

# ***Making the employees receptive to strategy.***

*A qualitative study on the sensemaking and sensegiving processes performed by middle managers and executives to generate continuous improvement.*



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## Preface

Dear Reader,

In front of you is my master thesis, which can be seen as my final piece of work at the Radboud University Nijmegen in the master Organizational Design and Development. Writing a master thesis represents a lot of skills, both academic and social, that have been acquired during my whole academic career at the Radboud University. This last piece of work was, however, a tough one in which all the acquired skills were needed to finish my master thesis. Therefore I would like to make some acknowledgments to the people that supported me throughout the whole research process of thinking, writing, rethinking and rewriting.

First of all I would like to thank Dr. Berber Pas for teaching me to take a more critical stance towards what is framed as ‘truth’ by the use of management jargon. Moreover, I would like to thank her for her detailed feedback and motivating talks throughout the whole master thesis trajectory. Without her feedback this master thesis would not have the quality it has now. Secondly, I would also like to thank Prof. dr. Kristina Lauche for her feedback on my research proposal and final version of this thesis.

I would also like to thank the executive management board of Rijkswaterstaat region East Netherlands for providing me the opportunity to conduct research in their organization and let this research be a valuable means for the further implementation of the process-based thinking and working at their region. Especially, I would like to thank the senior advisor of Rijkswaterstaat for engaging me in her projects, meetings and work sessions aimed on all the facets of organizational development. I really experienced the relevance of my master specialization ‘Organizational Design and Development’ in practice.

Lastly, I would like to stress that this master thesis does not solely result from my own determination. The support I received from my mother, sister and girlfriend during the summer period was tremendously important for me to ‘keep up the spirit’ and finish this master thesis.

I hope you will enjoy reading this master thesis.

Kind regards,  
Chris

## Abstract

This research investigated how middle managers and executives translate strategic goals to operational goals and which factors are most salient in affecting this process. The research took place in the context of a big executive agency of the Ministry of Infrastructure and Environment in the Dutch public sector. The organization reorganized its organizational structure and work processes according to Lean management, which implies strategic change that involves an attempt to change current modes of cognition and action, in which both sensemaking and sensegiving processes take place (Gioia & Chittipeddi, 1991). Whereas sensemaking in the context of strategic change is about the way managers understand and make sense of the strategic goals, sensegiving is about the way managers intentionally influence others' understanding of the strategic goals.

Sensemaking and sensegiving were used as central concepts in this research, because both executives and middle managers have difficulties with implementation of strategy in order to make the lower level employees receptive to the strategic change. Data was gathered following a qualitative approach by conducting thirteen interviews with ten middle managers and three executives. Moreover, one non-participant observation was conducted aimed at investigating the value of visual management as a means for sensemaking and sensegiving.

The results revealed that middle managers and executives actively made sense of strategic goals by means of the following five sensemaking processes: 1) making use of key players and peers; 2) attending 'live-through sessions'; 3) creating local understanding; 4) constructing identity; 5) collective brainstorming. Moreover, the results revealed that middle managers and executives gave sense of the strategic goals by means of: 1) priority setting; 2) criteria setting; 3) operationalizing goals to attitude and behavior; 4) inspiring by means of metaphors; 5) visual management.

The degree of understandability determined the need to make the strategic goals more specific for the employees' understanding. The degree of understandability, in turn, was affected by the fit between the employees' operational tasks and the interests of the strategic goals. Moreover, there was a conflict between the functions of the strategic goals affecting both the sensemaking and sensegiving processes. Lastly, there were needs for collective sensemaking evoked by process-based collaboration, such as the need for agreements on priorities of the strategic goals and the need for agreements on the indicators that constitute to a good strategy implementation process.

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## 1. Introduction

### 1.1 Becoming Lean

As the executive agency of the Ministry of Infrastructure and the Environment in the Netherlands, Rijkswaterstaat is responsible for the design, construction, management and maintenance of the main infrastructure facilities in the Netherlands. Due to the rapid changing demands from important stakeholders, such as the society and the private sector, the organization is in a long process of organizational change since 2011. The stakeholders' demands that triggered the reorganization are reflected in the annual report of Rijkswaterstaat, stated as following:

*''The public [society] expect us to provide optimal, customer-driven services. The private sector wants to see more uniform contracts. Our partners from the private sector, knowledge institutions and the government want us to work even more closely with them. And both politicians and the general public want Rijkswaterstaat to become smaller, more efficient and more sustainable.'' (annual report Rijkswaterstaat, 2015, p.61)*

In order to become more effective, efficient and increase the responsiveness to the various demands Rijkswaterstaat started reorganizing their structure and work processes according to Lean management. Lean, as a management philosophy, is based on the rational of maximizing customer value while simultaneously minimizing and eliminating waste activities (Womack & Jones, 2003). One of the principles of Lean management is the aim for relentless perfection through continuous improvement. This principle stresses the importance of Lean as an ongoing process, as there will always be activities in the value stream that do not contribute to the creation of customer value and therefore must be eliminated (Womack & Jones, 2003).

Continuous improvement could be seen as a state in the organization in which all members contribute to performance improvement by continuously implementing small changes in the work processes (Jørgensen et al., 2003). To ensure greater success of Lean management and continuous improvement, public organizations require an awareness or realization for improvement by establishing a culture that is receptive to make changes in their processes to meet customer demands (Radnor et al., 2006). In order to establish the change receptive culture Lean management uses tools such as 'strategy deployment' and

‘visual management’. Strategy deployment is the achievement of strategic goals by aligning the strategic goals with the organizational activities and functions (Tennant & Roberts, 2001). Visual management is a tool developed by Lean management practitioners to support effective communication using visual means, such as boards and A3 papers (Parry & Turner, 2006).

### **1.2 The role of management**

Implementing Lean management and its tools is a challenging process that demands substantial organizational changes and commitment of the people involved (Drew et al., 2004). However, the success or failure of Lean management largely depends on the people responsible for implementing the method and tools, such as middle managers (Fine et al., 2008). Moreover, top management should stimulate the cultural change and values, because the values are driven top-down (Dahlgaard & Dahlgaard-Park, 2006).

Middle managers, however, have an ambivalent role as intermediate between top managers’ top-down and employees’ bottom-up change (Conway & Monks, 2011). On the one hand, middle managers are prone to pressures of top-down change and charged with the implementation of changes from above. On the other hand, middle managers are prone to the pressures of lower level employees who demonstrate changes from below, as the middle managers perform a facilitating role towards their employees.

At Rijkswaterstaat the facilitating role of middle managers is reflected by the ‘servant leadership’ style on which the middle managers were trained, screened and selected during the reorganization, as part of a Lean management implementation program. ‘Servant leadership’, as described by the program, entails the following core competences: 1) demonstrating role model behavior in relation with the employee; 2) think in client perspective; 3) facilitate employees to improve their own work; 4) provide feedback on daily tasks of employees (annual report Rijkswaterstaat, 2015).

### **1.3 Strategic change, sensemaking and sensegiving**

During reorganizations the strategic goals reflect the new way the organization is heading or the initiated *strategic change*. ”Strategic change involves an attempt to change current modes of cognition and action to enable the organization to take advantage of important opportunities or to cope with consequential environmental threats.” (Gioia & Chittipeddi, 1991, p.433). Therefore, an important task for managers is making employees receptive to the

strategic goals, as aimed for by strategy deployment (Tennant & Roberts, 2001). In complex situations such as reorganizations, however, normal patterns of organizational action are disrupted and it could be the case that the existing meaning of the strategic goals does not match the expectations, which enables social actors to create new sense (Weick, 1995). This means that social actors, such as executives and middle managers, make new sense to understand what is going on, because the new situation is too complex and ambiguous to understand by means of the existing cognitive structures (Weick, 1995). So to say, there has to be sense created to understand the strategic change.

*Sensemaking* in the context of strategic change is concerned with: "the way managers understand, interpret, and create sense for themselves based on the information surrounding the organizational change." (Rouleau, 2005, p.1415). Moreover, sensemaking is situational and social as the development and interpretation of situations results from interactions between the social actors in their local environments (Weick, 1995). Furthermore, sensemaking results from both conscious processes based on schemas of thought surrounding the change and unconscious processes related to the actor's personal experience (Gioia & Mehra, 1996).

Sensemaking is, however, just one side of the coin in making employees receptive to strategic change. The other side of the coin is how the managers 'sell' their created sense to the targeted audience. It is about how managers intentionally try to influence other peoples' thinking, known as *sensegiving* (Gioia & Chittipeddi, 1991). In the context of strategic change sensegiving is concerned with "communicating thoughts about the change to others and how to gain their support." (Rouleau, 2005, p.1415). Thus, whereas sensemaking is concerned with creating understanding of strategic change, sensegiving is about taking action to influence the understanding of others (Rouleau, 2005).

#### **1.4 Organizational change and resistance**

In the context of strategic change the notice of resistance to change is an important concept affecting the sensemaking of social actors. Reactions towards change from change recipients are mostly perceived as something negative and labeled as 'resistance' by change agents, while these recipients' reactions actually have value for the existence, engagement and the strength of the change initiative (Ford, Ford & Amelio, 2008). This process of labelling reactions as 'resistance' is in itself a sensemaking process through which change agents interpret the communications and behavior of change recipients (Ford, Ford, Amelio, 2008).

Moreover, resistance to change is multidimensional and consists of different contrasting feelings (Piderit, 2000). The resistors' reactions can be assessed on an emotional, cognitive and intentional dimension and may be conflicting with each other. Thoughtful resistance reflects strong emotions of recipients who are really involved with the issue at hand and has more value for the change initiative than non-thoughtful acceptance (Ford, Ford & Amelio, 2008).

The implementation of continuous improvement as a top-down change approach has as consequence that work roles of middle managers change and workloads increase (Conway & Monks, 2011). From a change agent perspective, middle managers at Rijkswaterstaat who are expected to be 'servant leaders' move away from their role of supervisors to the role of coach. In their new role the middle managers can no longer control all the decisions made by their staff, because the employees are empowered to take responsibilities for their own actions. As a result the middle managers could experience insecurity leading to potential resistance of middle management to employee involvement (Fenton-O'Creevy, 2001) From a change recipient perspective, however, middle managers can also demonstrate resistance, since they are charged with the implementation of top down changes from the corporate board. Changing work roles and increased workload of middle managers are outcomes of organizational change that could possibly lead to resistance (Wanberg & Banas, 2000).

