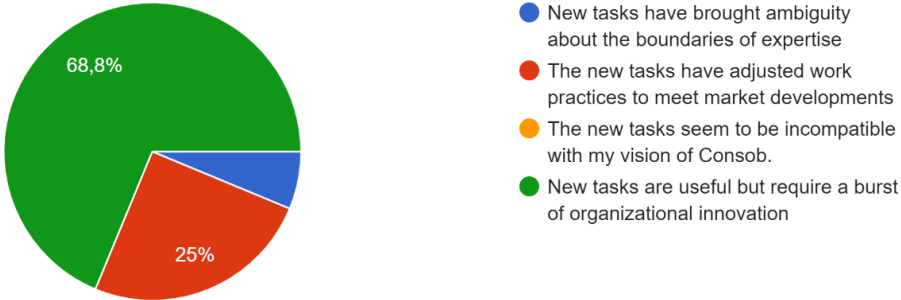


Figure 22, Questions n3. Graphical representation of findings from the qualitative research

As the chart shows, for 70% of respondents, the arrival of these new tasks required an effort at innovation, but none considered them incompatible with the institutional mission. On the contrary, for 20% of the sample they have adapted organizational practices to the project’s needs.

Only a minority believes that there is ambiguity about the boundaries of the authority competencies: overall, therefore, team members did not perceive ambiguity but rather a need for change.

A clear finding is that no one of the 16 employees involved in the interview indicated the new task as incompatible with his vision of the authority. This is relevant to prove how the project has embedded its fundamentals into the mission of CONSOB, and this is perceived by the individuals as from the chart above.

This need for innovation initiates the sensemaking process with its first phase: justification.

The team members justify their new tasks by reinterpreting their own being as "civil servants". The prevalence in the answers of the possibility of pursuing the good of the country also by helping the development of the market is largely the justification that people have most frequently given themselves (Figure 23).

How has your experience working on the Consob-Tech project made you re-evaluate your role as a "civil servant"?

16 risposte

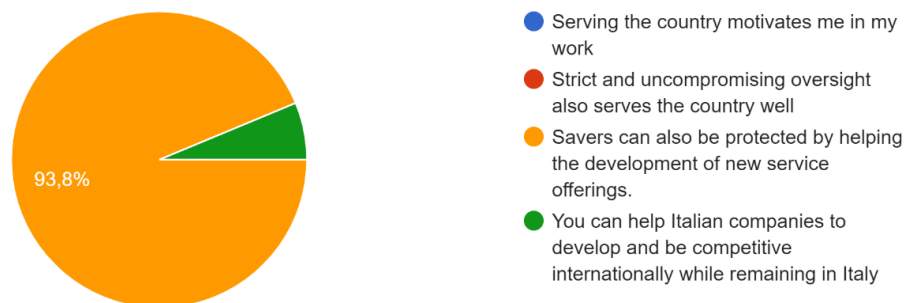


Figure 23, Questions n7. Graphical representation of findings from the qualitative research

Once the person has individually found a justification for the new state of reality then he tries, by interacting with others, to make sense of the new reality by finding connections between small structures and general patterns ("small structures with large consequences").

This interaction occurs through three factors:

- language and communication,
- in the exchange with colleagues
- with external subjects

This can be inferred by the 94% of employees defining their role as the following: savers can be protected while supporting the development of new products for the FinTech sector.

While working on the Consob-Tech project, did you notice that the language used was different from what you were used to?

16 risposte



Figure 24, Questions n5. Graphical representation of findings from the qualitative research

With respect to language, the team members highlighted how the interaction with the start-up candidates to benefit from the Sandbox has led to a simpler and more understandable language (60%) and also more informal (20%). Indeed, in this view the employees seemed to perceive several differences between the communicative pattern used and the one the authority is actually used to have. In fact, the Italian entities in the financial sector are often seen as old machines that are run by an old approach even in communicating with other companies. Supporting startups resulted in a slightly change for the way of communicating and experiencing the Sandbox project in CONSOB (Figure 24).

During your work experience in the Consob-Tech project, how did relating with other team members help you understand the new tasks?

16 risposte

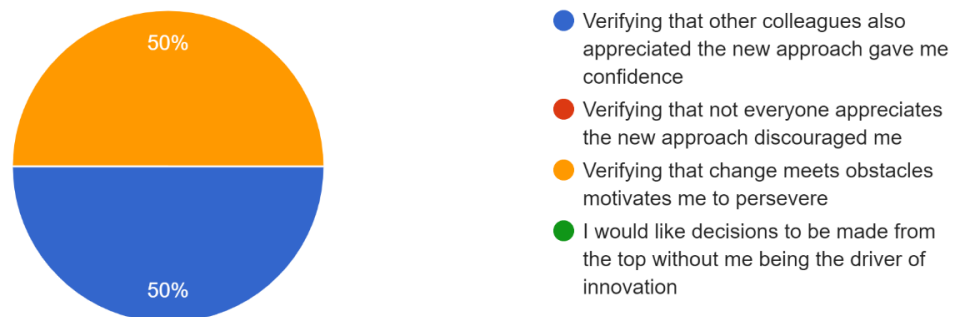


Figure 25, Questions n8. Graphical representation of findings from the qualitative research

Interaction with other team members helps to build a shared "map" of reality even if everyone points out different things on the same map like cartographers do (elevations, vegetation, roads, etc...), as from Weick (Weick, 1995).

On the one hand, 50% of respondents found support from other team members, and on the other half the inevitable obstacles to change functioned as an amalgam for the group rather than a disincentive. This equal split is a clear view of two main (Figure 25):

- a challenging obstacle that creates a sense of motivation for individuals
- a confidence boost due to the feeling that others appreciate the project

Interpretation also comes through interaction with external stakeholders. The representatives of the start-ups with whom interlocations were initiated highlighted a lesser degree of formality compared to traditional supervised subjects (Figure 26).

Based on your interlocations with individuals who have proposed for access to Consob-Tech, how has your view of supervised entities changed?

16 risposte

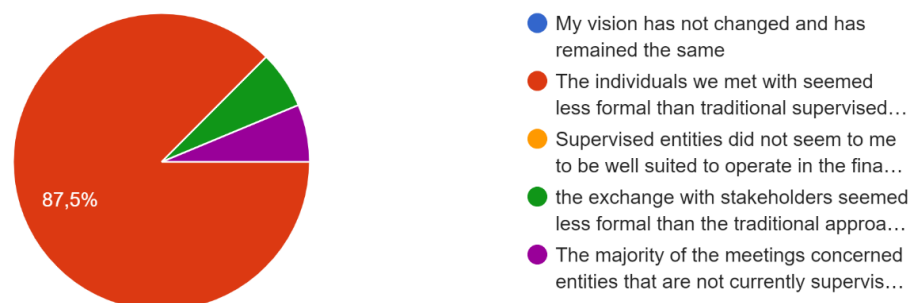


Figure 26, Questions n4. Graphical representation of findings from the qualitative research

This contributed to a new perception of the market as a heterogeneous set of smaller and dynamic subjects and others more "institutional" and formal. The data show 88% of employees perceiving the applicant firms to be less informal than largely established firms, which are more commonly used to interact with national authorities.

The third phase of the sensemaking process is validation: the group has shared a new reading of reality and has reduced the equivalence generated by the new tasks, but leads the team members to seek validation also outside the group.

During your work experience in the Consob-Tech project, in your interaction with other team members and other colleagues involved, how do you value the presence of different sensitivities?
16 risposte

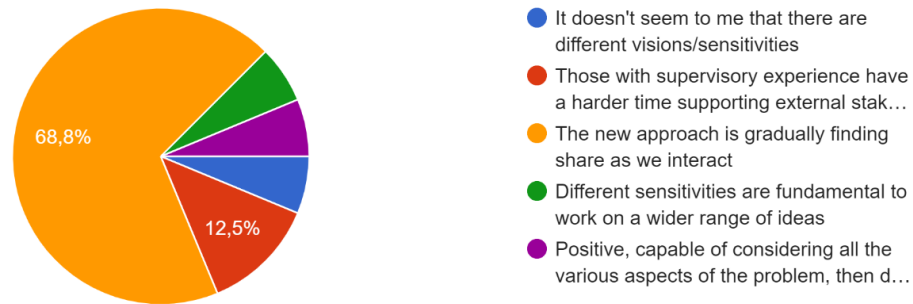
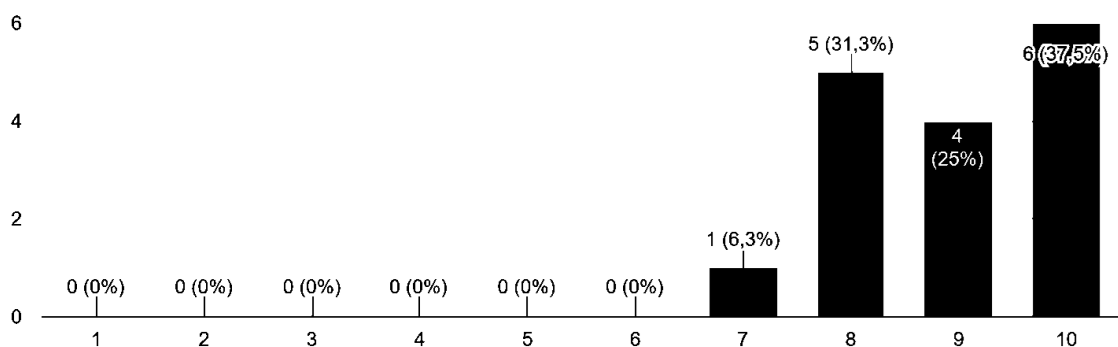


Figure 27, Questions n9. Graphical representation of findings from the qualitative research

The team members, while recognizing that those who have not had a similar experience have greater difficulty in sharing the new "map", feel that the new approach is gradually spreading even among those outside the team: indeed 68% of employees indicated it in the interviews.

Therefore, the data collected seem to confirm the usefulness of the scheme proposed by Weick to read phenomena similar to the case analyzed.

How do you evaluate your experience in the Consob-Tech project?
16 risposte



Do you think this experience in the Consob-Tech business has given you new skills?

16 risposte

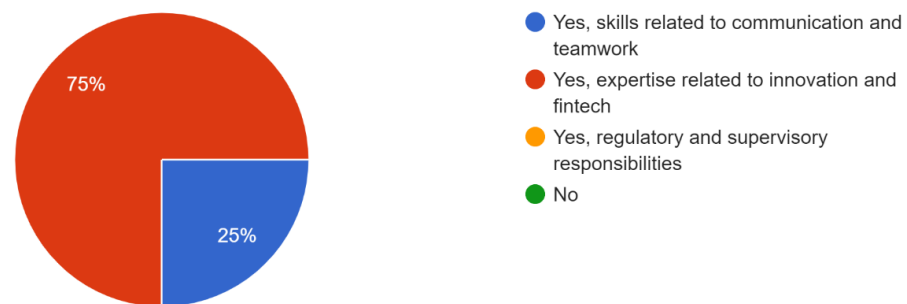


Figure 28, Questions n1, n11. Graphical representation of findings from the qualitative research

Moreover as from Figure 28, the team members show a positive judgment of their experience both in general and with reference to the skills acquired. The overall judgment is decidedly shifted towards high values and, with regard to skills, the team members have highlighted in large part that they have acquired skills related to the innovation of work processes.

In this regard, 3 out of 4 employees indicated the project to stimulate and create new competencies for the new services from the FinTech market: dealing and supporting startups demonstrates how employees from different divisions and departments can interact with innovative services (Figure 28).

From the various findings above presented, the thoughts and perceptions of employees seem to be highly remarked into the 16 answers of the unstructured answer: the individual feedbacks are the final evidence of the importance of a such innovative project for CONSOB. Relevant profiles emerged from the questionnaire: from individuals that applied a more traditional-oriented approach, to employees demonstrating a huge appreciation for the Sandbox experience.

Below a comprehensive appendix is shown, introducing each answer from the individuals, the answers are presented on a anonymous basis without any link to tenure, age, background or department.

| APPENDIX - QUALITATIVE RESEARCH | | Employee #1 | Employee #2 | Employee #3 | Employee #4 | Employee #5 |
|---------------------------------|--|--|--|--|--|---|
| #1 | How do you evaluate your experience in the Consob-Tech project? | 9 | 10 | 8 | 8 | 9 |
| #2 | Before your experience on the Consob-Tech team, what adjectives were appropriate to describe what you felt was central, distinctive, and enduring about Consob's identity? | Formal, Hierarchical, Istitutional | Formal, Hierarchical, Istitutional, Independent | Istitutional, Independent, Formal | Bureaucratic, Formal, Hierarchical | Formal, Hierarchical, Bureaucratic |
| #3 | How the new tasks associated with the launch of Consob-Tech have challenged the identity described above? | New tasks are useful but require a burst of organizational innovation | New tasks are useful but require a burst of organizational innovation | New tasks are useful but require a burst of organizational innovation | The new tasks have adjusted work practices to meet market developments | New tasks have brought ambiguity about the boundaries of expertise |
| #4 | Based on your interlocutions with individuals who have proposed for access to Consob-Tech, how has your view of supervised entities changed? | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals |
| #5 | While working on the Consob-Tech project, did you notice that the language used was different from what you were used to? | I noticed that simpler language has been adopted that is understandable to external stakeholders | I noticed that simpler language has been adopted that is understandable to external stakeholders | I noticed that simpler language has been adopted that is understandable to external stakeholders | I have noticed a more informal and less abstruse language compared to the one usually used in the CONSOB working | I noticed that simpler language has been adopted that is understandable to external stakeholders |
| #6 | During your experience working on the Consob-Tech project, which aspects of Consob's identity do you notice have changed? | More listening skills, Less bureaucracy | Less formalism, More listening skills | Different subjects, not a different Consob, Less formalism, Less bureaucracy | Less institutional Approach, More listening skills | Less formalism, More listening skills |
| #7 | How has your experience working on the Consob-Tech project made you re-evaluate your role as a "civil servant"? | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | You can help Italian companies to develop and be competitive internationally while remaining in Italy |
| #8 | During your work experience in the Consob-Tech project, how did relating with other team members help you understand the new tasks? | Verifying that change meets obstacles motivates me to persevere | Verifying that other colleagues also appreciated the new approach gave me confidence | Verifying that other colleagues also appreciated the new approach gave me confidence | Verifying that other colleagues also appreciated the new approach gave me confidence | Verifying that change meets obstacles motivates me to persevere |
| #9 | During your work experience in the Consob-Tech project, in your interaction with other team members and other colleagues involved, how do you value the presence of different sensitivities? | Those with supervisory experience have a harder time supporting external stakeholders | The new approach is gradually finding share as we interact | Different sensitivities are fundamental to work on a wider range of ideas | The new approach is gradually finding share as we interact | The new approach is gradually finding share as we interact |
| #10 | Based on your experience in the Consob-Tech team, what do you think is now central, distinctive and enduring in Consob's identity ? | Institutional, Formal, Transparent | The evolution is ongoing but not yet significant | Institutional, The evolution is ongoing but not yet significant, Formal | The evolution is ongoing but not yet significant, Dynamic | Formal, The evolution is ongoing but not yet significant, Bureaucratic |
| #11 | Do you think this experience in the Consob-Tech business has given you new skills? | Yes, skills related to communication and teamwork | Yes, expertise related to innovation and fintech | Yes, expertise related to innovation and fintech | Yes, expertise related to innovation and fintech | Yes, expertise related to innovation and fintech |