### ***1.5 Theoretical relevance***

There has been much empirical research conducted about the implementation of Lean management in public service firms, such as local governments (Barraza, Smith & Dahlgaard-Park, 2009) or healthcare organizations (Conway & Monks, 2011). Moreover, a recent real-time case study conducted in a governmental organization in the Netherlands revealed the following four inertia factors that slow down the implementation of Lean management: 1) indistinctness about the motives for implementation; 2) poor support; 3) political external factors; 4) focus on internal efficiency (Van Loenen & Schouteten, 2016).

Although the real-time case study enabled Van Loenen and Schouteten (2016) to follow the actions of management during the implementation of Lean management, it did not reveal the sensemaking and sensegiving processes performed by managers, while these processes are important concepts to understand the way strategic change is initiated and carried out by management. Moreover, there is more research needed on the sensemaking and sensegiving processes of managers during organizational change (Maitlis, 2005), because

“understanding and action derive from the frameworks of meaning ascribed by the organization’s members” (Gioia & Chittipeddi, 1991, p.435). Furthermore, research on sensemaking in the context of organizational change is rare (Maitlis, 2005). This research tries to fill this gap by investigating the middle managers’ and executives’ sensemaking and sensegiving processes and the most salient factors affecting them in the context of a government organization during the implementation of Lean management.

### ***1.6 Practical relevance***

In order to align strategic goals with the organizational activities and functions, the strategic goals should be translated to operational goals to make them suitable for the employees’ operations (Tennant & Roberts, 2001). In 2015, however, quantitative research conducted by Rijkswaterstaat at region East-Netherlands revealed that strategic goals, as agreed on by executives and middle managers, were insufficiently translated and carried out on the tactic and operational level. Furthermore, the quantitative research revealed that the strategic goals are not always known, recognized or understood by the lower level employees.

According to a senior advisor who is involved with the implementation of Lean management at Rijkswaterstaat East-Netherlands a better translation of strategic goals to operational goals enhances the receptivity of employees towards the strategic goals and continuous improvement. The strategy translation process can be understood as sensemaking and sensegiving processes performed by the executives and middle managers, because the executives and middle managers both make and give sense of the strategic goals when discussing and translating them to lower organizational levels. Thus, a better fit between the executives and middle managers’ sensemaking and sensegiving processes at the one hand and the lower level employees’ understanding of the strategic goals at the other hand, should lead to a workforce that understands the strategic goals as intended, a workforce that is better able to know how their daily operations are linked towards the strategic goals and a workforce that is more receptive to continuous improvement. Moreover, it is likely that there are salient factors affecting the sensemaking and sensegiving processes hampering a sufficient strategy translation.

This study, by investigating the sensemaking and sensegiving processes as well as the most salient factors affecting the sensemaking and sensegiving processes, provides insights on how to enhance the fit between the strategy as intended by the executives and middle managers and the lower level employees who are supposed to think and act according the

strategic goals. Consequently, this study contributes to recommendations how to improve the implementation of continuous improvement at Rijkswaterstaat East Netherlands.

### **1.7 Problem statement**

The objective of this research is to:

*Gain insight in how middle managers and executives at Rijkswaterstaat East Netherlands translate strategic goals into operational goals, by focusing on their sensemaking and sensegiving processes and the most salient factors that affect these processes, in order to provide recommendations how to enhance the implementation of continuous improvement at Rijkswaterstaat.*

The central research question that needs to be answered to achieve the objective of this research is as following:

*How do middle managers and executives at Rijkswaterstaat East Netherlands make and give sense of strategic goals and which factors are most salient in affecting this process?*

### **1.8 Thesis outline**

In order to answer the research question, first of all a theoretical background on the nature of organizational change and strategizing are given in chapter 2. Moreover, the sensitizing concepts sensemaking, sensegiving and resistance will be discussed. In chapter 3 the qualitative research design, a thick case description, the use of open interviews and a non-participant observation, the data analysis method and ethics considering this research will be explained. Next, in chapter 4, the analyzed empirical findings will be presented. Subsequently, chapter 5 will bring the conclusions and discussion of the results and the practical implications, recommendations for further research and reflection.

## **2. Theoretical framework**

### ***2.1 The nature of organizational change***

#### ***2.1.1 Synoptic accounts on change***

Former research on organizational change shows much elaboration on different types of change. Basically, most of the research has been oriented towards synoptic accounts of change (Tsoukas & Chia, 2002). "Synoptic accounts view change as an accomplished event whose key features and variations, and causal antecedents and consequences, need to be explored and described" (Tsoukas & Chia, 2002, p.570). The causal antecedents and accomplishment of change in the synoptic accounts assume that change is linear, comes in neat stages and occurs in order. This is, however, known as the illusion of linearity (King & Anderson, 2002), because change is a process rather than a sequence of neat stages (Van de Ven, 1995).

In the synoptic accounts "ontological priority is given to the organization, making change an exceptional effect produced only under certain circumstances by change agents" (Tsoukas & Chia, 2002, p.569). This synoptic account on change has lot in common with episodic change, which are "changes that tend to be infrequent, discontinuous and intentional" (Weick & Quinn, 1999, p.365). Moreover, episodic change occurs through managerial interventions with predetermined goals. Organizational change is, however, something that cannot fully be planned with predetermined goals by change agents. The simplification of change as a something that can be planned in an prescribed way, excludes the rootedness of change in the organizational character (Burnes, 2004). This implies that change agents should be aware how the structure and culture of the organization are next to the predetermined planning also guiding the change.

#### ***2.1.2 Performative accounts on change***

As opposed to synoptic accounts there are performative accounts on change that do incorporate the open-ended micro processes, the pervasiveness and the fluidity of change, as it is enacted by human action (Tsoukas & Chia, 2002). James (1996) suggest we have to work with change, because it is a process. If we only look if certain goals are achieved by antecedents, we do not notice the actual way change happens (James, 1996). The actual way change happens is reflected in the micro-processes in which people work and constantly adjust themselves. For this reason, in the performative account perspective, change programs

need to be ‘made to work’ by human agents who locally adapt the change programs (Tsoukas & Chia, 2002).

In contrast to synoptic accounts and episodic change, performative accounts are related to continuous change, which is ”ongoing, evolving and cumulative change” (Weick & Quin, 1999, p.375). These ongoing changes are happening all the time, through experimentation in the ongoing practices in which people work (Orlikowski, 1996). This implies that organizational members will always make small changes in their local work environments that were not planned by change agents.

## **2.2 Strategizing**

The suggestion of James (1996) that we have to work with change due to its processual character not only reveals the performative account on change (Tsoukas & Chia, 2002), but also the notion of strategy as a social practice (Giddens, 1979; Jarzabkowski, 2005; Jarzabkowski & Spee, 2009). Seeing ‘strategy as a practice’, also referred to as ‘strategizing’, is a relatively new research agenda influenced by social theory scholars, such as Giddens (1979) and Weick (1969; 1995), who placed the role of human agency within corporate strategy. According to social theory there should be a stronger focus on humans than organizations (Giddens, 1979) and situated activities than abstract processes (Weick, 1969).

Strategy as a social practice is defined as: ”a situated, socially accomplished activity constructed through the interactions of multiple actors” (Jarzabkowski, 2005, p.70). In line with this definition the doing of strategy, or strategizing, is concerned with who is doing it (strategizing), what is done, how it is done, what is used and what implications this has for shaping of the strategy (Jarzabkowski & Spee, 2009). So to say, the social practice perspective on strategy is interested in concrete and situated activities performed by practitioners who *do* strategy instead of organizations who *have* a certain strategy (Whittington, 2003).

Although strategizing is concerned with the shaping instead of the implementation of strategy, strategizing relates to sensemaking, because both activities are accomplished through social interaction and seek understanding of what is going by means of negotiation of meaning (Jarzabkowski, 2005; Weick, 1995). Moreover, it is likely that individual differences between the practitioners constitute to individual sensemaking and sensegiving processes, possibly leading to different understanding of strategy. Strategizing also relates to sensegiving, because during the shaping of strategy the practitioners perform activities, such

as creating and communicating a new vision, to influence others' understanding of the strategic change (Rouleau, 2005). In the next paragraphs there will be further elaborated on the relation between strategizing and sensemaking and sensegiving.

When further disaggregating the definition of strategizing there has to be a clear distinction made between the practitioner, practices and the praxis. The practitioners are those people who do the strategic work. A practitioner can either be an individual or an aggregate actor, such as middle management. Moreover, a practitioner can be internal or external to the firm, such as a consultant. However, in this research the practitioners are middle managers and executives, so understood as individuals internal in the organization.

The practices are the "social, symbolic and material tools through which the strategy work is done" (Jarzabkowski & Spee, 2009, p.70). Examples are routines, discourses and workshops, by which the practitioners do strategy. Identifying one single practice is hard, because practices are entangled in activities, which both differ in space and material (Orlikowski, 2007).

The praxis is "the flow of activity in which strategy is accomplished over time" (Jarzabkowski & Spee, 2009, p.70). This flow, or stream of activity, interconnects the individual's actions on micro-level with the wider meso or macro institutions in which the actions are located. Consequently, there is a micro, meso and macro level of praxis (Jarzabkowski & Spee, 2009). In this research the level of praxis is mostly the micro level, because the unit of analysis - the sensemaking and sensegiving processes - manifests itself internal in the organization. However, when looking at the relation between the middle managers' and the executives' sensemaking and sensegiving the level of praxis is also the macro level.

### ***2.3 Sensemaking***

Sensemaking is invoked by strategic change and therefore an important sensitizing concept in this research. Sensemaking in the context of strategic change is concerned with "the way people understand, interpret and create sense for themselves, based on the information surrounding the organizational change" (Rouleau, 2005, p.1415). Strategic change is a complex situation in which existing schemas of thought cannot deal with the new ambiguous reality (Weick, 1995). This means that the existing schemas cannot interpret the new complex reality, providing occasion for social actors to make new sense of the situation (Weick, 1969). The latter stresses the difference between interpretation and sensemaking. Whereas

interpretation is concerned with finding meaning or sense in the truth that already exist, sensemaking is a broader concept and concerned with the way social actors create the truth to be able to interpret (Weick, 1995). Sensemaking, as object of study in organizations, resulted from Weick (1969) who argues that managers should realize that their actions are intertwined with a larger entity that is only partly controllable. Weick (1995) provides seven properties of sensemaking.

First, sensemaking is funded in identity construction. This means that social actors at individual and group level shape how they interpret events when they are finding out who they are in their local contexts (Weick, 1995). At individual level sensemaking occurs when individuals are seeking to answer the question: "who am I?". At group level sensemaking occurs when a group of individuals are seeking to answer the question: "who are we?".

Second, sensemaking is retro perspective, which entails that meaning is constructed after things are experienced. So to say, social actors attribute meaning to their past actions.

Third, sensemaking creates meaningful environments. This means social actors do not solely observe or interpret what they experience as truth, but also create it. This reality does, however, not exist separately from the attitudes and behavior from the social actors who constantly create their reality via sensemaking.

Fourth, sensemaking is social as it results from interaction between the social actors. The interaction between the social actors is entangled in face-to-face dialogues and narratives.

Fifth, sensemaking is a continuous process, as social actors are always in the middle of the processes that have no clear beginning or end. In a sensemaking perspective an organization is a flow of interconnected processes without a clear beginning or end in which social actors are submerged (Weick, 1969). Thus, social actors are constantly bracketing their flow of experience (Schutz, 1967).

Sixth, sensemaking is aimed at and determined by 'extracted cues'. The extracted cues are certain characteristics that are noticed within a certain context prior to the process of sensemaking. This implies that social actors do not observe the things directly, but use extracted cues to determine what they see and create as meaningful.

Seventh, sensemaking is more defined by plausibility than accuracy. This means that social actors are aimed on a useful and pragmatic idea of the situation. In the perspective of sensemaking this means that 'truth is what works'.



## 2.4 Sensegiving

Whereas sensemaking is concerned with the creation of socially constructed meaning (Weick 1969; 1995), sensegiving is concerned with taking action to influence the meaning creation of others (Gioia & Chittipeddi, 1991). Sensegiving is an important concept in the context of strategic change, because "understanding and action derive from the frameworks of meaning ascribed by the organization's members" (Gioia & Chitopeddi, 1991, p.435). More specific, sensegiving has to do with "communicating thoughts about the change to others and how to gain their support" (Rouleau, 2005, p.1415).

The relationship between sensemaking and sensegiving in strategic change is sequential, reciprocal and consists of different stages, as presented in Figure 1 derived from Gioia and Chitopeddi (1991). The sensemaking processes are presented by converging lines and the sensegiving processes by diverging lines. In the first stage the corporate board tries to make sense out of the new situation, threats and pressures, by creating a new vision (envisioning). In the second stage the corporate board makes an effort to communicate or give sense of the new created vision to the most important stakeholders, such as executives and middle managers (signaling). In the third stage the most important stakeholders try to make sense of the proposed vision and adapt their understanding (re-visioning). In the last stage the stakeholders respond to the proposed vision and give sense, based on their own sensemaking (energizing). Moreover, the feedback loop implies that the stakeholders also try to influence the corporate board and the proposed vision. Thus, the stakeholders' activities also affect the espoused vision.

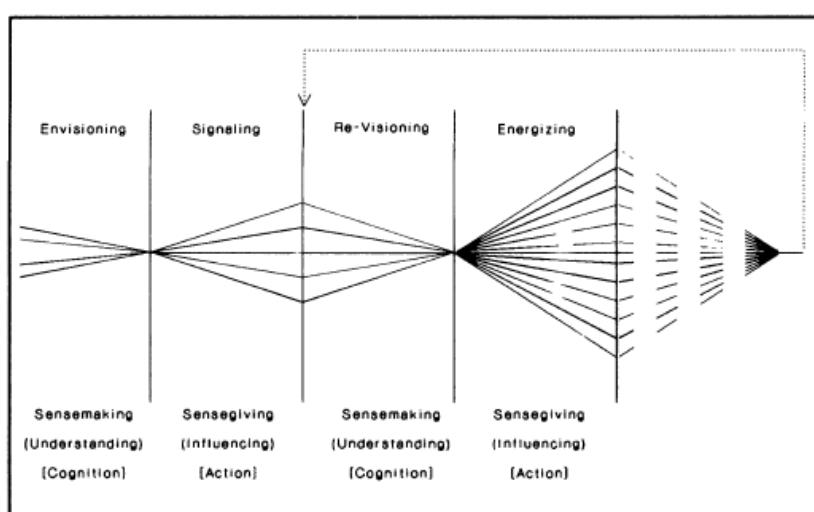


Figure 1: Processes involved in the initiation of strategic change (Gioia & Chitopeddi, 1991, p.444)

Research on strategic sensemaking and sensegiving has mainly focused on the conscious activities top managers use, neglecting the importance of tacit knowledge (Rouleau, 2005; Huisman, 2001). Middle managers are, however, both consciously and unconsciously interpreting and selling strategic change through their daily practices in the micro context which they work (Rouleau, 2005). The ongoing character of organizational change is reflected by the conscious and unconscious interpretative and communicative activities, because the human agents are the ones who locally adapt the change program (Tsoukas & Chia, 2002).

There are three forms by which social actors make sense for themselves and give sense to others, these are: semantic knowledge, the social cultural context and practical knowledge (Rouleau, 2005). First, social actors rationally use schemas of thought that relate to the conscious or semantic form of information surrounding the organizational change, such as written strategy plans. Second, social actors make use of tacit knowledge processes to construct and diffuse meaning. Much of this tacit knowledge is located in the social-cultural context of the social actor, such as gender and profession (Wright et al., 2000). Third, social actors create and give sense through the practical knowledge they possess, which are mostly based on experience. A conceptualization in which strategic sensemaking and sensegiving are located within the three sources of sensemaking and sensegiving can be found in Figure 2, derived from Rouleau (2005).

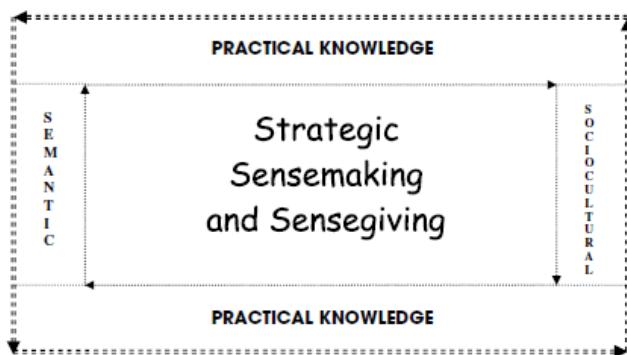


Figure 2: Strategic sensemaking and sensegiving (Rouleau, 2005, p.1417)

## 2.5 Resistance to change

As stated in the introduction, resistance is an important concept to understand change both from the agent's and recipient's perspective (Ford et al., 2008). By unveiling how reactions are labeled as resistance, the negative aspect of resistance as a hindrance could be turned in to a valuable resource in the accomplishment of change (Ford & Ford, 2009). Consequently, unveiling middle managers' or executives' resistance contributes to recommendations on the

further implementation of continuous improvement. There is, however, no consensus on a common definition of resistance. Moreover, there is no consensus on the value of resistance in the accomplishment of change (Ford & Ford, 2009). Furthermore, resistance is something that is the eyes of the beholder instead of some objective report by a neutral observer (Ford & Ford, 2009), which make it hard to grasp.

Resistance can be best understood as a natural tendency of human actors to label reactions, which are perceived as defensive, as something negative (Ford et al., 2008; Argyris, 1990). This process of labelling reactions as ‘resistance’ is in itself a sensemaking process through which change agents interpret the communications and behavior of change recipients. When change initiatives such as Lean management are implemented, it is likely that change recipients develop defensive routines. Defensive routines are habitual reactions to conditions of embarrassment and threat that create defensive patterns of behavior (Argyris, 1990). Defensive routines that possibly lead to resistant behavior are, however, not completely “over there and in them (the change recipients) and independent from the relationships and interactions between the change agents and change recipients” (Ford et al., 2008, p.362).

As discussed earlier sensemaking is concerned with the creation of understanding and interpretation (Rouleau, 2005). Moreover, the extracted cues determine what a change agent sees and creates as meaningful (Weick, 1995). However, the change agents’ own sensemaking processes that contribute to the creation of resistance are largely overlooked (Ford et al., 2008). The change agents’ own sensemaking could contribute to resistance via self-fulfilling prophesies (Kanter et al., 1992). In those situations, change agents who expect resistance to change are likely to find resistance, because they behave as if their own belief is an inevitable occurrence. As a result, the change agent makes sense of the actions and reactions of the change recipient in such a way that confirms his or her belief (Ford et al., 2008).

Thomas, Sargent and Hardy (2011) argue that facilitative resistance is produced by communicative practices between senior and middle managers, which constitute a generative form of dialogue. The communicative practices take the form of counteroffers (Thomas, Sargent & Hardy, 2011). Counteroffers are “a move in a conversation made by someone who is willing and receptive to the request yet is seeking some accommodation” (Ford et al., 2008, p.373). This implies that both senior and middle managers are willing to accommodate, by engaging in sensemaking processes, though they differ from the originally proposed ones (Thomas, Sargent & Hardy, 2011). However, if a senior manager neglects the resistance, this may exclude the middle manager’s willingness and thus exclude facilitative resistance.

### **3. Methodology**

In order to answer the research question, a qualitative research design with open interviews was used, following a template analysis technique. First, this chapter will explain the reasons for using a qualitative research design. Second, a thick description of the case will be provided. Third, it will be argued why open interviews and non-participant observations are used as data collection methods. Fourth, the data analysis method will be described. Fifth, the steps taken to improve the credibility, dependability, confirmability and transferability as parts of the quality assessment will be explained. Lastly, the ethics considering this research will be elaborated on.

#### ***3.1 Qualitative research***

As argued in the former chapter, organizational change has a very processual character (Orlikowski, 1996; Tsoukas & Chia, 2002; Weick & Quin, 1999). This processual character was also reflected by the unit of analysis in this research, which were the sensemaking and sensegiving processes, as performed by the middle managers and executives. This unit of analysis, the sensemaking and sensegiving processes, can be understood as a ‘black box’.

The point of departure in qualitative research is people giving meaning to their social environment and acting up on the sensemaking (Boeije, 2005). In order to unveil the behavior of social actors the sensemaking processes that constitute the black box need to be explored, favoring the use of a qualitative research design (Vennix, 2011). This research was able to open up this black box, by directly studying the way how executives and middle managers made sense and gave sense of the strategic goals. On the contrary, a quantitative research design in which certain effects and antecedents are sought instead of how certain sensemaking processes occur over time (Van de Ven, 2007) would not have captured the rich context, understandings and sensemaking processes needed to open up the black box.