| APPENDIX - QUALITATIVE RESEARCH | | Employee #6 | Employee #7 | Employee #8 | Employee #9 | Employee #10 |
|---------------------------------|--|---|--|--|--|--|
| #1 | How do you evaluate your experience in the Consob-Tech project? | 8 | 7 | 10 | 9 | 10 |
| #2 | Before your experience on the Consob-Tech team, what adjectives were appropriate to describe what you felt was central, distinctive, and enduring about Consob's identity? | Istitutional, Formal | Bureaucratic, Formal | Hierarchical, Istitutional, Bureaucratic | Istitutional, Hierarchical, Bureaucratic | Bureaucratic, Istitutional, Formal |
| #3 | How the new tasks associated with the launch of Consob-Tech have challenged the identity described above? | New tasks are useful but require a burst of organizational innovation | New tasks are useful but require a burst of organizational innovation | New tasks are useful but require a burst of organizational innovation | The new tasks have adjusted work practices to meet market developments | New tasks are useful but require a burst of organizational innovation |
| #4 | Based on your interlocutions with individuals who have proposed for access to Consob-Tech, how has your view of supervised entities changed? | the exchange with stakeholders seemed less formal than the traditional approach to supervised entities | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals |
| #5 | While working on the Consob-Tech project, did you notice that the language used was different from what you were used to? | I have noticed an attitude of openness towards the interlocutors, even within the limits of the group's mandate, which has resulted | I have noticed a more informal and less abstruse language compared to the one usually used in the CONSOB working | I have noticed that only a few employees have changed the type of language used | I noticed that simpler language has been adopted that is understandable to external stakeholders | I noticed that simpler language has been adopted that is understandable to external stakeholders |
| #6 | During your experience working on the Consob-Tech project, which aspects of Consob's identity do you notice have changed? | Less formalism | Different subjects, not a different Consob | More listening skills | More listening skills, Less control and more support | More listening skills, Less control and more support, Less formalism |
| #7 | How has your experience working on the Consob-Tech project made you re-evaluate your role as a "civil servant"? | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. |
| #8 | During your work experience in the Consob-Tech project, how did relating with other team members help you understand the new tasks? | Verifying that change meets obstacles motivates me to persevere | Verifying that other colleagues also appreciated the new approach gave me confidence | Verifying that change meets obstacles motivates me to persevere | Verifying that other colleagues also appreciated the new approach gave me confidence | Verifying that other colleagues also appreciated the new approach gave me confidence |
| #9 | During your work experience in the Consob-Tech project, in your interaction with other team members and other colleagues involved, how do you value the presence of different sensitivities? | It doesn't seem to me that there are different visions/sensitivities | The new approach is gradually finding share as we interact | Those with supervisory experience have a harder time supporting external stakeholders | The new approach is gradually finding share as we interact | The new approach is gradually finding share as we interact |
| #10 | Based on your experience in the Consob-Tech team, what do you think is now central, distinctive and enduring in Consob's identity ? | Dynamic | Bureaucratic, Formal | The evolution is ongoing but not yet significant | Dynamic, Transparent | Formal, Dynamic |
| #11 | Do you think this experience in the Consob-Tech business has given you new skills? | Yes, expertise related to innovation and fintech | Yes, expertise related to innovation and fintech | Yes, expertise related to innovation and fintech | Yes, expertise related to innovation and fintech | Yes, expertise related to innovation and fintech |

| APPENDIX - QUALITATIVE RESEARCH | | Employee #11 | Employee #12 | Employee #13 | Employee #14 | Employee #15 | Employee #16 |
|---------------------------------|--|--|---|--|--|--|--|
| #1 | How do you evaluate your experience in the Consob-Tech project? | 8 | 8 | 10 | 10 | 10 | 9 |
| #2 | Before your experience on the Consob-Tech team, what adjectives were appropriate to describe what you felt was central, distinctive, and enduring about Consob's identity? | Istitutional, Transparent, Independent | Istitutional, Independent, Transparent | Formal | Istitutional | Formal, Bureaucratic, Istitutional | Bureaucratic, Hierarchical, Formal |
| #3 | How the new tasks associated with the launch of Consob-Tech have challenged the identity described above? | New tasks are useful but require a burst of organizational innovation | New tasks are useful but require a burst of organizational innovation | The new tasks have adjusted work practices to meet market developments | The new tasks have adjusted work practices to meet market developments | New tasks are useful but require a burst of organizational innovation | New tasks are useful but require a burst of organizational innovation |
| #4 | Based on your interlocutions with individuals who have proposed for access to Consob-Tech, how has your view of supervised entities changed? | The individuals we met with seemed less formal than traditional supervised individuals | The majority concerned entities not currently supervised. These presented ideas that are interesting, but also shown limited knowledge of the | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals |
| #5 | While working on the Consob-Tech project, did you notice that the language used was different from what you were used to? | I noticed that simpler language has been adopted that is understandable to external stakeholders | I noticed that simpler language has been adopted that is understandable to external stakeholders | I noticed that simpler language has been adopted that is understandable to external stakeholders | I noticed that simpler language has been adopted that is understandable to external stakeholders | I have noticed a more informal and less abstruse language compared to the one usually used in the CONSOB working environment | I noticed that simpler language has been adopted that is understandable to external stakeholders |
| #6 | During your experience working on the Consob-Tech project, which aspects of Consob's identity do you notice have changed? | Less formalism, More listening skills, Less control and more support | Less control and more support, Different subjects, not a different Consob | More listening skills, Less bureaucracy | Less institutional Approach | Different subjects, not a different Consob, Less formalism | Less bureaucracy |
| #7 | How has your experience working on the Consob-Tech project made you re-evaluate your role as a "civil servant"? | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. |
| #8 | During your work experience in the Consob-Tech project, how did relating with other team members help you understand the new tasks? | Verifying that other colleagues also appreciated the new approach gave me confidence | Verifying that change meets obstacles motivates me to persevere | Verifying that change meets obstacles motivates me to persevere | Verifying that other colleagues also appreciated the new approach gave me confidence | Verifying that change meets obstacles motivates me to persevere | Verifying that change meets obstacles motivates me to persevere |
| #9 | During your work experience in the Consob-Tech project, in your interaction with other team members and other colleagues involved, how do you value the presence of different sensitivities? | The new approach is gradually finding share as we interact | Positive, capable of considering all the various aspects of the problem, then difficult to bring back to unity when a decision must be made | The new approach is gradually finding share as we interact | The new approach is gradually finding share as we interact | The new approach is gradually finding share as we interact | The new approach is gradually finding share as we interact |
| #10 | Based on your experience in the Consob-Tech team, what do you think is now central, distinctive and enduring in Consob's identity ? | Institutional, Dynamic | Transparent, Dynamic, Institutional, Independent | Dynamic | The evolution is ongoing but not yet significant | Dynamic, Bureaucratic, Institutional | Hierarchical, Dynamic, Institutional |
| #11 | Do you think this experience in the Consob-Tech business has given you new skills? | Yes, expertise related to innovation and fintech | Yes, skills related to communication and teamwork | Yes, expertise related to innovation and fintech | Yes, skills related to communication and teamwork | Yes, expertise related to innovation and fintech | Yes, skills related to communication and teamwork |

Figure 29, Appendix of answers from the qualitative research

3.4 Conclusion

This chapter's purpose is to show the main evidence of the research, providing the basis to suggest managerial implications and practical changes for value proposition and organizational identity. The team was initially questioned in an unstructured manner, requesting for their general impressions of the entire experience. The study then goes into depth on the interrelationship between project specifics and organizational identity, using comprehensive questions to analyse the Sandbox's influence on OI.

The research employed a cognitive mapping process to developing critical nodes associated to the major topics of the open - ended questions, whereas the structured portion of the interview is assessed using statistical measurements and KPIs.

Each member was interviewed separately on a total of different questions, with the most important one concentrating on the shift in what each person considers to be central, distinctive, and enduring concerning CONSOB's identity. This question is posed two times: the first place in connection to the timeframe prior to the start of the initiative, and the second time in reference to the timeframe after the initiative had started operating.

Indeed, majority of employees experienced a shift from a more formal, hierarchic, static approach to one in which the firms are supported using clear and informal communications. This has massive influences on organizational identity perception, highly impacting the idea of what is central, enduring and distinctive in CONSOB.

The members indicated (before the experience) as distinctive, central and enduring elements in defining the identity of CONSOB to be a formal, institutional and bureaucratic approach.

Later on from the results on the second measurement, these are the main changes perceived: decrease in institutional approach (-31%), decrease in formality (-37%), decrease in hierarchical approach (-37%), increase in dynamism (+56%), decrease in bureaucratic approach (-32%).

A detailed summary of the main managerial implications as well as the multiple findings of the research are specified in the next section as the final conclusive remarks.

Conclusive remarks and managerial implications from the paper

The purpose of this research is to show how a new regulatory duty influences the growth of organizational identity through a sensemaking process, posing issues and opportunities.

As previously defined, OI relates to whatever is central, enduring and distinctive in determining an organization's identity: this work is then based on a case study of the Sandbox initiative at CONSOB, the nationwide regulatory agency. The Sandbox program is the particular scenario of new fintech services offered by startups that are assisted by a traditional Italian supervisory agency: in this outlook, the project wants to maximise regulatory waivers for chosen Fintech companies.

Albert and Whetten introduced the current concept of organizational identity in the late 80s, and their theory has indeed been widely acknowledged in hundreds of subsequent publications and research. According to an existing literature, this is due to a lack in available published works because there is little attention on how external variables alter organizational identity.

To give a quick insight of those ideas, the Social constructionist theory approach is built on the concept that organizations are mutually derived over time as a result of project participants' perceptions in various ways: OI does not change except if the perceptions of such claims change. The Institutional Theory approach is founded on the notion that OI's protracted suitability doesn't really suggest that perhaps the organization is immutable. Moreover, when individuals are engaged and tied to a fixed environment of social interaction, the Social Identity theory states that they are more inclined to perceive their organizational identity depending on their collective action perspective.

The two scholars who gave contribution to this study perceived a misalignment between the mission of Sandbox – to support startups in offering innovative FinTech services – and the actual view of Sandbox for many of these firms – a way to gain prestige and trust by investors. Indeed, both experts contend that it is critical for the Italian instance to learn from the UK Sandbox experiment, which completely embeds the notion at the program's core. In their view, the Sandbox purpose is then altered from its own initial premise towards a more reputational paradigm: the necessity for financial investment by startups and fintech enterprises outweighs the true need for regulatory concessions.

The study uses a cognitive mapping technique to build essential nodes connected to the primary themes of the unstructured questions, while statistical measures and metrics are offered for the

structured component of the discussions. The cognitive mapping method to data modelling is presented, based on Weick's work in 2001. Certainly, when portraying a research process in the context of what is unknown, the cognitive map depicts the limits of intellectual views. These maps show how humans use sensemaking to control their situations, with sensemaking stemming from viewpoint structural qualities.

This study integrates the academic principles from the preceding two chapters with the practical and effective perceptions discovered in the observations by workers and supervisors through the use of mixed semi-structured and unstructured interviews. The main conclusions include shifts in organizational identity sense, linguistic and patterns of communication, transformation in sensitivity, formalism and rigid social attitude, and a variety of other factors.

The members identified “formal”, “institutional”, and “bureaucratic” as distinctive, central, and enduring characteristics in determining CONSOB's identity (ahead of the project). Following the findings of the second measurement (after the project), the following are the key changes:

| Attribute | Before Sandbox | After Sandbox | Difference |
|----------------------|----------------|---------------|------------|
| Formal | 68% | 31% | -37% |
| Hierarchical | 43% | 6% | -37% |
| Institutional | 68% | 37% | -31% |
| Dynamic | 0% | 56% | +56% |
| Bureaucratic | 50% | 18% | -32% |

Figure 30, Graphical representation of findings from the qualitative research

Indeed, the majority of staff witnessed significant changes from a much more institutional, hierarchical, and rigid approach to one in which CONSOB routines modify in accordance with the startup rapidly evolving field: firms are assisted using transparent and colloquial interactions, based on the relying heavily of an original proposal such as the Sandbox.

The entire evaluation is oriented toward high values, and team members have emphasized in significant part that they have developed abilities connected to work innovation process.

In this light, 75% of employees felt that the initiative will inspire and generate new competences for new FinTech businesses: engaging with and assisting startups displays how workers from various departments and units may collaborate on new offerings.

Staff saw the entity as more supportive and less regulating in this way, therefore CONSOB's value proposition in this program evolved from being a fine-tuning entity to a vision in which the agency gives normative assistance to businesses interested in the open invite. This can result in managerial implications such as more willingness to support future projects in light of this new 'mission' of the authority.

The staff members explain their additional responsibilities by redefining themselves as "civil servants." The potential of seeking the welfare of the country while simultaneously assisting in the growth of the sector is essentially the excuse that individuals have given themselves.

Moreover, the staff appeared to notice various disparities between the communicating style adopted and the one that the entity is accustomed to. The group members noted that their interactions with the Sandbox applicants resulted in a clearer and more comprehensible language as well as a more casual tone. From a managerial point of view, these data can bring to a change in the way the staff communicates even after the end of the initiative, resulting in a change regarding communicating behaviour of CONSOB corporate workers.