#### ***3.2 Case description***

This research was conducted at Rijkswaterstaat region East Netherlands. As the executive agency of the Dutch ministry of Infrastructure and the Environment, Rijkswaterstaat is responsible for the design, construction, management and maintenance of the main infrastructure facilities in the Netherlands. The public organization employs around 8700 employees divided over six national and seven regional organizational divisions. Due to

rapidly changing demands from various stakeholders in 2011 the corporate board of Rijkswaterstaat felt it should reorganize itself according to Lean Management to become a more efficient organization that was better in responding to the stakeholders' needs.

Rijkswaterstaat reorganized its organizational structure towards a process-based structure. This means that there were seven new defined processes created in which several departments were collectively responsible for the execution of the whole processes. In this new situation all the departments were responsible for the execution of a specific part of the process. An overview of the new organizational process-based structure can be found in Figure 3. The seven processes and incorporated departments are indicated with the yellow lines and were aimed on managing the quality and improvement of the processes. The supporting organizational entities, which were involved with supporting all the departments and processes, are indicated with the blue lines and were primarily aimed on supporting the production processes.

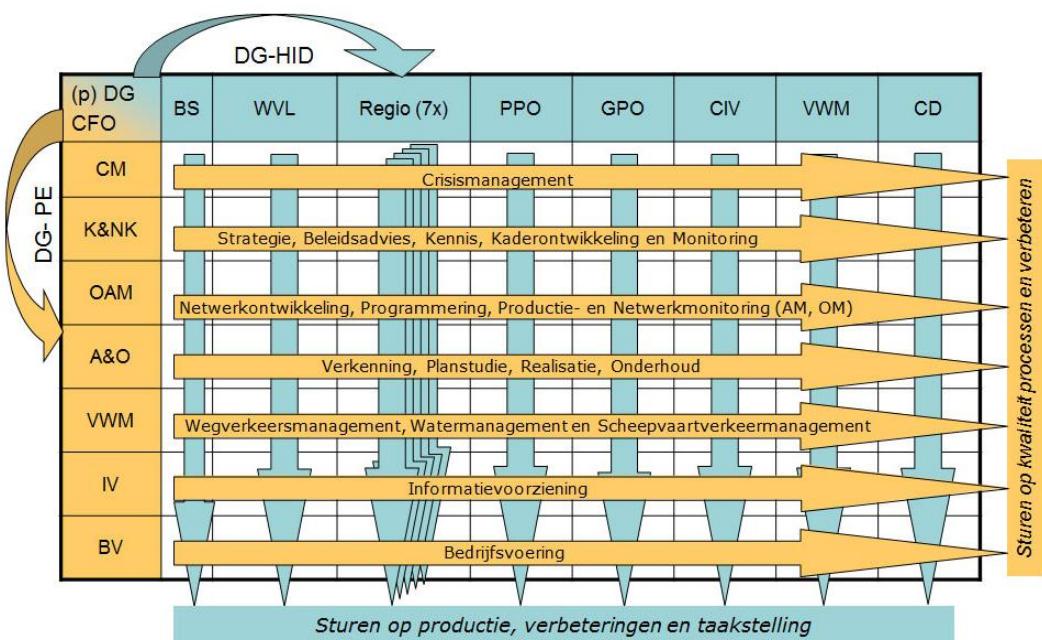


Figure 3: New organizational structure of Rijkswaterstaat

There was, for instance, a new defined process: 'Environment and Asset-management' (OAM) created in which the three departments: 'Network development', 'Programming' and 'Production- and Network monitoring' collaborate to realize the entire process.

Rijkswaterstaat conducted quantitative surveys among the middle managers which investigated the change-ability of the nine departments and three districts at Rijkswaterstaat region East Netherlands. The monitors were used to determine the position of the departments

and districts on the road of implementing the process based working and thinking in the four specific areas: teams, processes, process support and personal leadership. Moreover, the monitors revealed potential causes why the implementation of continuous improvement was deficient at Rijkswaterstaat East Netherlands. The start scans were finished by the end of 2015 and revealed that strategic goals, as agreed on by executives and middle managers, were not sufficiently translated and carried out on the tactic and operational level. Thus, the executives did not sufficiently translate the goals to middle management and the middle management, in turn, did not sufficiently translate the goals to their employees. Furthermore the start scans revealed that the strategic goals were not always known, recognized or understood by the employees on the work floor.

Prior to the actual data collection there was more information gathered by means of conversations with a senior advisor of Rijkswaterstaat who is involved with the implementation of the process-based working and the intranet of Rijkswaterstaat. The insights revealed that the executives and middle managers were trained, selected and allocated on their competences of ‘servant leadership’ as part of the Lean management ‘KR8 trainings program’. This Lean management program was a corporate-wide program initiated by the corporate board to improve the process based thinking and working among all the employees, managers and executives.

### ***3.3 Data collection***

#### ***3.3.1. Open interviews***

This research used thirteen open interviews as data collection method. Interviews were relevant, because there was a need to explore the ways in which social actors experience and understand their world, through the perspective of the actors’ own experiences, opinions and activities in their own words. (Kvale, 2007). The choice of an open interview provided sufficient structure in the form of topics based on the sensitizing concepts: sensemaking, sensegiving and resistance, without obviating space for the participants to reflect on their present impressions and retro perspective motives. Moreover, the open interviews enabled the researcher to ask additional questions, for example on the topic ‘visual management’, which emerged during the interviews as a highly relevant topic. In doing so, there was advantage gained from naturally occurring data, which is a benefit of qualitative research (Silverman, 2001).

All of the interviews were recorded on audio to prevent misinterpretations of the

researcher. Moreover seven of the interviews were fully transcribed verbatim. From the seven other interviews only the relevant pieces of audio were transcribed, due to the point of saturation that had been reached at that time. One interview was conducted via telephone and was also recorded on audio and fully transcribed. The duration of the interviews varied from 30 till 50 minutes.

### *3.3.2. Interview guideline*

During conversations with the senior advisor of Rijkswaterstaat, the underlying problem and potential causes of the inadequate implementation of continuous improvement were discussed. These orientating conversations, together with a literature study on organizational change and strategizing, resulted in the theoretical concepts: sense making, sensegiving and resistance, which were used as sensitizing concepts in this research. These three concepts were sensitizing, because they merely provided direction and were used to "discover, understand and interpret what is happening in the research context" (Bowen, 2008, p.14). The sensitizing concepts served as starting point and relevant reference concepts on which the interview topics and questions were created, which resulted in the interviewguideline that can be found in Appendix 1.

In line with the technique of open interviewing all the questions were formulated with an open character. This resulted in questions formulated in words such as: 'how'; 'what'; 'to what extent' etc. Moreover, to gain a deeper understanding of the pros and cons of the most salient factors affecting the sensemaking and sensegiving process, there were two questions regarding the most salient factors formulated. One question was concerned with the most salient factors affecting successful strategy implementation, whereas the other question was concerned with the most salient factors hampering successful strategy implementation. Furthermore the interview contained a retro perspective and reflective question to frame the current impressions on the success of the strategy implementation process.

### *3.3.3. Non-participant observations*

Given that a strategy implementation process does not occur on one specific moment in time, but unfolds over time, the performative aspect was also taken into account in this research, by conducting a non-participant observation. Observations are useful when the performative aspect of sense making processes should be revealed over a longer time period (Symon & Cassell, 2012). The non-participant observation revealed the way how a team

board meeting of a department, as form of visual management, was used to make sense of the strategic goals. The choice for a non-participant observation was based on observing the social context in which the meeting took place, without intervening and disturbing the actions of the social actors. Although it was intended to conduct a second non-participant observation during an executive management board meeting, the meeting was unfortunately delayed and due to time constraints not feasible for this research.

### *3.3.4 Research participants*

The participants of this research consisted of ten middle managers and three executives at Rijkswaterstaat East Netherlands, which were all concerned with the implementation of strategy. In total, there were eleven middle managers and three executives working at Rijkswaterstaat region East Netherlands, which together formed the ‘executive management board’ (DMT), representing all of the nine different departments and three districts at the region. In order to get a complete and comprehensive understanding on the issue at hand, all of the middle managers and executives were invited to collaborate in the research. Unfortunately one of the middle managers was unable to collaborate as participant in this research due to an overfull work agenda. An overview of all the incorporated participants and their functions can be found in Table 1.

Interviewee	Date	Function
<b>1. MM_1</b>	02-06-2016	Head of department
<b>2. MM_2</b>	19-05-2016	Head of department
<b>3. MM_3</b>	19-05-2016	Head of department
<b>4. MM_4</b>	11-05-2016	Head of department
<b>5. MM_5</b>	11-05-2016	Head of department
<b>6. MM_6</b>	13-05-2016	Head of department
<b>7. MM_7</b>	30-05-2016	Head of district
<b>8. MM_8</b>	25-05-2016	Head of district

<b>9. MM_9</b>	13-05-2016	Head of district
<b>10. MM_10</b>	30-05-2016	Head of department
<b>11. EXEC_1</b>	18-05-2016	Executive
<b>12. EXEC_2</b>	23-05-2016	Executive
<b>13. EXEC_3</b>	06-06-2016	Executive

Table 1. Overview of research participants

The three executives of Rijkswaterstaat East Netherlands operated under direct supervision of the general executive (HID), which was the highest authority within the region. Together they formed the board of executives (DT). The general executive was, however, not incorporated in this research as participant, because she started working at Rijkswaterstaat since February 2016. It was likely that she would not have had much experience yet with strategizing at Rijkswaterstaat East Netherlands, consequently had little retrospective motives underlying the implementation of strategy.

The researcher was able to gain access to the organization via a niece who has been working at Rijkswaterstaat since 2002. Thereafter, one of the senior advisors who functioned as sparring partner at the start of this research during the problem formulation phase, announced the research towards the whole executive management board. Shortly after the announcement the middle managers and executives were approached via e-mail to cooperate as participants in the research. The specific appointments were set out within one week after the announcement and the interviews were scheduled in the participants' agendas.

### ***3.4 Data analysis***

This research used a template data analysis technique to produce an understanding of the raw data transcripts. The template analysis provided the researcher a high degree of flexibility while keeping a high degree of structure in the data analysis process (Symon & Cassell, 2012). This research did not use grounded theory, which comes along with prescriptive assumptions and specified procedures (Corbin & Strauss, 2008). Template analysis does not specify a maximum number of coding hierarchies, which enabled the researcher to develop the themes where the richest data were found (Symon & Cassell, 2012).

In accordance with an inductive approach in which the actual data and not predetermined theoretical concepts are leading (Symon & Cassell, 2012) the data was reduced to arrive at patterns that were later on interpreted in theory (Thomas, 2006). First, the data was transcribed verbatim from the audio recordings. Second, relevant pieces of text were taken together and labeled as a first order code, following an open coding technique, which was useful to extract patterns in the mass of data in the transcripts (Boeije, 2005). Third, after the open coding that resulted in 18 pages of first order codes, the initial codes were linked to each other based on their recurrence and taken together in second order codes. This kept on till third or fourth order codes were formed, based on constant comparison. An example of a string of codes that shows the coding process can be found in Table 2. The codebook, in which all the quotes are related to their first till last order codes, can be found in Appendix 2. The template can be found in Appendix 3.

Quote	1 <sup>st</sup> order code	2 <sup>nd</sup> order code	3 <sup>rd</sup> order code	4 <sup>th</sup> order code
"It helps gigantically. If they do not know what is meant with the strategic goals you should help them [employees] by providing direction and space. Moreover, it helps to generate in-depth discussion about: what does it exactly mean for us as a department, and for you, you and you as an individual? That helps with the internalization." (MM_1)	- Providing direction and space enhances understanding strategic goals  - Discussion on meaning enhances internalization	- Value of servant leadership  -Internalization of meaning	- Servant leadership  - Creating local understanding	- Role of middle management  N/A

Table 2: Example of coding process

### 3.5 Research quality

The iterative character of qualitative organizational research in combination with the role of researcher as interpreter of others' understanding, makes it is important to thrive for unbiased, detailed and transparent results (Symon & Cassell, 2012). Hence, the quality criteria: 'credibility', 'transferability', 'confirmability' and 'dependability' were taken into account in this research and enhanced when possible.

First, the *credibility* of this research was enhanced by discussing some of the ongoing results with the senior advisor of Rijkswaterstaat East Netherlands. The senior advisor

encouraged to interpret the emerging results on the topic ‘visual management’ in a more critical way by questioning if visual management was just a ‘tool’, or if it was really used as a means to enhance the employees’ receptivity towards the strategic goals. The discussion resulted in an additional observation of a team board meeting, as described in section 3.3.3. Moreover, the interpretations were member checked by providing the interviewees the possibility to look into their own transcript and detect if something was factually misunderstood by the researcher. Only one of the interviewees took this possibility and corrected two words, which the researcher had misheard. However, due to confidentiality issues the transcripts are excluded as appendix of this research.

The criterion *transferability* is concerned with the degree to which enough detail about the case is provided to judge whether the findings are informative to different contexts (Symon & Casell, 2012). Although this research was conducted based on a single case study, the transferability of the findings was enhanced, by providing a thick description of the context in which the research took place and specific information on the interviewees’ roles in the strategy implementation process.

The criterion *confirmability* says to be clear where the data comes from and how the data is analyzed into findings (Symon & Casell, 2012). This criterion was enhanced by explicating the interpretations of researcher during the coding process in to a template. The template showed how the codes were related to each other and which steps were taken to arrive at aggregate order codes, which made the interpretations of the researcher traceable.

The criterion *dependability* is concerned with ”demonstrating how methodological changes have been captured and made available for evaluation” (Symon & Cassell, 2012, p.207). During this research the first question from the initial interview format was adjusted, due to insufficient insights in the interests of the strategic goals. By altering the questions on the interview format this research provided transparency in this methodological shift. Moreover it was argued in section 3.3.3 that an additional observation, which was not intended in advance, was conducted to gain more insight in an important emerging topic.

### **3.6 Research ethics**

This research was conducted in an ethical way by the following steps. First of all, during the announcement of the research and the briefing, the research aim was explained as clear as possible to all the participants. This ensured that the contribution of the participants with respect to the research was clear in advance, which also created commitment. Second, the

anonymizing of the participants was guaranteed by ensuring the interviewees that the data would not be traceable to their names or the names of the departments or districts they served. Moreover, the verbatim transcripts were not incorporated in the appendices of this research. Third, the interviewees were told that they had the possibility to look into their transcripts to check if there were factual misinterpretations. Fourth, it was stressed that the results from the interviews were treated confidentially, so there would not be any party except the two supervisors from the Radboud University and the researcher who would have access to the full data. This was accepted by the interviewees who were told that they would receive a management summary when the researched was finished.

## 4. Results

This chapter explains the middle managers' and executives' sensemaking and sensegiving processes and the factors that were most salient in affecting these processes. The quotes from middle managers are indicated with the letters MM and executives with EXEC. The results are presented in four sections. The first section provides a description of the *content of the strategic goals and the roles of the interviewees* in the strategy implementation process, which serves as background for explaining the sensemaking and sensegiving processes. The second section presents the actual *sensemaking processes* by which the middle managers and executives make sense of the strategic goals. The third section presents the executives' and middle managers' *sensegiving processes*. The fourth and final section discusses the most salient *factors affecting the sensemaking and sensegiving processes*.

### 4.1 Content of strategic goals and roles

#### 4.1.1 Content of the strategic goals

The strategic goals 'availability of networks', 'reliable partnership' and 'good employment', were all relevant for the departments and districts, though the priorities and accents differed. The first two strategic goals, 'availability of networks' and 'reliable partnership' were designed on corporate level and derived from the corporate vision and mission, aimed at the core business of Rijkswaterstaat. The strategic goal 'availability of networks' generally referred to the availability and continuity of Rijkswaterstaat's assets and products, such as the main waterway and highway network. The second strategic goal 'reliable partnership' generally referred to being a reliable partner for the most important stakeholders, such as the society, the ministry, the contractors and other parties from the private sector. Given that these two strategic goals were reflecting the primary, though abstract formulated tasks, they were frequently called the 'operational goals' of Rijkswaterstaat. A middle manager stated:

*“Availability of networks’ plays a huge role, that is our ‘raison d’être’ as Rijkswaterstaat. My department directly serves the vision of Rijkswaterstaat.”* (MM\_1). This quote implied that the strategic goal for some reflected 'the raison d'être' of the organization, as it was directly derived from the corporate vision but also fitted the activities of that department.

In contrast, the third strategic goal 'good employment' did not reflect the 'raison d'être', as it was not directly linked to the core business. Patterns derived from the interviews showed that 'good employment' was specifically designed and formulated in the context of

East Netherlands to regain stability in the organization and reduce the feelings of uncertainty, insecurity and fear after some turbulent years of reorganization.

#### *4.1.2 Role of executives*

The role in the strategy implementation process differed between the group of executives and the group of middle managers. The role the executives assigned themselves was two-folded. On the one hand, there was a strong focus to cooperate with the middle managers. An executive stated: *"At this moment our focus is on collaboration with our middle managers. We just left a reorganization with a lot of top-down management that we pushed down to our middle managers. As long as it had the label 'reorganization' on it, it was: we just do this."* (EXEC\_1). This quote implied that during the reorganization the executives affected their middle managers' sensemaking in a top-down manner, because it was accepted to implement the decisions top-down as indicated by the words: "we just do this". With "we" this executive meant "you middle managers" implying that there was no discussion about the necessity of the reorganization. However, according to the executives their management style in relation to the middle managers was increasingly based on being sparring partners for the middle managers, which could imply more collective sensemaking between the executives and middle managers.

On the other hand, there was a strong focus to facilitate the higher corporate board. An executive stated: *"My added value is that I enable the corporate board to steer. I must deliver the relevant information if it goes good or bad and if we should change something."* (EXEC\_3). This quote implied that the executives had an important role in facilitating the corporate board, which also implied that the executives were able to influence the sensemaking of the higher corporate board, by framing them certain information. Furthermore, the executives acted as change agents in relation to their middle managers, but acted as change recipients in their relation to the corporate board.

#### *4.1.3 Role of middle managers*

In comparison to the executives, the middle managers had a much more central role in making the employees receptive to the strategic goals and pointing them to the strategic goals as direct 'servant' leader. During the reorganization the middle managers were trained, screened and allocated based on their possession of the servant leadership competences. This implied that the introduction of the 'servant leadership' management style was in itself a

sensegiving tool of the corporate board, as the corporate board decided to deliberately influence the sensemaking and sensegiving processes of the middle managers by imposing on them the ‘servant leadership’ management style. Patterns derived from the gathered interviewees’ own definitions of the core competences of ‘servant leadership’ showed the following competences: 1) providing direction; 2) setting criteria; 3) facilitating employee development; 4) providing space for employees’ solutions.

Most of the interviewees believed that servant leadership was a valuable means in making the employees receptive to the strategic goals and contributed to the employees’ understanding of the strategic goals. A middle manager stated: *“It helps gigantically. If they do not know what is meant with the strategic goals you should help them [employees] by providing direction and space. Moreover, it helps to generate in-depth discussion about: what does it exactly mean for us as a department, and for you, you and you as an individual? That helps with the internalization.”* (MM\_1). This quote implied that the management style ‘servant leadership’ helped the middle managers to facilitate the discussion with their employees regarding the employees’ sensemaking of the strategic goals. In doing so, the discussion on the content and meaning of the strategic goals made the strategic goals meaningful and ‘true’ as they were enacted by human action (Weick, 1995).

There was, however, also some criticism on the idea of ‘servant leadership’, especially on the terminology, which implied one-sidedness to some interviewees. An executive stated: *“I have nothing with this term. I also started working here after the introduction of the term ‘servant leadership’. I think the name is absolutely wrong. What is meant with it is very good, but I think the term is very one-sided, because it suggests you have one servant and another person waiting to be served. That cannot be the goal.”* (EXEC\_3). This quote implied that the word ‘servant’, which resulted from the Lean management jargon during the reorganization, called up a different connotation than aimed for. This was supported by other interviewees who argued that the jargon conflicted with the pro-active attitude that was required from the employees to come up with their own solutions.

Thus, although all the middle managers were imposed on the ‘servant leadership’ management style, there was sense made of ‘servant leadership’ differently as some middle managers argued it was only a way to facilitate a good discussion about the meaning of the strategic goals with employees, while others argued the terminology hampered the pro-active attitude of employees.