The above contributed to a new knowledge of the market as a mix of younger, more reactive topics and more "institutional" and traditional subjects. Employees perceive applicant organizations and become less informal than completely incumbent companies, which are more typically employed to interface with national authorities, according to the statistics.

A less institutionalized and administrative approach demonstrates how the type of communication changed, the key elements noticed were indeed a reduction in level of formality, as well as greater listening abilities. This can then be easily shifted as a positive result in managerial implication: the more the authority speaks at the level of regulated subjects, the easier for the subjects to become involved and understand the rules.

The emergence of these new responsibilities necessitated an endeavour for innovation for nearly 80% of participants, but none thought those were conflicting with the institution's goal. Furthermore, only a small percentage of colleagues feel there is uncertainty regarding CONSOB competences: as a result, team members do not sense uncertainty but instead a necessity of transformation. The perception of challenges coming from the Sandbox project, if one half of interviewed individuals defined these blockers as a power to create sense of community in the group, the other half of the staff stated to have found support from other colleagues: no one of the employees thus perceived these barriers to be unproductive or work deprecating.

As detailed in the requirements provided by the LUISS Guido Carli University Department, from here onwards the paper presents an executive summary of the qualitative research, with the purpose of summing up the main topics and insights from the work.

Department of Management – Master’s Degree in Management

4. EXECUTIVE SUMMARY

HOW AN EXTERNAL FINTECH STIMULUS CAN MODIFY ORGANIZATIONAL IDENTITY AND VALUE PROPOSITION?

*A qualitative research on the sensemaking process
during the Sandbox CONSOB case study*

Supervisor

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Academic Year 2021/2022

EXECUTIVE SUMMARY

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Introduction (Executive Summary)

The paper is written on the basis of the CONSOB-Tech (also known as Sandbox) project at the CONSOB government regulating agency, with the goal of investigating the subsequent research question using a qualitative research methodology:

How an external Fintech stimulus can modify organizational identity and value proposition?

The purpose of this research is to show how a new regulatory responsibility influences the growth of organizational identity (OI) through sensemaking process, posing problems and possibilities. The notion of organizational identity relates to what is central, enduring, and distinctive in establishing an organization's identity: the investigation is set in the context of the Sandbox initiative at CONSOB, the nationwide regulatory body.

According to a literature review, there seems to be a lack in present scientific journals as there's little attention on how external stimuli alter organizational identity. To evaluate this 'how,' the Sandbox program's particular circumstance study is set in the frame of reference of new fintech facilities supplied by startups that are endorsed by a traditional Italian supervisory agency: in this view, the project aims to utilize significant regulatory perks and exclusions for carefully chosen FinTech startups.

To tackle this concerns, the article focuses on a qualitative study of workers who are questioned twice – before and after the commencement of the Sandbox project. Every one of the persons surveyed are members of the CONSOB Sandbox staff. Weick's idea of sensemaking as “the act of constructing interpretations of ambiguous environmental stimuli” is being used in the interview.

Evaluating 192 total answers, The research utilised a cognitive mapping technique to build essential nodes connected to the primary themes of the open - ended questions, while graphical representations and analytics are offered for the structured portion of the questions. The key findings include shifts in organizational identity perception, vocabulary and patterns of interaction, change sensitivity, formalism and hierarchic attitude, and other factors.

Chapter One (Executive Summary)

The organizational identity: what is central, enduring and distinctive

The study is structured with a literature review and theoretical exposition of ideas in the first chapter, with a concentration on research assessing organizational identity. The study focuses on the basic scholarly ideas from authors such as Whetten and Albert, with an emphasis on the patterns of Social Identity theory and the counter-opposition of Social Actor and Social Aggregator. Furthermore, the influence of dependency among organizational identity and cultural identity is assessed.

1.1 Introducing the perception of Organizational Identity

The study uses Albert and Whetten's classic concept to define Organizational Identity as "what is most central, enduring, and distinctive about an organization."

When a young organization lacks its overall framework or goes through a major transition at the company level, Albert and Whetten in the 80s discovered that OI may be changed. Although Albert and Whetten's idea of organizational identity does not wander far from the etymological definition of identity, the concept of identity crisis is modified and transferred from the employee towards the organization and conversely in their work. As a consequence, the authors contend in their concept that an organization incorporates numerous personalities since there are several viewpoints, resulting in a complicated and difficult phenomena to solve. Having those many traits coexist in an organization, however, does not always indicate that they are at odds with each other.

As a more practical analysis, unfavourable attitudes might originate from an ambiguous definition of what constitutes corporate identity, which includes a slight amount of agglomeration at the organizational level, but also reduced wellbeing among employees, which can lead to dissatisfaction and attrition. On the other side, we certainly notice an increase in collective task performance, which occurs from having differing viewpoints: this emerges in an augmentation of thinking, resulting in continuous sharing of information.

According to Fiol's study from 1991, OI may assist people figure out what their social function is, and the development of organizational identity can gradually provide the environment in which people can figure out their own behavior.

1.2 A dive deep into the core theories of the phenomenon

When members of an organization perceive improvements in OI features as a danger, they may reject them. According to this perspective, the individual can develop a self-mechanism in order to retain previous identity qualities, and defence mechanisms emerge. According to this idea, people's identities are formed based on their group identity in everyday settings, and this happens more frequently for those who are involved in social interactions.

To offer a short overview of those concepts, the Social constructionist theory method is based on the assumption that organizations develop through time as a consequence of project participants' beliefs in several ways: OI does not change until the perspectives of such statements alter. The Institutional Theory method is based on the idea that OI's long-term appropriateness does not always imply that the organization is unchangeable. Furthermore, the Social Identity theory suggests that when people are engaged and attached to a fixed context of social interaction, they are more likely to view their organizational identity based on their collective viewpoint.

The Social Actor viewpoint, which is founded on institutional theory, lends a meaning to OI that is dependent on institutional situations. Variations in organizational identity are addressed in this perspective, and experts emphasize the role of communication within the organization.

As from standpoint of a direct person, this viewpoint aims to legitimize the collective behaviors as seen from within the organization. Individuals generate interpretation without objective functions, as per this theory, and hence their experience is entirely predicated on the sense provided by the viewer. The social actor's approach is based on the premise that the long-term viability of OI does not mean that the organization is impervious to change. According to the OI original definition, OI is a set of established assertions that stem from what is most central, distinctive, and enduring about a corporation.

On the other side, the social constructionist viewpoint, which is diametrically opposed to the social actor model, must be addressed. Organizations are considered as socially generated over time as a consequence of the perception of organizational individuals in various forms, according to OI's "social aggregator" perspective: organizational identities don't really alter until the interpretations of these claims move.

By changing the topic from formal statements to interior implications, the social constructionist methodology lies at the heart of OI.

Additionally, as shown in the diagram below, the influence of interconnectedness amongst organizational and cultural identity is assessed by concentrating on Hatch and Schultz's study from 2002: related to the four phases linking organizational identity, culture, and perception.

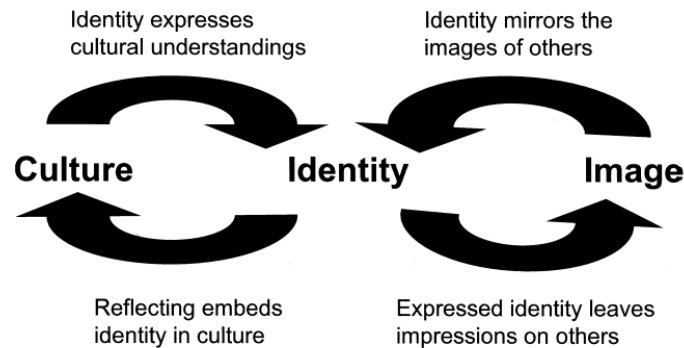


Figure 2, Visual representation of four OI Dynamics Model (Hatch et al., 2002)

According to Hatch and Schultz's study from 2002, identity, culture, and perception may be divided into four phases: mirroring, reflecting, expressing, and impressing.

1. *Mirroring*, is a process in which one's identity is reflected in the pictures of someone else. During mirroring, others' views and affective responses shape identification, a phenomena that empowers people in the company to become involved in issues that have the potential to reduce popular opinion of the whole organization.
2. *Reflecting*, the process of incorporating identity into cultural perceptions. Scholars believe that when organizational images are mirrored in identity, they are evaluated in light of available organizational self-definitions based on cultural learning.
3. *Expressing*, the means by which culture aids in the recognition of itself via assertions. In this perspective, an institution's exterior qualities are formed by mixing its organisational observations: organizational identity characteristics are therefore only an illustration of the larger range of cultural identity which we determine.
4. *Impressing*, is the process through which expressions of identity leave an impact on another person. This theory is based on the assumption that external impressions dampen organizational attempt to control members, and that such external impressions are amplified by the influence of organizational exposure.

Chapter Two (Executive Summary)

The role of the sensemaking process in evaluating the research

The second chapter gives an outline of the regulatory gov't's responsibilities and the CONSOB national agency's features.

This research examines the dynamic of sensemaking inside the Sandbox development team in order to demonstrate how the deployment of Sandbox is changing organizational identity in CONSOB: these phenomena produced "ambiguity" between workers, who attempted to lessen it by making way for new situation. In this approach, the impact of an external stimulus on OI is easier to grasp, while also tying the idea of sensegiving (and sensemaking) to the Consob-Tech paradigm.

As a result, this section also looks at the Sandbox experiment and its ramifications, analyzing obstacles and possibilities during one of the most important trends in supervisory fintech solutions, known as RegTech. As for the unique CONSOB practical example, a full panorama of Sandbox concept in both a larger and dive-deep perspective is offered.

In this sense, the research features an exclusive interview with academic experts studying Sandbox initiatives from 2017, providing the reader with critical on-the-ground experience through both La Sapienza University of Rome and Politecnico di Milano University.

2.1. The fundamentals of Weick's principles in Sensemaking and Sensegiving

The paradigm that underpins the distinctions across sensemaking and sensegiving is broadened, which is critical for examining organizational identity qualities. Researchers have assessed the concept of sensemaking as a constant social bargaining process and specifically "the act of constructing interpretations of ambiguous environmental stimuli", according to Weick. Individuals do, in fact, have to eliminate uncertainty, which is done socially by always seeking a new balance.

His constructionist methodology is based on three establishments:

- Any activity may be traced back to several sources.
- Any action's identity is susceptible to limitless modification.
- Any interpretation is based on a succession of constantly changing perceptions.

A short summary of the ambiguity minimization and sensemaking process is shown in the diagram below.

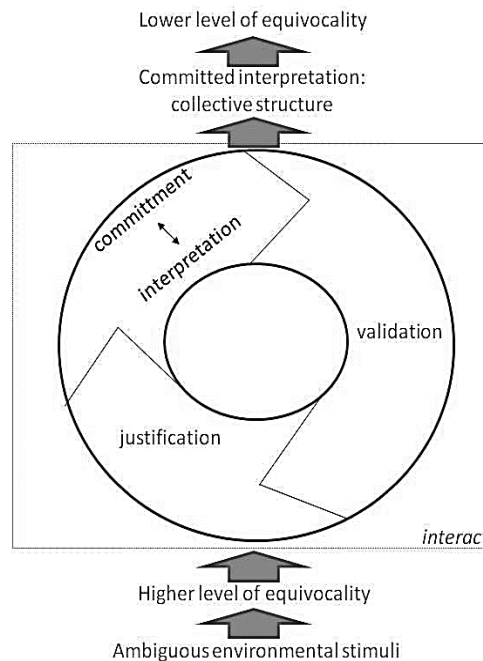


Figure 4, Sensemaking process representation (Weick, 1995)

As in the diagram above, Weick extends on the phrase "committed interpretation": "committed-activities" might appear when justified as macroscopic necessities and elevated as explanations. Committed engagement, according to Weick, is comparable to the true appearance, whereas legitimization is comparable to the concealed form that takes a comprehensive context.

For each interaction we use, we witness legitimizations for our action, which may change depending on the others. As a result, when we act, multiple defenses create chaos after the choices, and we strive to justify our approval decisions again. Defense may become a key source of social culture, and when it is transformed from a self-sufficiency to a collective expectation, it can become authoritative aims. These goals are so significant that they have a bearing on the purpose of the organization.

In terms of the validation step, post-choice acceptance is critical since uncertainty might be difficult. Since prominent persons have faith in it and act on their views, a justification with modest distinctive legitimacy evolves to be perceived as even more legitimate.

The above meaning of sensemaking differs from the idea of sensegiving, which refers to a concentrated attempt to "persuade" others to accept a shared view of reality. Researchers have commonly used these two techniques and concepts to better explain the dynamics of organizational identity.

| Reference | Role of sensemaking and sensegiving |
|-------------------------------|--|
| [1] Gioia, Chittipeddi (1991) | Four phases: 1) envisioning, 2) signaling, 3) re-visioning and 4)energizing; show how sensegiving phase follows each sensemaking phase. |
| [2] Corley (2004) | Sensegiving is the reaction to ambiguity and the “leaders’ responses to sensegiving imperative”. |
| [3] Ravasi, Schultz (2006) | Define the sensemaking phase – thought as which comes before sensegiving one in the model - as the process for managers to make a revision of the official identity claims. |
| [4] Clark (2010) | Sensemaking is one of the sources of identity inertia. |
| [5] Gioia (2010) | Sensemaking is described as follows “Organizational identity is progressively, even continuously, negotiated by organization members—via their interactions with each other...”. |
| [6] Wessel (2021) | Sensegiving is analyzed in relation with Digital Transformation: identity claims expressed by executives lead to impositions and reconciliations, the interplay of which is the outcome of a new OI. |

Figure 5, Six models related to organizational identity, self-developed.

In the entire chapters ahead, which give the models in depth, the article presents a specific of these studies.

2.2. Addressing the peculiarity of CONSOB case study: the Sandbox project from the viewpoint of two academic experts

CONSOB is the supervisory authority for the Italian financial goods market. Its aims are to safeguard investors as well as the nation's economic efficacy, transparency, and growth. The agency is in charge of overseeing market management companies, as well as the transparency and structured efficacy of agreements, as well as the accountability and accuracy of intermediary and authorized individual behavior.

The purpose of the Sandbox project is to create a network of support inside CONSOB's supervisory and regulatory boundaries, allowing contact between FinTech contractors and industries that use FinTech technicians. This initiative is a novel role for regulatory authorities, with the goal of assisting startups rather than overseeing them, by allowing for several regulatory-specific exclusions to support value creation in fast-moving sectors.

The eligible businesses submit an application to the official request, which the government commission reviews and evaluates. Firms submitting to the Sandbox initiative are then assessed, and if the conditions are satisfied, they are approached immediately to verify that all required paperwork and data are provided. Depending on the circumstances, startups selected for the project may be eligible for a variety of regulatory benefits and exclusions. These might include issuing permits (or limiting the scope of operation) with a different scope than that granted by general law: for example, CONSOB could allow the adoption of an alternative company structure than that allowed for in the unified text of banking and credit legislation in certain instances.

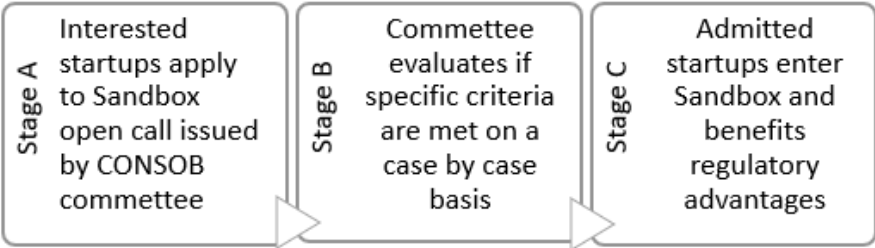


Figure 13, Representation of the three stages in Sandbox project. Own developed graph.

Furthermore, this research seeks to examine and gather the thoughts of two academics who have examined regulatory initiatives in recent years in order to give a new perspective on the phenomena under consideration. Two experts were questioned in particular, both of whom have written and examined the phenomenon at two major Italian universities: La Sapienza University of Rome and Politecnico di Milano.

The statements of the two academics present an unconventional appraisal of the Sandbox phenomena in Italy: the Sandbox purpose is then altered from its initial promise towards a more prestige-related pattern, although being highly unexpected. What arose from the numerous experiments was that the start-ups that joined the Sandbox treated it as though it was a quality mark: that is, its significance has taken a shield of excellence who have somehow helped certain start-ups, not really for the Sandbox itself as for the firm's image.

The purpose was altered from a more regulatory body to an entity that was almost exclusively responsible for collecting money from potential consumers, suppliers, and investors. When fund raising or investments were done, investors usually before had looked at and appraised the business favourably if it would have participated to Sandbox project. Indeed, the necessity for regulatory exemptions is outweighed by the requirement for startups and fintech enterprises to raise funds. This really is relevant for both growing businesses and regulatory agencies: it is critical that the Sandbox's ultimate goal of providing genuine advantages to businesses is handled.

Furthermore, both experts contend that it is critical for the Italian instance to learn from the UK Sandbox example, that completely integrates the notion at the project's core.

Chapter Three (Executive Summary)

Qualitative research on the CONSOB Sandbox project

The qualitative research, including all the techniques, assessment, and findings for the 16 workers who were surveyed, is analyzed and studied in this portion of the report. This research integrates the theoretical notions from the preceding two chapters with the pragmatic and realistic perceptions discovered in the patterns observed by workers and leaders via the use of both semi-structured and unstructured questionnaires. This chapter draws on Weick's cognitive mapping method to data visualization; certainly, when portraying a study process in terms of what is unknown, the cognitive map shows the limits of intellectual views.

These map illustrates how humans use sensemaking to manage their lives, with sensemaking starting in the brain. Key results of the study are provided in this chapter, which are based on exclusive interviews conducted by the author with CONSOB workers. As a result, the primary findings are gathered and summarized in the summary to make them easier to grasp for the readers, with the inputs selected for the study appearing first and the conclusions formed as outputs appearing second.

3.1. Cognitive mapping model as a basis for methodology and purpose of the research

The team was initially questioned in an unstructured manner, asking for their general impressions of the entire experience thus far. The study then goes into depth on the interrelationship between project specifics and organizational identity, using comprehensive questions to analyze the Sandbox's influence on OI.

Each employee was interviewed separately on a total of 12 questions, with the most important one concentrating on the shift in what each person considers to be central, distinctive, and enduring regarding CONSOB's identity. This question is posed two times: the first time in connection to the period prior to the start of the project, and the second time for the period after the project had started and was already in force.

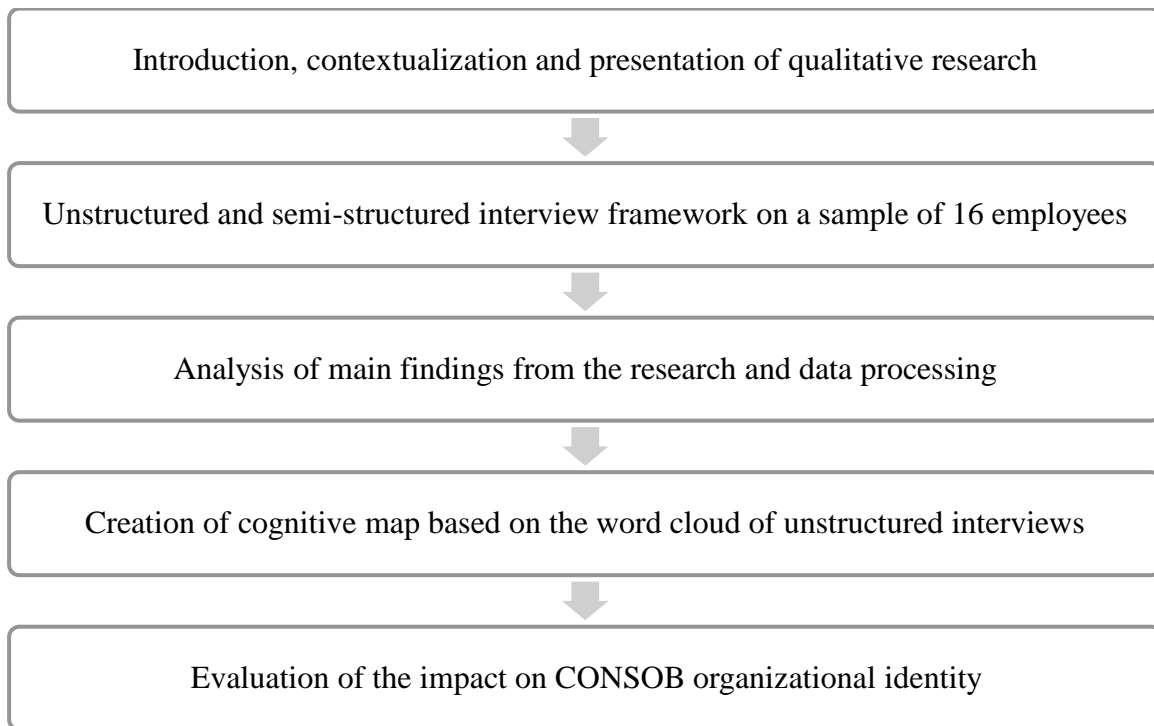


Figure 15, Chronological phases of the qualitative research. Own developed graph.

Furthermore, Weick claims that because interaction is being studied, the representations of reality will be social images. Reification is the essence of knowing, and interaction is the purpose of responsibility. Comprehension is a social defense behaviors shared by a group of people who come together to establish aggregate structures in which social components are reified. The causality maps are a specific form of mental map: causality is one of the key patterns that we may use to link events based on the time they occur and the order in which they occur. Based on Weick's sensemaking model, the cognitive map below focuses on the survey of qualitative research that this work is addressing.

As a consequence of this project, employees were able to learn new skills related to connecting with new industries and creative enterprises. Employees looked to be unaccustomed to dealing with a regulatory body in terms of verbal and nonverbal communication, as evidenced by the multiple communications: the vocabulary employed proved to be dissimilar from that used in previous instances.

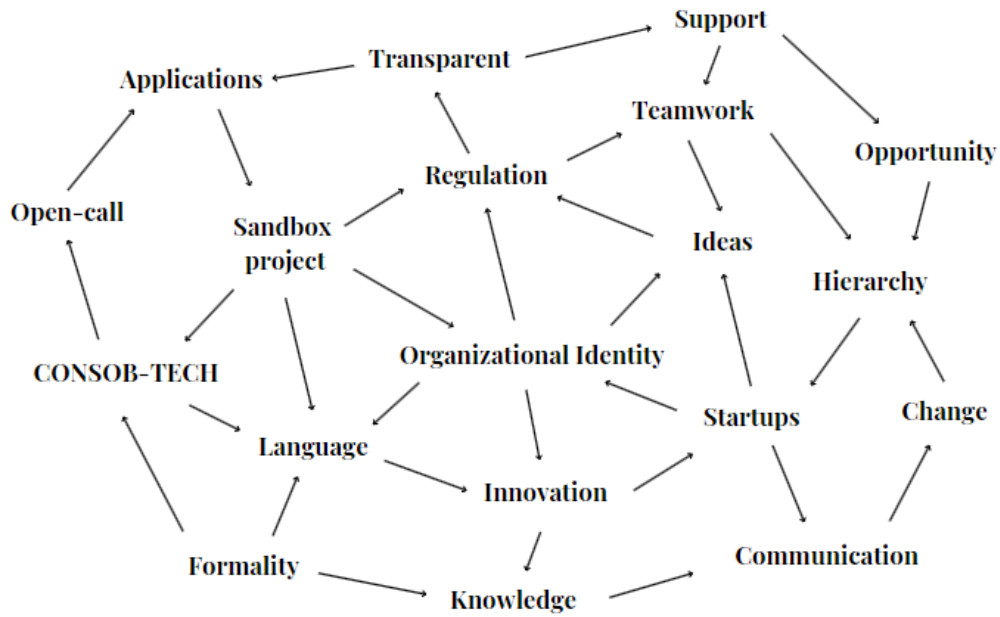


Figure 18, Cognitive map based on unstructured question from the qualitative research

It is impossible to stress the importance of underlining the map's value as a depiction of sensemaking in a particular paradigm. The map might depict a changing event that occurred in the past, is now occurring, or will occur in the near future.

When depicting a process of inquiry in the context of what is unknown, the cognitive map displays the boundaries of conceptual views. These maps depict how humans utilize sensemaking to govern their environment, with sensemaking originating from the structural characteristics of standpoints.

| Phase | Source for meaning | Output | Questions |
|----------------------------|---|--|--|
| Pre-Sandbox | | Stability | <i>Before your experience on the CONSOB-Tech team, what adjectives were appropriate to describe what you felt was central, distinctive, and enduring about CONSOB's identity?</i> |
| Normative external stimuli | | Ambiguity | <i>How the new tasks associated with the launch of CONSOB-Tech have challenged the identity described above?</i> |
| Justification | Interacts (public, irrevocable, explicit) | Common points on cognitive causal maps | <i>Based on your interlocations with individuals who have proposed for access to CONSOB-Tech, how has your view of supervised entities changed?</i> |
| | Symbols (labels, metaphors, platitudes) | | <i>While working on the CONSOB-Tech project, did you notice that the language used was different from what you were used to?</i> |
| | Underlying patterns (including organizational identities) | | <i>During your experience working on the CONSOB-Tech project, which aspects of CONSOB's identity do you notice have changed?</i> |
| | Past events | | |
| Interpretation | Reification of social and organizational roles and causal relationships | Collective structure | <i>How has your experience working on the CONSOB-Tech project made you re-evaluate your role as a "civil servant"?</i> |
| | Common points on cognitive maps | | <i>During your work experience in the CONSOB-Tech project, how did relating with other team members help you understand the new tasks?</i> |
| | Motivations to act | | |
| | Interacts (public, irrevocable, explicit) | | <i>During your work experience in the CONSOB-Tech project, in your interaction with other team members and other colleagues involved, how do you value the presence of different sensitivities?</i> |
| Validation | Interacts (public, irrevocable, explicit) | Post decision justification | <i>Based on your experience in the CONSOB-Tech team, what do you think is now central, distinctive and enduring in CONSOB's identity? (the question is specular to the first one and tends to verify the eventual evolution)</i> |
| | | Shared underlying patterns | <i>Do you think this experience in the CONSOB-Tech business has given you new skills?</i> |

3.2. Evaluating findings and managerial implications from the qualitative research

In addition, the key findings of the study are provided in this chapter, which are based on exclusive interviews conducted by the author with CONSOB workers. By the use of combined semi-structured and unstructured interviews, this work connects the scholarly ideas from the previous two sections with the efficient and realistic perceptions uncovered in observations by employees and supervisors. Transitions in organizational identity perception, related to language habits, sensitivity transformations, formalism and inflexible social attitudes, and a range of other elements are among the primary results. CONSOB's value proposition in this initiative developed from just being a fine-tuning organization to a concept in which the agency provides normative help to enterprises engaged in the open invite, as staff regarded the entity as more supporting and less regulatory in this manner.

For 75% respondents, the introduction of these new duties needed an effort for innovation, but none of them considered it was in contradiction with the institution's aim. Additionally, only a lower number of employees believe that CONSOB competencies are unclear: as a consequence, group members do not see ambiguity but rather a need for change. If one half of those polled saw the Sandbox project's problems as a way to foster a real sense of community in the company, the other half said they received help from other co-workers: no one saw these roadblocks as unproductive or work-disrupting.

Evidently, the majority of the workers saw profound changes from a far more governmental, authoritarian, and strict attitude to one in which CONSOB procedures adapt to the rapidly changing startup sector: firms are supported through transparent and colloquial interactions, based on a heavy reliance on an initial proposal like the Sandbox. The employees redefine themselves as "civil servants" to justify their new obligations. Individuals have effectively given themselves the reason of pursuing the interest of the nation while concurrently contributing in the expansion of the industry. Furthermore, the personnel appeared to detect a number of discrepancies between the communication style used and that which the institution is used to. The members of the group agreed that their contacts with the Sandbox candidates resulted in improved, more understandable language and a more informal tone. From a managerial standpoint, these data may result in a shift in the way staff interacts long after the program has ended, leading in a difference in CONSOB corporate staff communication behavior.

Conclusion (Executive Summary)

The goal of this study is to demonstrate how a new regulatory responsibility impacts the development of organizational identity through a sensemaking process, offering difficulties and possibilities.