## **4.2 Sensemaking processes**

### *4.2.1 Making use of key players and peers*

In order to understand the meanings of the strategic goals for the different departments and regions the executives mostly used key players on key positions in the organization to get relevant contextual knowledge. This relevant contextual knowledge was needed to determine what was going on in the departments. Sometimes the relevant key players were called ‘signaling people’ indicating that these key players were signaling the important things on which the sense of the executives was made. An example of such a signaling person was the information security manager. The key players could be seen as sensegivers as they affect the sensemaking of the executives via their information provision.

In comparison to the executives, the middle managers made less use of key players and more use of peers, both inside and outside the region, to make sense of the strategic goals. A middle manager stated: *‘I also get inspired by colleagues from all over the Netherlands. The fact that we have seven regions, makes my department comparable.’* (MM\_3). This quote implied that the individual understanding of the strategic goals was affected by the understanding of peer colleagues. Moreover, this quote implied that similar organizational contexts created comparability that can be used as reference for understanding the strategic goals.

### *4.2.2 Attending ‘live-through sessions’*

The executives attended ‘live-through sessions’ in which the meanings of the strategic goals were experienced and understood by means of cases. An executive stated: *‘There is always occasion to discuss the ‘guiding statements’ in which the vision, strategic course and strategic goals are translated. These ‘guiding statements’ must provide some handhold. If not, we go discuss them in the ‘live-through sessions’, to make the guiding statements more concrete and accessible.’* (EXEC\_1). This quote implied that the executives both made sense and gave sense by means of ‘guiding statements’. The translation of strategy into guiding statements was a form of strategic sensemaking, because the executives made understanding for themselves of the vision, strategic course and strategic goals by means of formulating guiding statements. Hereafter, the guiding statements were used to give sense and steer the middle managers’ sensemaking processes. Moreover, this quote implied that the ‘live-through sessions’ facilitated discussion about the suitability of the guiding statements. From a sensemaking perspective the ‘live-through sessions’ enabled the executives to make their

individual thoughts explicit. The executives came to know what the guiding statements meant for others by experiencing the meaning through cases.

#### *4.2.3 Creating local understanding*

All the middle managers made sense of the strategic goals within their own department in collaboration with their own employees. This implied that the middle managers adapted the understanding of the strategic goals that was initially made at executive management level towards the specific context of their departments. Moreover, the employees' operations, as a distinctive character of the different departments, was mostly used as point of departure by which the sense was made. So to say, the employees' operations, was the most dominant 'extracted cue' and determined what the middle managers saw as 'meaningful'.

As a result of the different work areas and employees' operations there was a variety of meanings ascribed to the strategic goals by the middle managers. For instance, whereas some middle managers argued the strategic goal 'good employment' concerned holding each other accountable for attitude and behavior, others argued it concerned stimulating personal employee development. The variety of ascribed meanings was argued by a middle manager who stated: '*Everyone picks up the meaning of the strategic goals individually in the way he or she can and on the moment he or she can.*' (MM\_1). This quote implied that the strategic goals had different meanings in the different departments, showing the situationality of sensemaking as argued by Weick (1995) as a property of sensemaking.

#### *4.2.4 Identity construction*

Some interviewees argued there was a deeper understanding needed that goes beyond the employees' operations and addresses the question: ''why are we here?''. This deeper understanding was gathered via identity construction, which implied that questions regarding the purpose and belief of the department were explicitly asked and answered. A middle manager who actively used this form of sensemaking stated: '*We make sense of the strategic goals by means of 'the golden circles' of Simon Sinek, which constitutes from the outside in of the three layers: 'what'; 'how'; and 'why'. The outer layer is the 'what', which are the products we make. But the inner layer is most important. That layer is the 'why', the purpose or belief and inspires us what to do in which we ask ourselves: where are we from, why do we exist?*' (MM\_1). This quote implied two things. First, the way how this middle manager made sense was affected by means of a tool developed by a management consultant, named

Simon Sinek. This implied that there were sensegivers external to the organization who affected the way how this particular middle manager made sense of the strategic goals. Second, the emphasis putted on the inner layer – ‘the why’ - implied there was sense made of the strategic goals by means of identity construction. This specific search for and construction of identity was also argued by Weick (1995) as a fundamental part of sensemaking.

#### **4.2.5 Collective brainstorming**

All of the interviewees were to some extent involved with the formulation of the strategic goals. Prior to the reorganization the executive management board was confronted with many environmental threats and changes that had to be coped with, which affected the strategic course. The formulation of this strategic course and goals was a collective effort of sensemaking in which the whole executive management board was engaged. A middle manager stated: *“We have been looking forward. We collectively brainstormed and iteratively determined the ‘connecting thread’. That process started with a small lead group from the board of business operations together with those interested. It really took concrete forms by means of ‘work sessions’ together with the whole executive management board.”* (MM\_10). This quote implied that the middle managers and executives collectively made sense of the strategic course by means of brainstorming and direct social interaction. Initially, the interaction was created locally by brainstorming the ‘connecting thread’ of the strategic course with a small group. Hereafter, work sessions stimulated wider interaction to set the content of the strategic goals and the way how to reach them. This process of sensemaking demonstrated that during the formation of the strategic course sense was collectively made.

### **4.3 Sensegiving processes**

#### **4.3.1 Priority setting**

Priority setting, as a sensegiving process, enabled the interviewees to steer the attention and action of others by labeling things as ‘important’ and setting the relevant context in which these important things should take place. Patterns derived from the interviews unveiled two applications of priority setting as a sensegiving process.

First, priority setting was used as a means to translate the strategic goals into key performance indicators. The key performance indicators were prioritized measurable indicators on which the employees’ operations in relation to the accomplishment of a certain goal could be monitored. By operationalizing the strategic goals into prioritized key

performance indicators the middle managers labelled what was important to reach the strategic goals. Consequently, the employees' sensemaking and action was steered towards the prioritized indicators. Moreover, some interviewees argued that the key performance indicators enabled them reward and correct the behavior of employees.

Second, priority setting was used as a means to differentiate the highly important from the less important operational tasks. A middle manager stated: *"We determined twenty development tasks for the coming year that have the highest priority. These development tasks are strongly related to our strategic goals. Currently we describe for each of these development tasks: why do we do this and how does it contribute to the strategic goals?"* (MM\_3). This quote implied that an explication between the contribution of the most important tasks and the strategic goals offered a better understanding of which tasks and activities were needed to accomplish the strategic goals. In doing so, priority was set on the most important tasks that thereafter functioned as an umbrella under which the employees should be able to place and connect their operations.

#### 4.3.2 Criteria setting

A dominant form of sensegiving was entangled in criteria setting, which directly determined the bounds of the employees' sensemaking and action. This criteria setting was reinforced by use of the 'management funnel'. The management funnel was a management tool that enabled the executives and middle managers to determine the actual problem and the related goals at strategic level and the criteria at tactic level. These are, however, the two top layers of the funnel. The lowest layer, which manifests itself at the operational level, was concerned with the actual solutions provided by the employees. The management funnel is a tool developed by Vandendriessche and Clement (2010) that facilitates employees' bottom up problem solving as aimed for by the reorganization and continuous improvement. A graphic overview of the management funnel can be found in Figure 4.



Figure 4: The management funnel. (Vandendriessche & Clement, 2010, p.28)

In terms of sensegiving, the function of the management funnel was two folded. On the one hand, the tool was in itself a dominant form of sensegiving from the corporate board as its use resulted from the reorganization and framed how the executives and middle managers should make sense of problem solving. On the other hand, the criteria that were set by the executives and middle managers directly affected the boundaries of the employees' sensemaking to come up with solutions.

During the interviews the setting of criteria was emphasized as one of the most important management activities related to servant leadership. Therefore, it could be argued that the management funnel and servant leadership were inherently connected. This result was supported by an executive who stated the following: *"The management funnel works for me, because it facilitates a good conversation with people. What is the exact problem? What do we think is important and which goals do we extract from that? We are supposed to talk about the criteria which eventually will come to 'servant leadership' very soon."* (EXEC\_1). This quote implied that setting criteria, as part of the management funnel, facilitated discussion between the executives and the middle managers. Moreover this quote implied that the setting of criteria was a dynamic process as the criteria were not fixed.

The dynamic aspect of criteria setting as part of sensegiving was supported by other interviewees who argued that the criteria did not always fit the employees' operations. A middle manager stated: *"My project managers always solve problems that had not been solved yet. Although I do my best to determine the criteria sometimes the criteria do not fit the employees' work. In those situations I try to get the criteria discussable."* (MM\_5). This quote implied that sensegiving and sensemaking are two sequential and reciprocal concepts, as argued by Gioia and Chittipeddi (1991). Initially, the middle manager gave sense to the project managers by means of criteria setting. Consequently, the formulated criteria determined the bounds of the project managers' sensemaking as their understanding and action were steered towards the criteria. The project managers, in turn, made sense of the criteria that were imposed on them. When the criteria did not fit, the project managers gave sense back to their middle manager who, in turn, made the criteria discussable.

#### 4.3.3 Operationalizing goals into attitude and behavior

Another form of sensegiving was related to attitude and behavior. By means of operationalizing strategic goals into statements, the employees' sensemaking of the strategic goals was framed towards a desired state of attitude and behavior.

First, the strategic goals were operationalized in sub goals. For instance, the strategic goal ‘reliable partnership’ was operationalized in the three new sub goals: 1) ‘we want to achieve that our contribution in the region is visible.’; 2) ‘we collectively contribute with our partners to a joint social goal.’; 3) ‘based on the demands of internal and external clients we are flexible in moving towards our clients’ desires.’

Second, the derived sub goals were operationalized into statements of attitude and behavior, such as: ‘I take my client seriously’; ‘I know my partners and their needs.’; ‘I am clear, make clear appointments and stick to them.’ These operationalized statements of attitude and behavior were mostly interpreted by the interviewees as deployment agreements. So to say, some interviewees made sense of the strategic goals as deployment agreements. As a result the employees were frequently monitored and assessed on the operationalized statements during the periodic assessment interviews. A middle manager who framed the meaning of the strategic goals to statements of attitude and behavior stated: *‘It is all about the meaning of the strategic goal. What does a goal such as ’reliable partnership’ say? It works for me if you bring such a goal very close to the employees’ attitude and behavior and if you are rewarding and correcting the employees.’* (MM\_1). This quote implied that by means of operationalizing strategic goals into statements of attitude and behavior words can be brought into action. Subsequently, it was the employees’ action rather than the employees’ understanding that could be assessed, rewarded and corrected.

#### 4.3.4 Inspiring by means of metaphors

By means of the reorganization the corporate board of Rijkswaterstaat imposed a desired future image on Rijkswaterstaat. This desired future image or imposed vision can be seen as the content of sensegiving (Gioia and Chittipeddi, 1991). So to say, it was the ‘message’ that was sent in the organization resulting from the reorganization. The message was clearly related to Lean management as it incorporated the philosophy of continuous improvement. An executive stated: *‘It is about the way we work. We should work efficient and try to improve our work every day. That is also what we try to reach with our strategic goals.’* (EXEC\_3). This quote implied that the message or desired future image of Rijkswaterstaat should act as a means to change the way of work, reflecting the goal of the reorganization and the desired way to frame the aim of the strategic goals. Moreover, this quote implied that the corporate board tried to give sense of the strategic goals as a basis to improve.

The executive management board of Rijkswaterstaat East Netherlands, in turn, adapted

this proposed vision or message and captured it in a metaphor, called ‘the dot’. This metaphor emphasized that the accomplishment of the strategic goals is a journey. The strategic goals were the dot on the horizon towards the organization is heading. By using this metaphor, the function of the strategic goals were framed to a basis to continuously improve, reflecting the goal of the reorganization. In terms of Lean management, goals are not to be ever reached, but serve as inspiration to continuously improve.

#### 4.3.5 Visual management

A typical form of sensegeving that emerged throughout the interviews as an often used ‘tool’, was visual management. Visual management resulted from the reorganization and is a tool developed by Lean practitioners to support effective communication using visual means (Parry & Turner, 2006). At Rijkswaterstaat East Netherlands visual management was demonstrated by the use of ‘team boards’. The team boards were mostly located on a central spot in the hallway of the departments and discussed during department meetings, preferably once a week. The actual content of the team boards differed between the departments and covered a wide variety of issues derived from the strategic goals, such as: vitality, process chains, operational goals, agenda setting, appointments. An example of a team board can be found in Figure 5.



Figure 5: Team board

According to many interviewees the visualization of management related topics had some big advantages in making the employees receptive to the strategic goals, such as providing insight

in processes, monitoring progress and visualizing the operationalized goals. A minority of interviewees, however did not apply or believe in the added value of visual management and team boards. Moreover, there were some middle managers who actively worked with a team board, while the executives did not.

The sharp contrast in use and appreciation of the team boards formed the trigger to observe the content and use of team boards more in depth by means of a non-participant observation during a team board meeting. The observation took place during a team board meeting with seven employees from one department. The part of the team board that was used during the meeting at the moment of the observation can be found in figure 6.

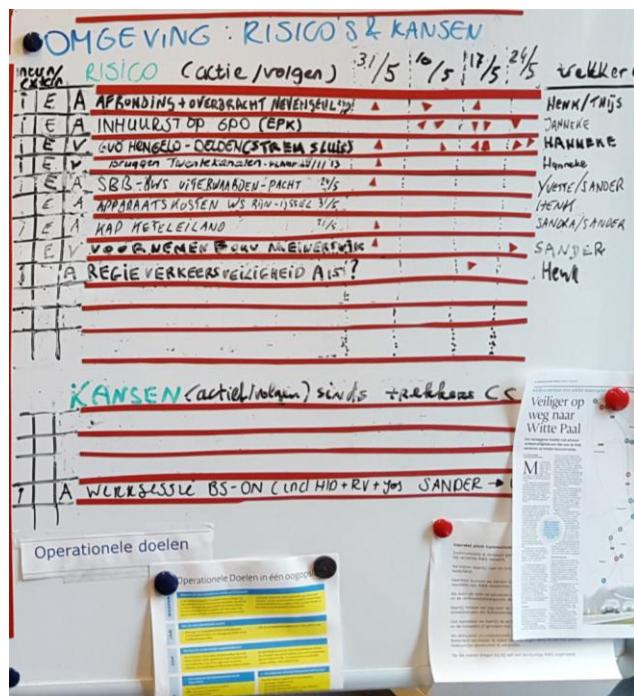


Figure 6: Part of the team board used during the teamboard meeting

First, the topics presented and discussed were environmental risks derived from the strategic goals. This means that was sense made of the strategic goals in perspective of environmental risks that affect the accomplishment of the strategic goals. Every risk was coupled to an employee called the 'puller' who was responsible for the monitoring and execution of the risk at hand.

Second, every 'puller' provided information to his or her colleagues about the current state of the risk. Moreover, questions and difficulties were discussed and the colleagues gave their suggestions to the 'puller'. This implied collective sensemaking and sensegiving of the risks at hand regarding a particular goal or task.

Third, the risk was collectively reprioritized based on the discussion. This reprioritizing was based on labeling of red peppers. The higher the urgency and priority of the risk, the more peppers were labeled to the risk. The reprioritizing was a form of visual monitoring and, in terms of sensemaking, a perfect example of acting in order to think. By placing red peppers on the board the implicit priorities of the risks at hand became explicit. Moreover, the employees also unintentionally reprioritized the strategic goals, because the risks were derived from the strategic goals.

Fourth, the risk monitoring also determined action. If a risk required direct action to be taken from the ‘puller’ it was labeled on the board with an ‘A’ of action. If there was no direct action needed it was labeled with a ‘F’ of following. If there was, however, action or decision authority needed from the executive management board it was argued that the middle manager should bring in the risk at hand to the executive management board. This implied that the employees’ sensemaking of the risks derived from the strategic goals was ‘sold’ by their middle manager to the executives and other middle managers, which influenced their sensemaking and work agenda. The latter is line with Gioia and Chittipeddi (1991) who argue that stakeholders’ activities also affect the sensemaking processes of the sensegivers.

#### **4.4 Factors influencing the sensemaking and sensegiving processes**

##### **4.4.1 The degree of understandability**

Although sensemaking is a continuous processes (Weick, 1995) there were differences noticed in the perceived need to actively further translate the strategic goals to make them more concrete and workable for the employees. Patterns derived from the interviews revealed that this perceived need was affected by the degree of understandability.

The vast majority of the interviewees believed that the formulation of the strategic goals was too abstract for the employees to immediately recognize how their operations were linked and contributed to the strategic goals. A middle manager argued: *“The strategic goals, which are given on an abstract level for the corporate service or Rijkswaterstaat, should be translated to the employees enabling to work with them. The words: ‘reliable partnership’ or ‘availability of networks’ remain too abstract for an employee who works outside.”* (MM\_7). This quote implied that there was a need to make the goals more specific, because the existing meaning of the goals formulated on a high level of abstractness did not match the employees’ operations. Moreover this quote implied that the strategic goals were abstract, because they were formulated at corporate level in just a few words.

In contrast, another middle manager argued that the formulation of the strategic goals was concrete enough for the employees to recognize themselves in. The middle manager stated: *“Well, you know. I think these goals are already very understandable. Moreover, the department I am responsible for also think the goals are very understandable. I do not have to translate these goals.”* (MM\_5). This quote implied that the need to make the strategic goals more concrete was determined by the degree of understandability.

During the interview it was stressed that the employees’ operations were inherently connected with strategic goal they served. The middle manager stated: *“The employees at my department have connections at the national ministry at The Hague who expect us to be a reliable partner in project management. My employees understand what is expected to be a reliable partner because it is their work”* (MM\_5). This quote implied that the understandability of the strategic goals and thus the perceived need to make the goals more concrete was determined by the fit between the interests of the strategic goal and the operational tasks of the employees. Furthermore, the quote implied that there was sense made of the strategic goal ‘reliable partnership’ as being a reliable partner in project management. This means that the employees understand the strategic goals, because their project management operations directly served the interests concerned with ‘being a reliable partner’.

Concluding, it could be argued that the perceived to make the strategic goals more concrete was determined by the degree understandability that, in turn, was affected by the fit between the employees’ operational tasks and the strategic goals they served.

#### *4.4.2 Function of the goals: to improve versus to produce*

There was a conflict between the function of the strategic goals as aimed for by the reorganization and the function of the goals to operate production, which was the raison d'être of the organization. On the one hand, the function of the strategic goals, as reflected by the metaphor ‘the Dot’, was providing a basis to improve. On the other hand, the strategic goals functioned as a structure under which every employee should be able to place and connect their daily operations. Consequently, there was sense given in different ways by the interviewees depending on which goal function they made sense of the strategic goals. Concerning the first function the goals were operationalized into metaphors and statements on attitude and behavior to make the employees receptive for continuous improvement. On the contrary, concerning the second function the strategic goals were operationalized into concrete key performance indicators and prioritized tasks to provide guidance in which

activities should be conducted and which would not belong to the core business of Rijkswaterstaat.

The two different goal functions frustrated each other. This means that the goals did not serve as a basis to improve when there was sense given of the strategic goals as performance indicators. A middle manager stated: *''That is relatively harmful, because your goal becomes almost a performance indicator, which you do not want them to be. You want the goals to be an basis to improve, as a sort of real physically dot on the horizon which you are heading to. You do not want to be them to be a measurable indicator on which you could be judged. That is really another use. Measuring to improve differs from measuring to judge.''* (MM\_10). This quote implied how the operationalization of a goal into a measurable performance indicator conflicted with the use of the strategic goals as basis for improvement. Furthermore, this quote supported the ambiguity in the different goal functions.

Although the middle managers were supposed to give sense according to both goal functions, there was a stronger focus on production than development. A middle manager stated: *''I have to ensure that they deliver their maximum added value, because they run production in that way. That means I keep them away from a lot of organizational and system related things, because they do not like it. They want to be busy with content and their content is our production.''* (MM\_1). This quote implied that due to the pressure of delivering maximum added value in the production the understanding on the function of the strategic goals of this particular middle manager was steered towards ‘production first’. Consequently, the middle manager kept the employees away from ‘organizational and system related things’ and steered the employees’ understanding of the function of strategic goals to operate production. Following this line of reasoning, it could be concluded that the development focus was hampered by the production focus demonstrating the conflict between the two goal functions.