As previously said, organizational identity (OI) refers to what's important, persistent, and distinctive in creating an organization's identity; this research is then written on the basis of the Sandbox program at CONSOB, the national regulatory body. The Sandbox project is a specific scenario of innovative fintech services provided by startups with the assistance of a conventional Italian supervisory agency: the project's goal is to maximize regulatory exemptions for selected Fintech businesses in this environment.

In the late 1980s, Albert and Whetten created the present idea of organizational identity, and their notion has since been backed up by dozens of papers and studies. According to extant research, this is owing to a paucity of written articles and a lack of focus on how external circumstances affect organizational identity.

The two researchers who contributed to this study saw a discrepancy between the Sandbox's objective to assist startups in providing novel FinTech services – and the actual perception of the Sandbox by most of these enterprises – as a mark to grant status and confidence from investors for fundraising rounds. Both experts believe it is vital for the Italian case to gain from the UK Sandbox experience, which fully integrates the concept at the program's core. According to them, the Sandbox's original premise is then shifted to a more reputational model, in which the requirement for financial fundraising by startups and fintech firms surpasses the genuine need for regulatory exemptions.

The study builds critical nodes connecting to the key themes of the unstructured questions using a cognitive mapping approach based on Weick's work from 2001, while statistical measurements and measurements are provided for the structured element of the conversations. Certainly, the cognitive map displays the boundaries of intellectual viewpoints when depicting a study process in terms of what is uncertain. These maps explain how people influence their situations through sensemaking, which is based on perspective structural features.

The Sandbox interaction provided new insight into the industry as a combination of fresher, more responsive themes as well as more bureaucratic and established ones. According to the

data, employees regard applicant firms as less informal than fully incumbent enterprises, which are more commonly used to interact with governmental bodies.

The members identified a formal, institutional, and bureaucratic approach as unique, fundamental, and permanent factors in determining the character of CONSOB (prior to the experience).

Following the findings of the second measurement, the following are the significant alterations noticed: drop in institutional approach (-31%), reduction in formality (-37%), reduction in hierarchical approach (-37%), rise in dynamism (+56%), reduction in bureaucratic approach (-32%).

The following are the significant modifications as a result of the second survey (after the project):

| Attribute | Before Sandbox | After Sandbox | Difference |
|----------------------|----------------|---------------|------------|
| Bureaucratic | 50% | 18% | -32% |
| Formal | 68% | 31% | -37% |
| Dynamic | 0% | 56% | +56% |
| Hierarchical | 43% | 6% | -37% |
| Institutional | 68% | 37% | -31% |

Figure 30, Graphical representation of findings from the qualitative research

The important components identified were undoubtedly a reduction in degree of formality, as well as increased listening capabilities, as demonstrated by a less institutionalized and administrative attitude. This may thus be readily changed into a positive management implication: the more the authority talks at the level of controlled topics, the simpler it is for the subjects towards becoming involved and grasp the regulations.

The whole examination is geared toward greater levels, and members of the team have shown a strong desire to improve skills related to the job innovation process.

In view of this, 75% of employees believe the effort will inspire and produce new skills for new FinTech companies: working with and helping startups demonstrates how employees from diverse departments may collaborate.

5.1 Limitations and future research

Nevertheless, more investigation and study are required to fill in the blanks that appear in both the published literature and this research.

Starting from the size of interviewed individuals, the small sample used of only 16 employees could have altered some of the results, which could require a higher number of measurement to be taken as consistently relevant for another set. Taking into account that the 192 answers received consist of more the total number of public employees involved in the project as for now, the sample seems to be relevant for the Sandbox case study but could be too small for a broader scope.

In this sense, the findings from the paper suggest that future academics evaluating the phenomenon could benefit from managerial implications that appear in the evidence. In this way, future research should seek to prove or disprove various of the above-mentioned results by applying the same model from Weick to other circumstances. Indeed, a change in the external stimulus provided could create new ambiguity patterns and instead bring to a more formal and hierarchical structure: future research should then focus on the different types of external stimulus that could influence OI and value proposition.

Moreover, other models beside the one based on Sensemaking and Sensegiving could be taken as assumptions for new research, granting different inputs to assess whether there will be changes in outputs as from the results or from the value proposition of the OI.

Future research should then try to investigate also other patterns of behaviour beside the 'How' analyzed in the qualitative research of this paper, some ideas could be to focus more on 'when', 'why', 'who is the responsible' and so on, to provide a variety of results.

Finally, the research was conducted as qualitative research, while a quantitative approach could be useful to identify different patterns of behaviour and perceptions of the phenomenon, as well as for the various data collection and analysis.

5.2 Appendix

| Methodology | | Theory | Topic overview | Academics |
|-------------|--------------------|---------------------|---|--|
| A | Discourse Analysis | Narrative | <ul style="list-style-type: none"> - OI as stories, themes, language, discourse, etc. - Residing in “texts”, conversations and documents - Discovered through reading/listening to members’ accounts | <ul style="list-style-type: none"> ○ <i>Alvesson (1994)</i> ○ <i>Humphreys & Brown (2002)</i> ○ <i>Chreim (2005)</i> ○ <i>Brown (2006)</i> |
| B1 | Grounded Theory | Social Construction | <ul style="list-style-type: none"> - OI as socially constructed claims and understandings - Residing in the perceptions and beliefs of members - Discovered through ethnographic methods & grounded theory, using a more structured, systematic approach | <ul style="list-style-type: none"> ○ <i>Gioia & Thomas (1996)</i> ○ <i>Corley & Gioia (2004)</i> ○ <i>Ravasi & Schultz (2006)</i> |
| B2 | | | <ul style="list-style-type: none"> - OI as claims and understandings; also schemas and scripts - Residing in the perceptions and beliefs of members - Discovered through ethnographic methods & grounded theory | <ul style="list-style-type: none"> ○ <i>Golden-Biddle & Rao (1997)</i> ○ <i>Glynn (2000)</i> ○ <i>Fiol (2002)</i> ○ <i>Tripsas (2009)</i> |
| C | Case Study | Mixed | <ul style="list-style-type: none"> - OI as social claims, attributes, characteristics - Residing in member perceptions, org documents, visible characteristics, etc. - Discovered through qualitative case-study-like methods | <ul style="list-style-type: none"> ○ <i>Dutton & Dukerich (1991)</i> ○ <i>Elsbach & Kramer (1996)</i> ○ <i>Lounsbury & Glynn (2001)</i> ○ <i>Battilana & Dorado (2010)</i> |
| D | Survey | Social Actor | <ul style="list-style-type: none"> - OI as key attributes and characteristics - Residing in structures, systems, mission, values, etc.; reflected in member perceptions - Discovered through focus groups, key informants, surveys | <ul style="list-style-type: none"> ○ <i>Bartel (2001)</i> ○ <i>Foreman & Whetten (2002)</i> ○ <i>Dukerich et al (2002)</i> ○ <i>Brickson (2005)</i> |
| E | Data Analysis | Institutionalist | <ul style="list-style-type: none"> - OI as social categories or forms - Residing in org form/type, industry group, legal structure, etc. - Discovered through external, formal designation or assignment | <ul style="list-style-type: none"> ○ <i>Zuckerman (1999)</i> ○ <i>Rao, Davis & Ward (2000)</i> ○ <i>Hsu & Hannan (2005)</i> ○ <i>Navis & Glynn (2010)</i> |

Figure 0, View of OI literature from Foreman and Whetten (Foreman et al, 2016)

| Characteristic | Social Actor | Social Constructionist |
|---|---|---|
| <i>Theoretical foundations</i> | Institutional theory | Social constructivism |
| <i>Definition of identity</i> | OI resides in institutional claims about central, enduring and distinctive attributes of the organization (Whetten, 2003) | OI resides in shared beliefs about central and permanent attributes of an organization (Gioia et al., 2000) |
| <i>Emphasis on cognitive process</i> | Sensegiving: identity claims are defined by organizational leaders to create a collective sense of self. | Sensemaking: shared understandings result from the sensemaking process performed by members. |
| <i>Emphasis on endurance or on change</i> | Identity claims are resistant to change, labels change rarely. | Shared understanding change periodically. |
| <i>Fundamental Work</i> | Whetten (2003) | Gioia et al. (2000) |

Figure 1, Perspectives on OI: Social Actor vs Social Constructionist (Ravasi et Al., 2006)

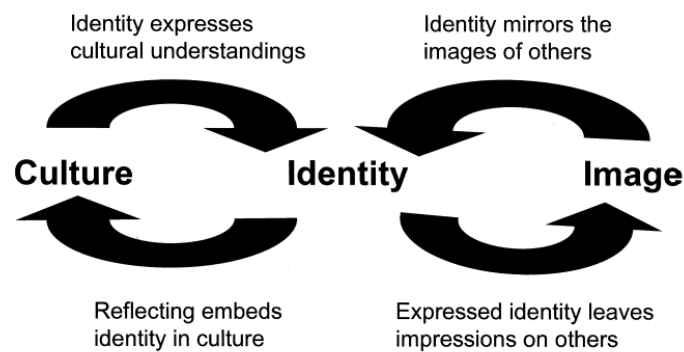


Figure 2, Visual representation of four OI Dynamics Model (Hatch et al., 2002)

| Artifacts | Beliefs and Values | Underlying Assumptions |
|---|---|---|
| <ul style="list-style-type: none"> • Visible organizational structures and processes | <ul style="list-style-type: none"> • Strategies, goals, philosophies | <ul style="list-style-type: none"> • Unconscious perceptions taken for granted |

Figure 3, Graphical representation of the three tiers by Schein perspective (Hatch et al, 2000)

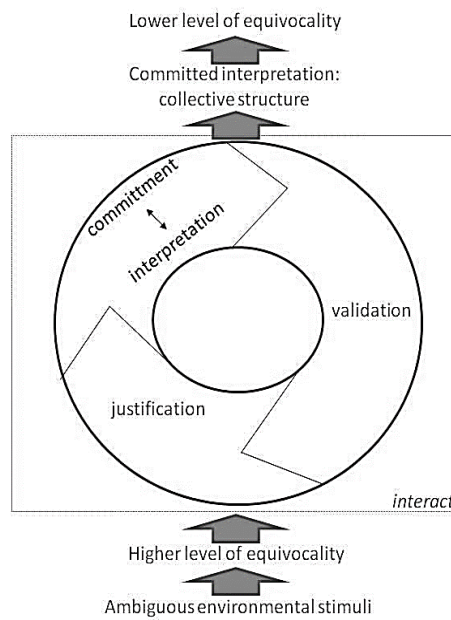


Figure 4, Sensemaking process representation (Weick, 1995)

| Reference | Role of sensemaking and sensegiving |
|-------------------------------|--|
| [1] Gioia, Chittipeddi (1991) | Four phases: 1) envisioning, 2) signaling, 3) re-visioning and 4)energizing; show how sensegiving phase follows each sensemaking phase. |
| [2] Corley (2004) | Sensegiving is the reaction to ambiguity and the “leaders’ responses to sensegiving imperative”. |
| [3] Ravasi, Schultz (2006) | Define the sensemaking phase – thought as which comes before sensegiving one in the model - as the process for managers to make a revision of the official identity claims. |
| [4] Clark (2010) | In this framework Sensemaking is one of the sources of identity inertia. |
| [5] Gioia (2010) | Sensemaking is described as follows “Organizational identity is progressively, even continuously, negotiated by organization members—via their interactions with each other...”. |
| [6] Wessel (2021) | Sensegiving is analyzed in relation with Digital Transformation: identity claims expressed by executives lead to impositions and reconciliations, the interplay of which is the outcome of a new OI. |

Figure 5, Six models related to organizational identity, self-developed.

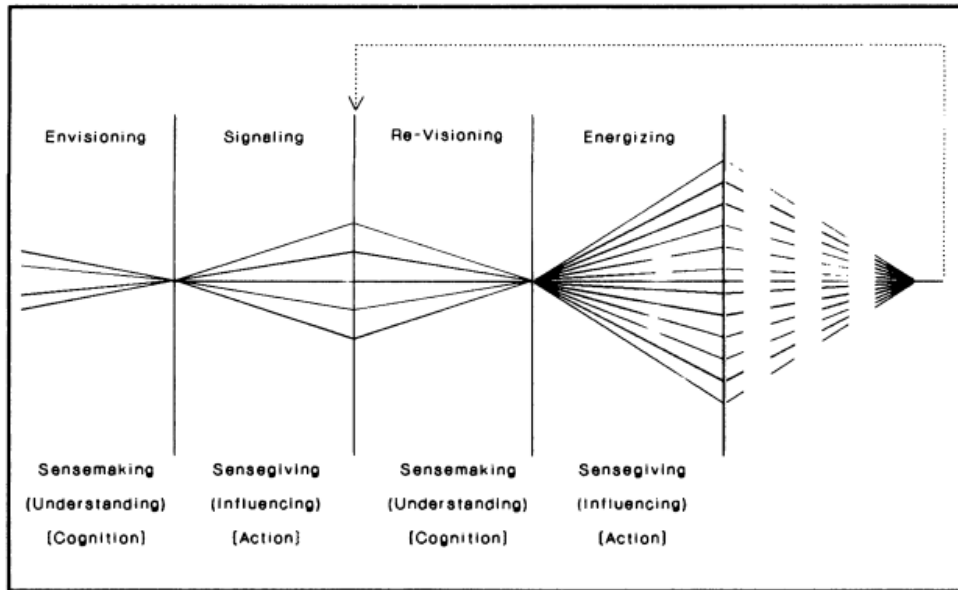


Figure 6, Sensemaking and sensegiving (Gioia and Chittipeddi, 1991)

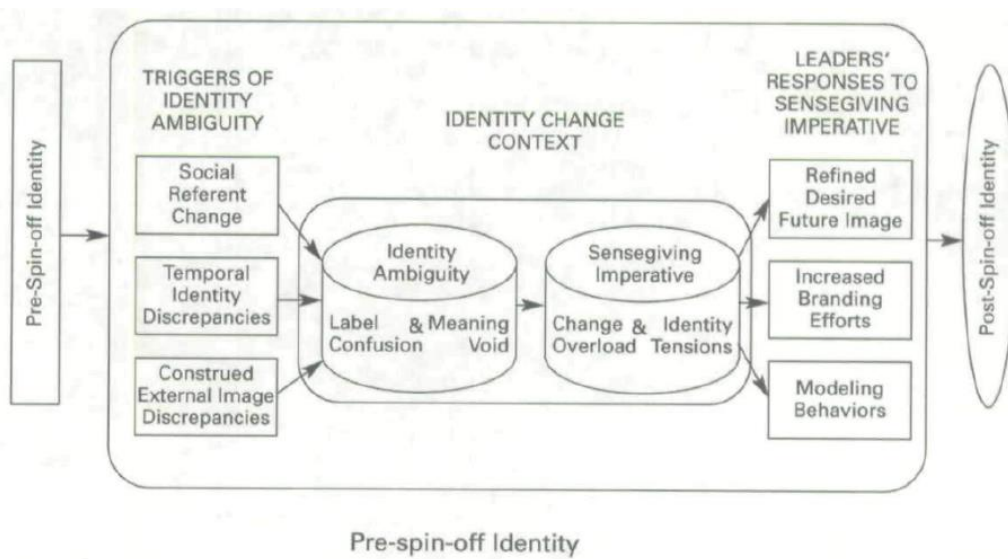


Figure 7, Organizational Identity change process (Corley, 2004)

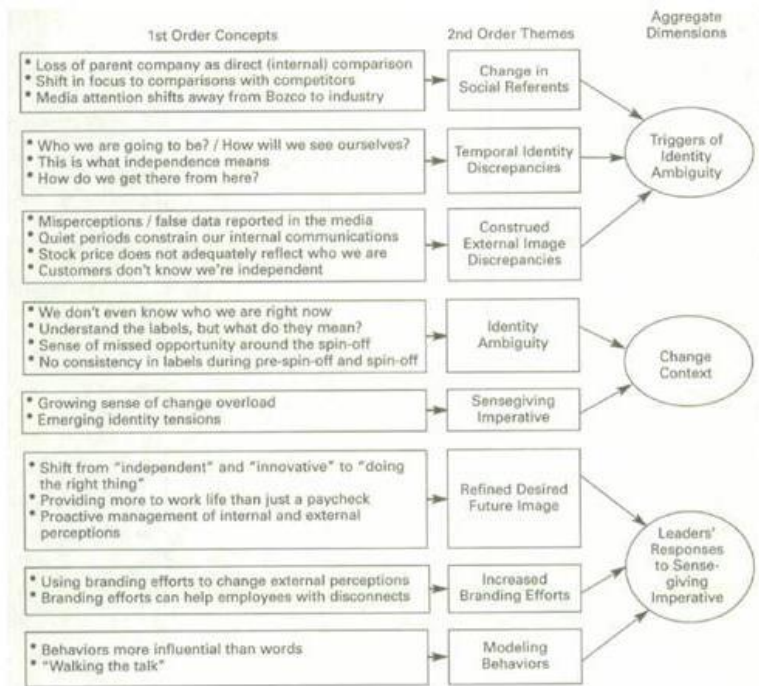
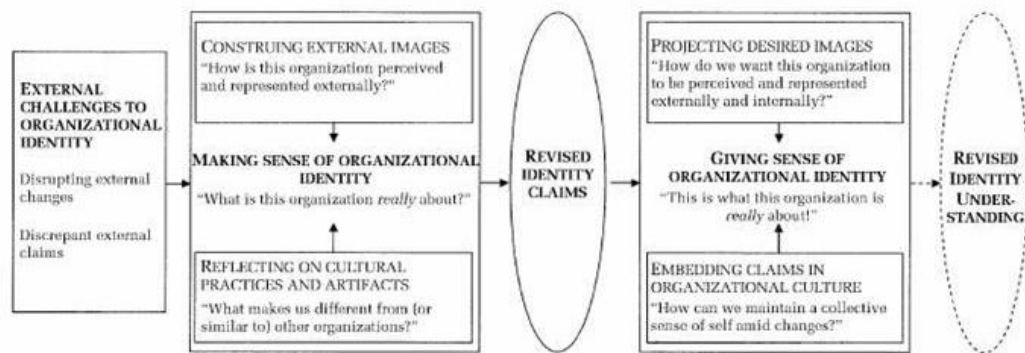


Figure 8, Aggregate dimensions of the model (Corley and Gioia, 2004)



* The dotted line indicates relationships and constructs for which we could collect only limited evidence.

Figure 9, Organizational Reaction to Identity Threats (Ravasi and Schultz, 2006)

Figure 2. An emergent model of identity change during a merger.

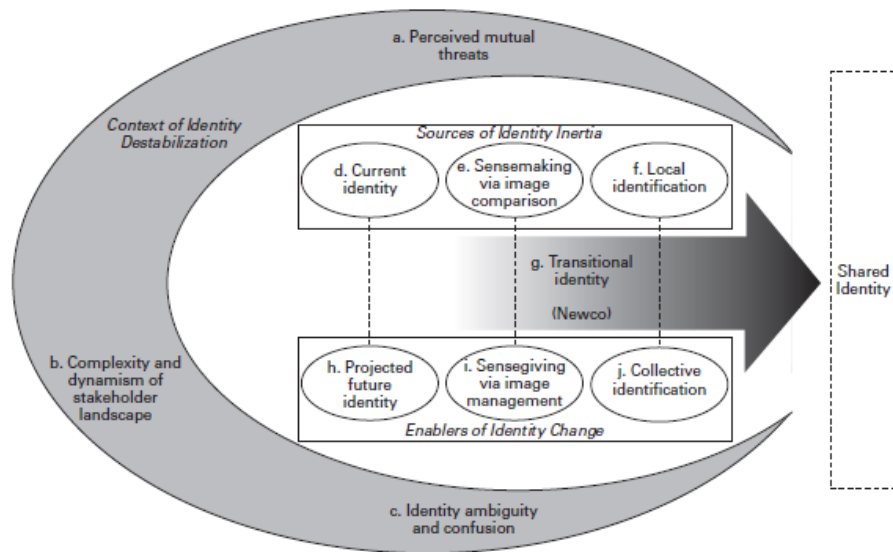


Figure 10, Emergent model of identity change (Clark, 2010)

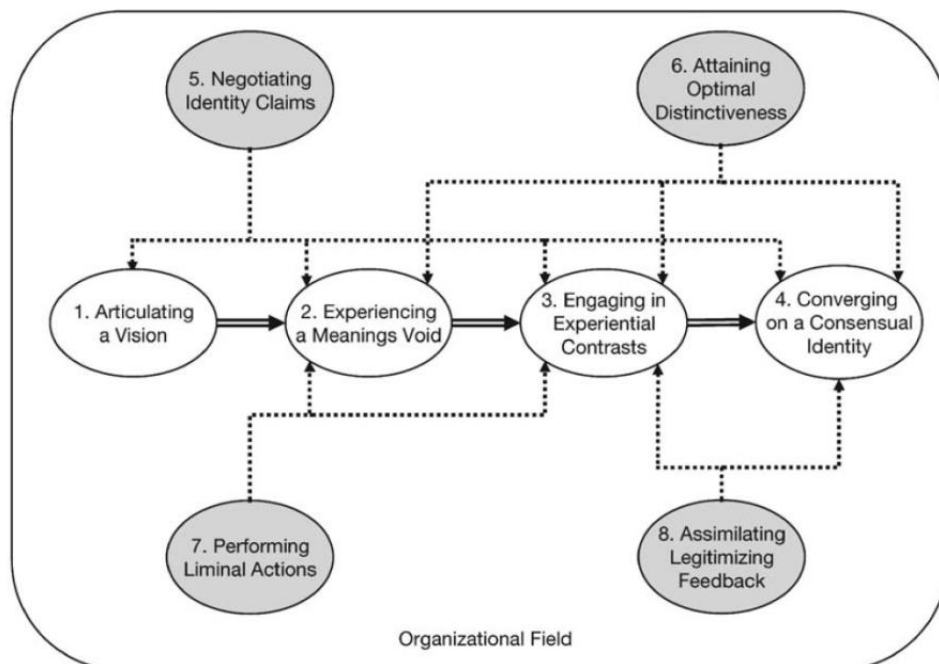


Figure 11, Various stages of the model in organizational field (Gioia et al., 2010)

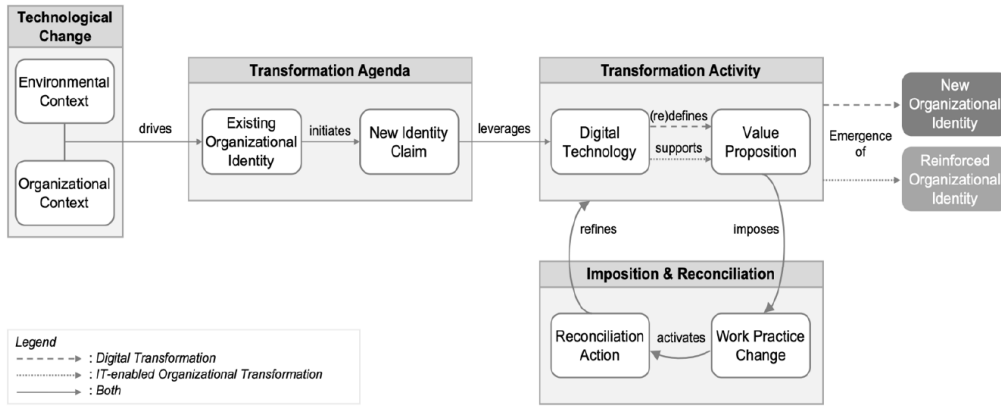


Figure 12, Process model of transformation (Wessel, 2021)

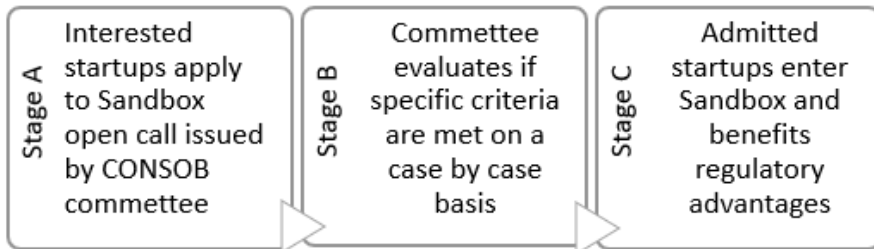


Figure 13, Representation of the three stages in Sandbox project. Own developed graph.

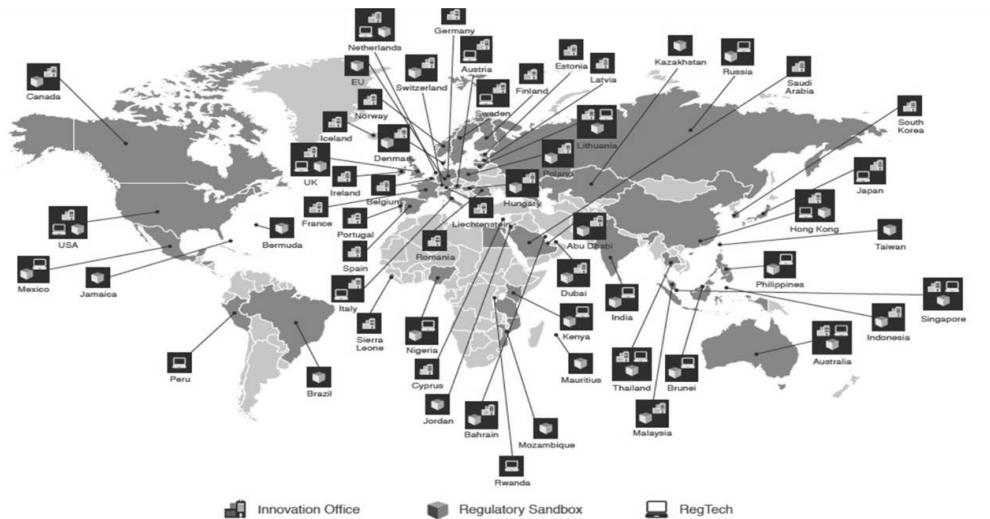


Figure 14, Worldwide representation of RegTech (CCAF, 2019)

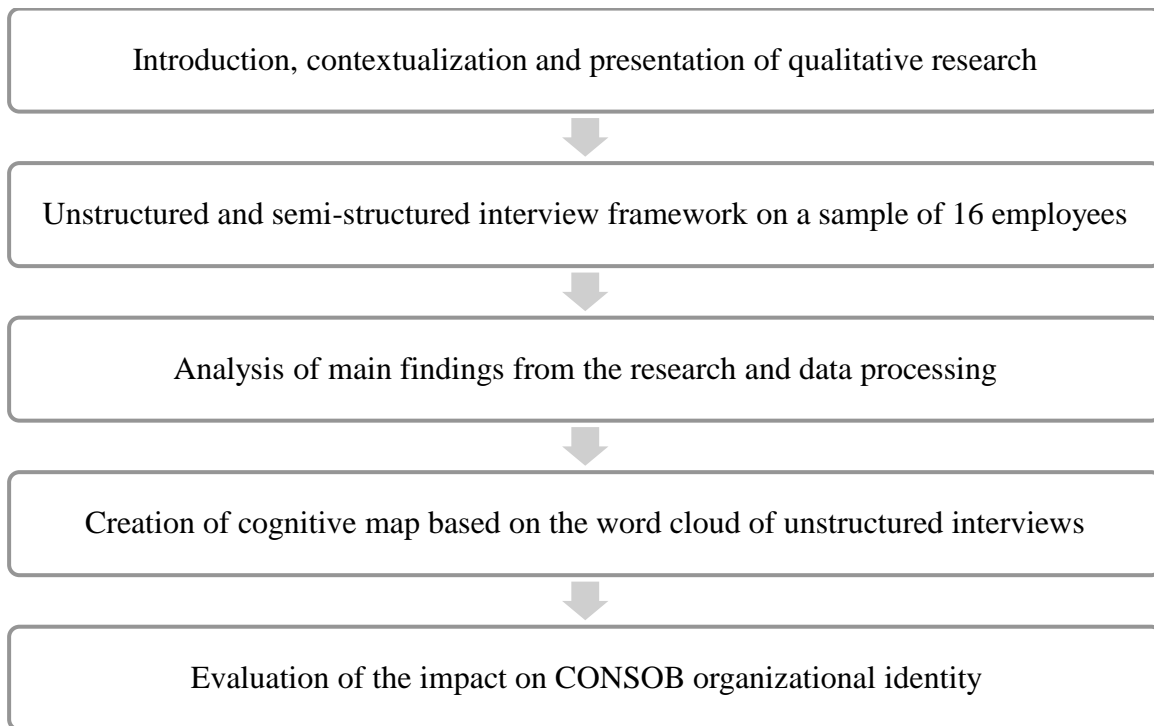


Figure 15, Chronological phases of the qualitative research. Own developed graph.

| | GENDER | AGE | LEVEL | BACKGROUND | TENURE |
|----|--------|-----|----------|------------|--------|
| 1 | M | 32 | Expert | Law | 3 |
| 2 | F | 50 | Advisor | Economics | 5 |
| 3 | F | 59 | Director | Economics | 32 |
| 4 | F | 44 | Advisor | Economics | 14 |
| 5 | F | 52 | Advisor | Law | 5 |
| 6 | F | 50 | Director | Law | 25 |
| 7 | F | 55 | Director | Law | 27 |
| 8 | F | 61 | Expert | Economics | 2 |
| 9 | F | 48 | Advisor | Economics | 5 |
| 10 | F | 55 | Advisor | Economics | 26 |
| 11 | M | 59 | Advisor | Economics | 5 |
| 12 | F | 52 | Advisor | Economics | 5 |
| 13 | F | 52 | Advisor | Economics | 22 |
| 14 | M | 37 | Advisor | Economics | 10 |
| 15 | F | 51 | Advisor | Law | 19 |
| 16 | M | 44 | Advisor | Law | 10 |

| CATEGORY | DETAIL | VALUE | PERCENTAGE |
|------------|------------|-------|------------|
| Age | Mean value | 49 | N/A |
| Tenure | Mean value | 14 | N/A |
| Background | Law | 6 | 38% |
| | Economics | 10 | 63% |
| Gender | M | 4 | 25% |
| | F | 12 | 75% |
| Level | Director | 3 | 19% |
| | Expert | 2 | 13% |
| | Advisor | 11 | 69% |

Figure 16, Characteristics of sample from the qualitative research

UNSTRUCTURED QUALITATIVE RESEARCH - PRELIMINARY INTERVIEW QUESTION N.1

Tell us about your experience in the Consob-Tech project, specifying if and how it has changed your daily work activities or the way you work in a group with colleagues.

EMPLOYEE #1

Taking part in the Consob-tech project is a great opportunity to allow the various internal departments to work in direct contact with innovative companies and startups in the area. This allowed me to better understand the dynamics of certain young and fast-rising realities in various sectors.

EMPLOYEE #2

Participation in the Consob-Tech project is a privilege for me because it allows me to learn new things, explore a different and more dynamic way of working in a team and understand how the activity of supervision and oversight can adapt to the changing needs and demands coming from the market and from Fintech operators. Participation in the project required an additional effort as this activity joined those I was already carrying out, without the possibility of redefining the workloads within my office. However, the informal and collaborative atmosphere that was established in the group, thanks also to the coordination skills of the leaders, allowed me to follow the activities with extreme interest and satisfaction. Moreover, the transversal composition of the group, made up of different professionals from various organizational units, allowed me to get to know better the "real" Consob which, beyond formal documents, is made up of people with different knowledge, skills and sensibilities but all of the highest level. I have learned a lot from each of my colleagues and I hope that this new way of working, more dynamic, less formal and more attentive to substance, can be replicated in other areas within Consob.

EMPLOYEE #3

Participation in the Consob-Tech project allows, on the one hand, to work in an integrated way with colleagues assigned to different offices, in a more agile and less formal way than in the ordinary way and, on the other hand, to have a direct relationship with the industry. This last aspect allows to receive directly the requests of the market and solicits reflections on the correct framing of the proposed projects within the current regulation.

EMPLOYEE #4

Working in teams for the Consob Tech project has been useful for the exchange of knowledge between colleagues from different Divisions and for the synergies achieved. It was also a way to show to external subjects the ability of the Consob team to support the requests and to deal with an absolutely new subject, which will require the maximum confrontation with external operators in order to produce the necessary national legislation, in the run up to the issuing of the new EU MICA Regulation.

EMPLOYEE #5

It has been a very enriching experience both professionally and personally. I met people coming from other offices and/or divisions, all looking for tools to deal with a new world for Consob such as Fintech. The fact that the management of the work was characterized by greater informality than Consob's schemes also contributed to creating a more relaxed and pleasant environment.

EMPLOYEE #6

The creation of a horizontal group and the sharing of information are essential in a rapidly evolving context such as FinTech. the same approach should be applied to other areas as well, given that the siloed approach is now outdated.

EMPLOYEE #7

Participation in the project has allowed me to get in touch with many colleagues I didn't know before, but it hasn't changed my work habits.

EMPLOYEE #8

The project has the merit of creating non-hierarchical groups in which everyone feels free to express themselves. It is an opportunity to create direct relationships between the most diverse structures (and ages) and to develop new ideas and approaches, overcoming the adage of "it has always been done this way".

EMPLOYEE #9

The project has allowed the group to work more fluidly and more purposefully, avoiding the logic of preordained roles.

EMPLOYEE #10

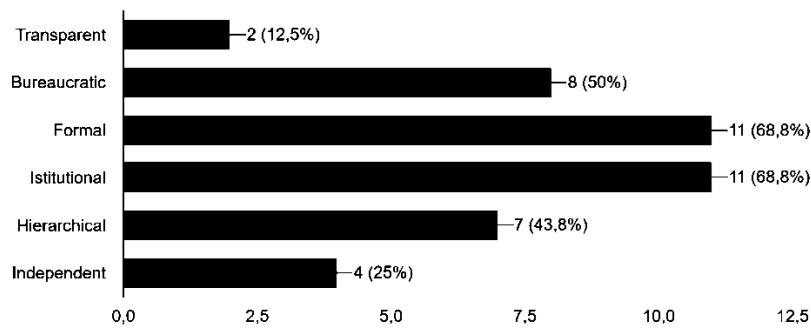
The Consob-tech project has been very helpful in creating work groups with less hierarchy and having the ability to manage certain processes with less formality.

| EMPLOYEE #11 |
|--|
| <p>The Consob-Tech project has offered the possibility to work in a truly multidisciplinary team, formed by people coming from several O.U. of the Institute, with different qualifications, without the presence of Division/Office managers. The group therefore had a rather innovative structure compared to those usually employed by the Institute. Equally innovative is the sector in which we found ourselves operating.</p> <p>The consequence has been a less formal and hierarchical way of working, with a freer participation of individual members, less tied to the O.U. of origin. Even in interactions with external parties, a more informal and "collaborative" approach was used than that usually employed. This has had and still has undoubted merits, for example, in enhancing the contributions that each person can make. However, there are some limitations in the organization and integration of the Group's activities with those carried out by the Supervisory Divisions (a problem that became apparent when the applications for admission to the sandbox were received).</p> |
| EMPLOYEE #12 |
| <p>The Consob-tech project has proven beneficial in establishing teamwork with less hierarchical and the capacity to manage internal functions with less rigidity. The fact that the work was managed in a more informal manner than Consob's plans also helped to create a peaceful workplace. This aspect allows to receive directly the requests of the market and solicits reflections on the correct framing of the proposed projects within the current regulation.</p> |
| EMPLOYEE #13 |
| <p>A very stimulating experience that helped build a fruitful relational network and the sharing of knowledge of a different nature.</p> |
| EMPLOYEE #14 |
| <p>I found this project very appealing for my soft skills in order to achieve a better team-working experience with other employees. Individuals representing CONSOB are not formal and used to communicate with a national entity, thus the communications between the authority and the firms that are regulated are based on an informal and less institutional structure.</p> |
| EMPLOYEE #15 |
| <p>This experience provided me to get in touch with innovative firms and their related services. Working side-by-side with colleagues from other divisions and teams made it possible to create a more informal way of carrying out the various tasks. It is important for the regulatory authority to be updated with innovative trends from the technological world.</p> |
| EMPLOYEE #16 |
| <p>This project gave us the opportunity to acquire new competences related to communicating with new industries and innovative startups. I found the stakeholders not used to be in touch with a regulatory authority and this was clear during the various communications: it seems that the language used was different from the formal one used in previous situations.</p> |

Figure 19, Findings of unstructured question from the qualitative research

Before your experience on the Consob-Tech team, what adjectives were appropriate to describe what you felt was central, distinctive, and enduring about Consob's identity?

16 risposte



Based on your experience in the Consob-Tech team, what do you think is now central, distinctive and enduring in Consob's identity ? (the question is the first one and tends to verify the eventual evolution)

16 risposte

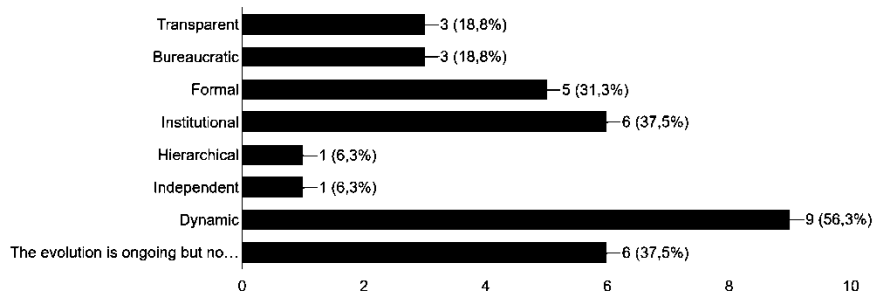


Figure 20, Questions n2, n10. Graphical representation of findings from the qualitative research

During your experience working on the Consob-Tech project, which aspects of Consob's identity do you notice have changed?

16 risposte

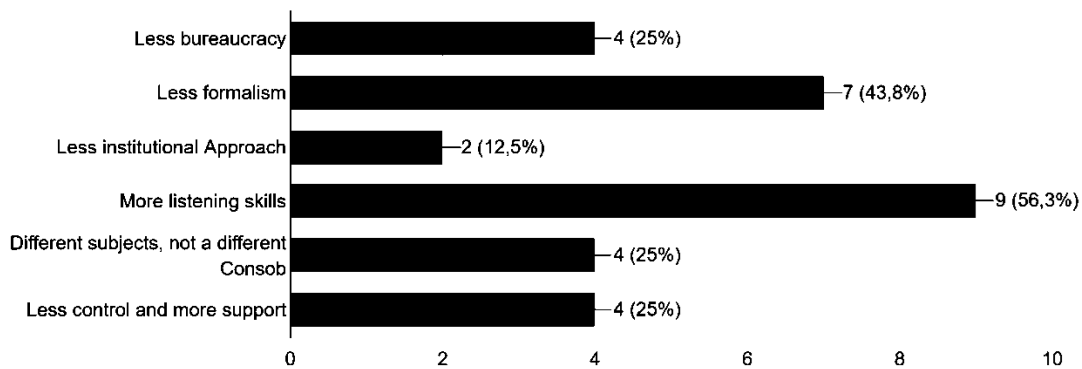


Figure 21, Questions n5. Graphical representation of findings from the qualitative research

How the new tasks associated with the launch of Consob-Tech have challenged the identity described above?

16 risposte



Figure 22, Questions n3. Graphical representation of findings from the qualitative research

How has your experience working on the Consob-Tech project made you re-evaluate your role as a "civil servant"?

16 risposte

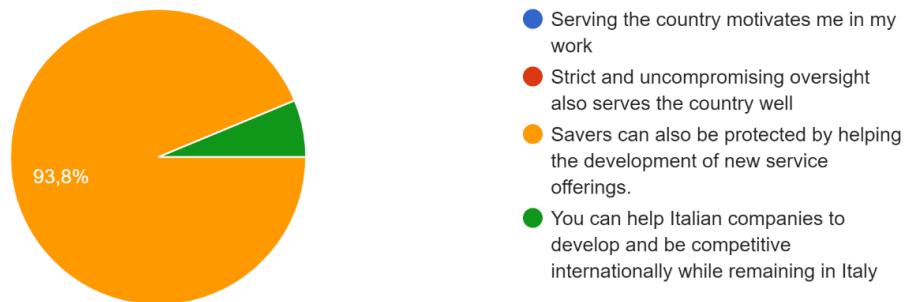


Figure 23, Questions n7. Graphical representation of findings from the qualitative research

While working on the Consob-Tech project, did you notice that the language used was different from what you were used to?

16 risposte



Figure 24, Questions n5. Graphical representation of findings from the qualitative research

During your work experience in the Consob-Tech project, how did relating with other team members help you understand the new tasks?

16 risposte

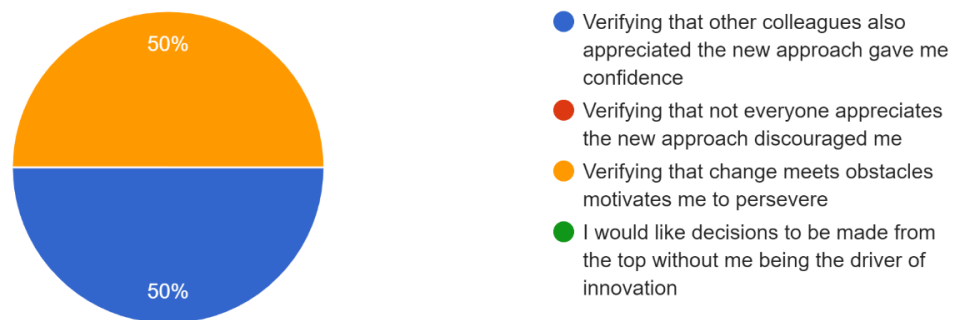


Figure 25, Questions n8. Graphical representation of findings from the qualitative research

Based on your interlocutions with individuals who have proposed for access to Consob-Tech, how has your view of supervised entities changed?

16 risposte



Figure 26, Questions n4. Graphical representation of findings from the qualitative research

During your work experience in the Consob-Tech project, in your interaction with other team members and other colleagues involved, how do you value the presence of different sensitivities?

16 risposte

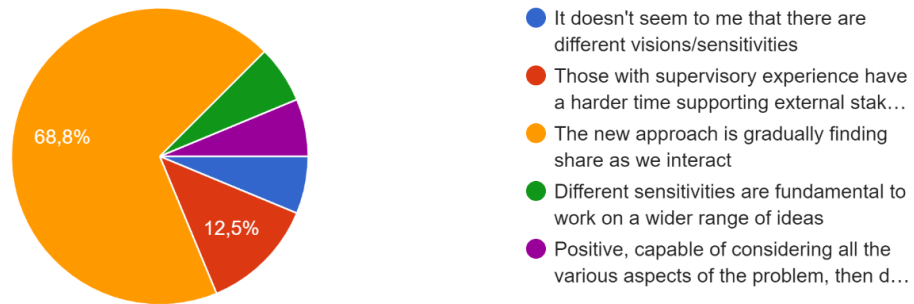
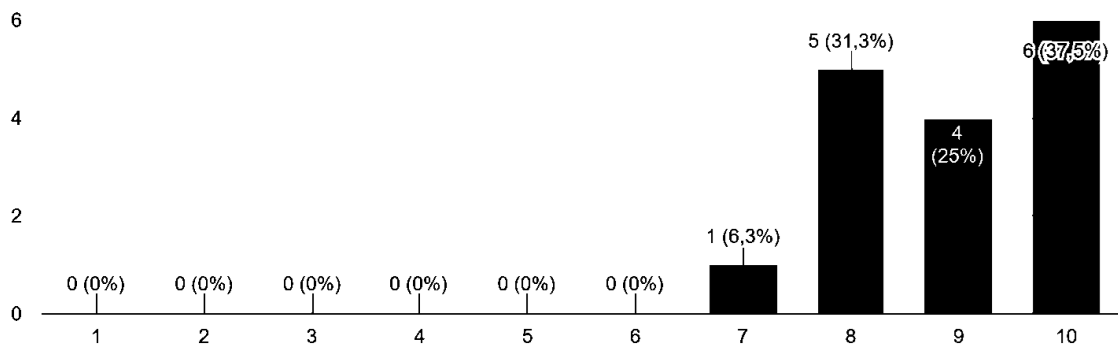


Figure 27, Questions n9. Graphical representation of findings from the qualitative research

How do you evaluate your experience in the Consob-Tech project?

16 risposte



Do you think this experience in the Consob-Tech business has given you new skills?

16 risposte

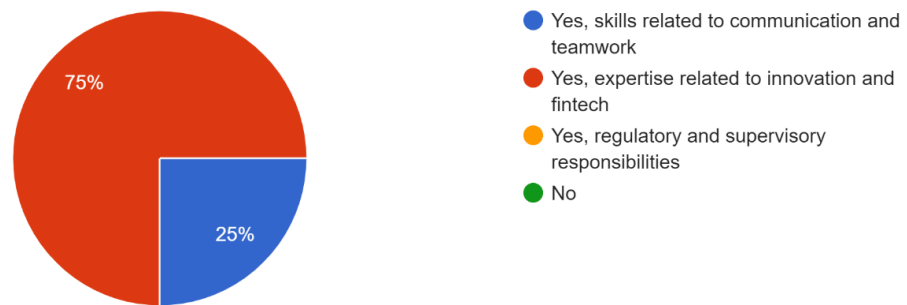


Figure 28, Questions n1, n11. Graphical representation of findings from the qualitative research

| APPENDIX - QUALITATIVE RESEARCH | | Employee #1 | Employee #2 | Employee #3 | Employee #4 | Employee #5 |
|---------------------------------|--|--|--|--|--|---|
| #1 | How do you evaluate your experience in the Consob-Tech project? | 9 | 10 | 8 | 8 | 9 |
| #2 | Before your experience on the Consob-Tech team, what adjectives were appropriate to describe what you felt was central, distinctive, and enduring about Consob's identity? | Formal, Hierarchical, Istitutional | Formal, Hierarchical, Istitutional, Independent | Istitutional, Independent, Formal | Bureaucratic, Formal, Hierarchical | Formal, Hierarchical, Bureaucratic |
| #3 | How the new tasks associated with the launch of Consob-Tech have challenged the identity described above? | New tasks are useful but require a burst of organizational innovation | New tasks are useful but require a burst of organizational innovation | New tasks are useful but require a burst of organizational innovation | The new tasks have adjusted work practices to meet market developments | New tasks have brought ambiguity about the boundaries of expertise |
| #4 | Based on your interlocutions with individuals who have proposed for access to Consob-Tech, how has your view of supervised entities changed? | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals |
| #5 | While working on the Consob-Tech project, did you notice that the language used was different from what you were used to? | I noticed that simpler language has been adopted that is understandable to external stakeholders | I noticed that simpler language has been adopted that is understandable to external stakeholders | I noticed that simpler language has been adopted that is understandable to external stakeholders | I have noticed a more informal and less abstruse language compared to the one usually used in the CONSOB working | I noticed that simpler language has been adopted that is understandable to external stakeholders |
| #6 | During your experience working on the Consob-Tech project, which aspects of Consob's identity do you notice have changed? | More listening skills, Less bureaucracy | Less formalism, More listening skills | Different subjects, not a different Consob, Less formalism, Less bureaucracy | Less institutional Approach, More listening skills | Less formalism, More listening skills |
| #7 | How has your experience working on the Consob-Tech project made you re-evaluate your role as a "civil servant"? | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | You can help Italian companies to develop and be competitive internationally while remaining in Italy |
| #8 | During your work experience in the Consob-Tech project, how did relating with other team members help you understand the new tasks? | Verifying that change meets obstacles motivates me to persevere | Verifying that other colleagues also appreciated the new approach gave me confidence | Verifying that other colleagues also appreciated the new approach gave me confidence | Verifying that other colleagues also appreciated the new approach gave me confidence | Verifying that change meets obstacles motivates me to persevere |
| #9 | During your work experience in the Consob-Tech project, in your interaction with other team members and other colleagues involved, how do you value the presence of different sensitivities? | Those with supervisory experience have a harder time supporting external stakeholders | The new approach is gradually finding share as we interact | Different sensitivities are fundamental to work on a wider range of ideas | The new approach is gradually finding share as we interact | The new approach is gradually finding share as we interact |
| #10 | Based on your experience in the Consob-Tech team, what do you think is now central, distinctive and enduring in Consob's identity ? | Institutional, Formal, Transparent | The evolution is ongoing but not yet significant | Institutional, The evolution is ongoing but not yet significant, Formal | The evolution is ongoing but not yet significant, Dynamic | Formal, The evolution is ongoing but not yet significant, Bureaucratic |
| #11 | Do you think this experience in the Consob-Tech business has given you new skills? | Yes, skills related to communication and teamwork | Yes, expertise related to innovation and fintech | Yes, expertise related to innovation and fintech | Yes, expertise related to innovation and fintech | Yes, expertise related to innovation and fintech |

| APPENDIX - QUALITATIVE RESEARCH | | Employee #6 | Employee #7 | Employee #8 | Employee #9 | Employee #10 |
|---------------------------------|--|---|--|--|--|--|
| #1 | How do you evaluate your experience in the Consob-Tech project? | 8 | 7 | 10 | 9 | 10 |
| #2 | Before your experience on the Consob-Tech team, what adjectives were appropriate to describe what you felt was central, distinctive, and enduring about Consob's identity? | Istitutional, Formal | Bureaucratic, Formal | Hierarchical, Istitutional, Bureaucratic | Istitutional, Hierarchical, Bureaucratic | Bureaucratic, Istitutional, Formal |
| #3 | How the new tasks associated with the launch of Consob-Tech have challenged the identity described above? | New tasks are useful but require a burst of organizational innovation | New tasks are useful but require a burst of organizational innovation | New tasks are useful but require a burst of organizational innovation | The new tasks have adjusted work practices to meet market developments | New tasks are useful but require a burst of organizational innovation |
| #4 | Based on your interlocutions with individuals who have proposed for access to Consob-Tech, how has your view of supervised entities changed? | the exchange with stakeholders seemed less formal than the traditional approach to supervised entities | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals |
| #5 | While working on the Consob-Tech project, did you notice that the language used was different from what you were used to? | I have noticed an attitude of openness towards the interlocutors, even within the limits of the group's mandate, which has resulted | I have noticed a more informal and less abstruse language compared to the one usually used in the CONSOB working | I have noticed that only a few employees have changed the type of language used | I noticed that simpler language has been adopted that is understandable to external stakeholders | I noticed that simpler language has been adopted that is understandable to external stakeholders |
| #6 | During your experience working on the Consob-Tech project, which aspects of Consob's identity do you notice have changed? | Less formalism | Different subjects, not a different Consob | More listening skills | More listening skills, Less control and more support | More listening skills, Less control and more support, Less formalism |
| #7 | How has your experience working on the Consob-Tech project made you re-evaluate your role as a "civil servant"? | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. |
| #8 | During your work experience in the Consob-Tech project, how did relating with other team members help you understand the new tasks? | Verifying that change meets obstacles motivates me to persevere | Verifying that other colleagues also appreciated the new approach gave me confidence | Verifying that change meets obstacles motivates me to persevere | Verifying that other colleagues also appreciated the new approach gave me confidence | Verifying that other colleagues also appreciated the new approach gave me confidence |
| #9 | During your work experience in the Consob-Tech project, in your interaction with other team members and other colleagues involved, how do you value the presence of different sensitivities? | It doesn't seem to me that there are different visions/sensitivities | The new approach is gradually finding share as we interact | Those with supervisory experience have a harder time supporting external stakeholders | The new approach is gradually finding share as we interact | The new approach is gradually finding share as we interact |
| #10 | Based on your experience in the Consob-Tech team, what do you think is now central, distinctive and enduring in Consob's identity ? | Dynamic | Bureaucratic, Formal | The evolution is ongoing but not yet significant | Dynamic, Transparent | Formal, Dynamic |
| #11 | Do you think this experience in the Consob-Tech business has given you new skills? | Yes, expertise related to innovation and fintech | Yes, expertise related to innovation and fintech | Yes, expertise related to innovation and fintech | Yes, expertise related to innovation and fintech | Yes, expertise related to innovation and fintech |

| APPENDIX - QUALITATIVE RESEARCH | | Employee #11 | Employee #12 | Employee #13 | Employee #14 | Employee #15 | Employee #16 |
|---------------------------------|--|--|---|--|--|--|--|
| #1 | How do you evaluate your experience in the Consob-Tech project? | 8 | 8 | 10 | 10 | 10 | 9 |
| #2 | Before your experience on the Consob-Tech team, what adjectives were appropriate to describe what you felt was central, distinctive, and enduring about Consob's identity? | Institutional, Transparent, Independent | Istitutional, Independent, Transparent | Formal | Istitutional | Formal, Bureaucratic, Istitutional | Bureaucratic, Hierarchical, Formal |
| #3 | How the new tasks associated with the launch of Consob-Tech have challenged the identity described above? | New tasks are useful but require a burst of organizational innovation | New tasks are useful but require a burst of organizational innovation | The new tasks have adjusted work practices to meet market developments | The new tasks have adjusted work practices to meet market developments | New tasks are useful but require a burst of organizational innovation | New tasks are useful but require a burst of organizational innovation |
| #4 | Based on your interlocutions with individuals who have proposed for access to Consob-Tech, how has your view of supervised entities changed? | The individuals we met with seemed less formal than traditional supervised individuals | The majority concerned entities not currently supervised. These presented ideas that are interesting, but also shown limited knowledge of the | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals | The individuals we met with seemed less formal than traditional supervised individuals |
| #5 | While working on the Consob-Tech project, did you notice that the language used was different from what you were used to? | I noticed that simpler language has been adopted that is understandable to external stakeholders | I noticed that simpler language has been adopted that is understandable to external stakeholders | I noticed that simpler language has been adopted that is understandable to external stakeholders | I noticed that simpler language has been adopted that is understandable to external stakeholders | I have noticed a more informal and less abstruse language compared to the one usually used in the CONSOB working environment | I noticed that simpler language has been adopted that is understandable to external stakeholders |
| #6 | During your experience working on the Consob-Tech project, which aspects of Consob's identity do you notice have changed? | Less formalism, More listening skills, Less control and more support | Less control and more support, Different subjects, not a different Consob | More listening skills, Less bureaucracy | Less institutional Approach | Different subjects, not a different Consob, Less formalism | Less bureaucracy |
| #7 | How has your experience working on the Consob-Tech project made you re-evaluate your role as a "civil servant"? | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. | Savers can also be protected by helping the development of new service offerings. |
| #8 | During your work experience in the Consob-Tech project, how did relating with other team members help you understand the new tasks? | Verifying that other colleagues also appreciated the new approach gave me confidence | Verifying that change meets obstacles motivates me to persevere | Verifying that change meets obstacles motivates me to persevere | Verifying that other colleagues also appreciated the new approach gave me confidence | Verifying that change meets obstacles motivates me to persevere | Verifying that change meets obstacles motivates me to persevere |
| #9 | During your work experience in the Consob-Tech project, in your interaction with other team members and other colleagues involved, how do you value the presence of different sensitivities? | The new approach is gradually finding share as we interact | Positive, capable of considering all the various aspects of the problem, then difficult to bring back to unity when a decision must be made | The new approach is gradually finding share as we interact | The new approach is gradually finding share as we interact | The new approach is gradually finding share as we interact | The new approach is gradually finding share as we interact |
| #10 | Based on your experience in the Consob-Tech team, what do you think is now central, distinctive and enduring in Consob's identity ? | Institutional, Dynamic | Transparent, Dynamic, Institutional, Independent | Dynamic | The evolution is ongoing but not yet significant | Dynamic, Bureaucratic, Institutional | Hierarchical, Dynamic, Institutional |
| #11 | Do you think this experience in the Consob-Tech business has given you new skills? | Yes, expertise related to innovation and fintech | Yes, skills related to communication and teamwork | Yes, expertise related to innovation and fintech | Yes, skills related to communication and teamwork | Yes, expertise related to innovation and fintech | Yes, skills related to communication and teamwork |

Figure 29, Answers from the qualitative research

| Attribute | Before Sandbox | After Sandbox | Difference |
|----------------------|----------------|---------------|------------|
| Formal | 68% | 31% | -37% |
| Hierarchical | 43% | 6% | -37% |
| Institutional | 68% | 37% | -31% |
| Dynamic | 0% | 56% | +56% |
| Bureaucratic | 50% | 18% | -32% |

Figure 30, Graphical representation of findings from the qualitative research

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