The production focus of some middle managers was perceived as resistance by the executives. An executive stated: *''There has to be some balance in the work. Sometimes the middle managers make decisions in which they argue: We have to little capacity for our production, so I focus on production. - For the short term that is fine, but in the end you are not moving forward.''* (EXEC\_1). This quote implied that the reactions of some middle managers in which they focus on production were perceived as defensive and labeled as resistance by the executive. Moreover, this quote stressed the tension between the production and development focus.

The executives, however, also contributed to the middle managers’ resistance by

means of their own sensemaking. An executive argued: *''They [middle managers] are all focused on: Yes, but first the work, first the production. - I think this organization is still too much a project organization to realize that the work has to be done in another way. That requires some investment, but it will pay off.''* (EXEC\_3). This second quote implied how the executive, as change agent, made sense of the middle managers' production focus and how this understanding contributed to resistance via a self-fulfilling prophecy (Kanter et al., 1992). Initially, the executive assumed that the organization was still too much a project organization for the middle managers to realize that they should be more focused on development. As a result, the executive gave sense to the middle managers and affected their understanding that they were resistant to development. The middle managers, in turn, behaved according the executives' understanding and argued they prioritize production over development, as reflected by the words: *''Yes, but first the work, first the production.''* Consequently, the executive made sense of the middle managers' actions and reactions as if they were resistant to development, which reinforced the executive's own assumption.

#### *4.4.3 Process-based collaboration invoking needs for sensemaking*

The reorganization of Rijkswaterstaats' organizational structure invoked certain needs for collective sensemaking based on process-based collaboration. During the reorganization the old organizational structure in which every department and middle manager was responsible for his or her distinct process was replaced by a process structure. In this new situation all the departments were responsible for the execution of a specific part of the process, as illustrated by Figure 3 in chapter 3 of this research. This new organizational structure obliged the middle managers to collaborate more extensively with other middle managers and employees outside their own department that constitute to the same new defined process.

This process-based collaboration, however, brought in an additional complexity due to the different meanings ascribed to the strategic goals by the different departments. In terms of sensemaking, there were too many different localized meanings that created ambiguity and complexity. The high complexity could be seen as equivocality that had to be reduced in order to get everyone on the same page (Weick, 1979). Hence, the need for collective sensemaking to collaborate as partners was noticed during the interviews. A middle manager argued:

*''Probably everyone got his own understanding of what the strategic goals really mean, due to their different backgrounds and work areas. Sometimes those understandings do not fit each other, while we are all together in one process. We must establish a process*

*organization and not a line organization. '' (MM\_6).* This quote implied that the different meanings of the strategic goals brought in complexity and frustrated the collaboration between departments on processes. Moreover, this particular middle manager implicitly referred to the importance of ‘getting everyone on the same page’ to establish a process organization. The latter could be seen as a reason why to collectively make new sense and reduce the diffuse meanings.

In order to reduce the diffuse meanings there was a growing need to collectively made sense of what constitutes a good strategy implementation process. A middle manager argued: *“We do not have to translate the strategic goals all in the same way. A good translation process, however, requires agreement within the executive management board on what constitutes a good strategy translation. We should collectively set the indicators such as criteria, examples or tools to let our employees be committed, be informed, be worked on... et cetera. We should determine and collectively agree on the indicators such that we can actually measure if we reached a good translation. ” (MM\_3).* This quote implied that there was a need to make specific agreements on what constitutes to a good translation processes rather than giving sense of the strategic goals in the same way. Moreover, this quote implied that the executives and middle managers did not discuss the norms constituting a good strategy implementation process. This could explain why there was sense given of the strategic goals differently. In terms of sensemaking, there was a need to reduce the diffuse meanings between the departments by collectively setting the indicators that, thereafter, function as monitoring mechanism to measure if a good strategy implementation is reached.

Another middle manager also stressed the need for more collective sensemaking, but related the need to collective priorities between the departments. The middle manager argued: *“I think a good translation process requires commitment to the agreements we make in the executive management board. Where do we set the priorities in our processes given the importance of the three strategic goals? We should collectively agree and let it come back in all of our processes. ” (MM\_8).* This quote implied that collective agreements regarding the priorities of the strategic goals in the processes should function as a means to ‘get everyone on the same page’. In terms of sensemaking, the agreements were needed to reduce the complexity and work towards a collective form of sensemaking concerning the priorities of the strategic goals.

## 5. Discussion

This chapter provides an answer to the main question of this research and will continue with a theoretical discussion in which implications will be discussed. After that, the practical implications for middle managers and executives who are concerned with strategy implementation will be provided, as well as a discussion regarding the limitations of this study. Finally, directions for further research and reflections on the research process will be elaborated upon.

### 5.1 Summary of main findings

The main question of this research was as follows:

*How do middle managers and executives at Rijkswaterstaat East Netherlands make and give sense of strategic goals and which factors are most salient in affecting this process?*

The main question will be answered by means of three steps. The first step discusses how middle managers and executives made sense of the strategic goals. The second step discusses how middle managers and executives gave sense of the strategic goals. The third step discusses the factors that were most salient in affecting the sensemaking and sensegiving processes.

#### 1. How do middle managers and executives make sense of the strategic goals?

First, the executives and middle managers appealed to the understanding of relevant key players and direct peers to make sense of the strategic goals. The executives made use of the knowledge and experiences of relevant key players to get contextual knowledge on the question: "what is going on?". In comparison to the executives, the middle managers made more use of direct peers inside and outside their own region to create understanding of the strategic goals.

Second, the executives attended 'live-through sessions' in which their meaning of the strategic goals and the derived 'guiding statements' were experienced and understood by means of cases. In doing so, the executives made their individual thoughts explicit by confronting the guiding statements with different scenarios in cases.

Third, the middle managers made sense in their own departments in collaboration with their employees. The employees' operations served as a dominant 'extracted cue' and determined what the middle managers saw as relevant to make sense of the strategic goals.

Fourth, there was sense made by means of identity construction. In order to gain a deeper understanding of the strategic goals that goes beyond the lower level employees' operations some middle managers actively asked themselves and their employees questions regarding the purpose and belief of their departments. An example of such a question was: "why are we here?". By means of answering this question a sense of organizational identity was created that served as a means to ascribe meaning towards the strategic goals in the specific contexts of the departments.

Fifth, there was sense made of the strategic goals by means of a collective form of brainstorming during the formation of the strategic course. During the formation of the strategic course all the middle managers and executives collectively brainstormed the meaning of the strategic goals in work sessions.

## *2. How do middle managers and executives give sense of the strategic goals?*

First, the middle managers made use of priorities to label things as 'important' and steered the employees' understanding towards the priorities. The priority setting took two forms. The first form related to the formation of key performance indicators, which were prioritized measurable indicators derived from the strategic goals on which the employees' operations in relation to the accomplishment of the strategic goals could be monitored. The second form related to the differentiation of the highly important from the less important operational tasks. By ranking the operational tasks priority was set on the most important tasks, which served as a structure under which the employees should be able to place and connect their operations.

Second, the executives and middle managers gave sense of the strategic goals by means of criteria setting that determined the bounds of the employees' sensemaking and action. Criteria setting was an activity performed by executives and middle managers in which the criteria for problems and goals were defined to generate employees' solutions. Moreover, it was a dynamic activity, because the criteria were not fixed and discussed with the employees when they did not fit their operations. Criteria setting was also an important core competence of the 'servant leadership' management style that was imposed on the middle managers by the corporate board. The corporate board deliberately imposed this 'tool' on the middle managers to steer their sensemaking and sensegiving processes of the strategic change. The middle managers, in their turn, made sense of 'servant leadership' differently as

some argued it was the only way to pursue the strategic goal ‘good employment’, while others argued the terminology invoked a different connotation among the employees than aimed for.

Third, the strategic goals were given sense by means of operationalizing strategic goals to statements of attitude and behavior. For example, the statement: ”I know my partners and their needs” framed the employees’ understanding of the strategic goal ‘reliable partnership’ towards a desired state of attitude and behavior. In doing so, words were brought into action and the employees’ action was more easily to be assed, rewarded and corrected.

Fourth, the strategic goals were given sense by means of metaphors. Again, this form of sensegiving started at the highest corporate level by framing that the accomplishment of the strategic goals was a journey. Consequently, some executives and middle managers made and gave sense of the function of the strategic goals as being a basis to continuously improve, reflecting the goal of the reorganization.

Fifth, sense was given by means of team boards as a form of visual management. Some middle managers influenced their employees’ understanding of the strategic goals by deriving environmental risks from the strategic goals and visualizing the risks on team boards. During team board meetings a collective form of sensemaking took place when the environmental risks were discussed, monitored and prioritized. Moreover, the employees were able to influence their middle managers’ sensemaking by arguing that some risks should be discussed in the executive management board.

### *3. Which factors are most salient in affecting sensemaking and sensegiving processes?*

The first factor that affected the sensegiving process of middle managers and executives was the degree of understandability. The degree of understandability affected the need to make the strategic goals more concrete and suitable to the lower level employees’ operations. If the strategic goals were understandable, for example in case of a department directly serving one of the three strategic goals with its operations, there was no need to make them more specific. The majority of the middle managers and executives, however, believed that the strategic goals were too abstractly formulated for the employees to understand how their operations were linked to the strategic goals. The degree of understandability, in turn, was determined by the fit between the lower level employees’ operational tasks and the interests of the strategic goals. If the lower level employees’ operations were closely linked to the interests of the strategic goals, the strategic goals were understandable and there was no need to make them more specific.

The second factor that affected both the sensemaking and sensegiving processes of middle managers and executives was the conflict between the functions of the strategic goals. On the one hand, the strategic goals functioned as a basis to continuously improve, as reflected by the metaphor ‘the Dot’. On the other hand, the strategic goals functioned as a structure under which every employee should be able to place and connect their daily operations. Due to the strong focus on production most middle managers made and gave sense of the strategic goals as being a structure for the employees’ operations. The goal of the reorganization, however, was to make the employees more committed to the strategic goals as being a basis to improve. This implied that the goal of the reorganization was undermined by the production focus. The other way around, the focus on organizational development created tension with the ‘raison d'être’, because when the strategic goals were solely given sense as a basis to continuously improve it was not concrete enough for the employees to recognize how their operations were linked to the strategic goals. The production focus of middle managers was perceived as resistance by some executives, which hampered organizational development. Moreover, the executives themselves contributed to the resistance via a self-fulfilling prophecy that resulted from their own sensemaking process.

The third factor that affected the middle managers’ sensemaking was process-based collaboration that evoked certain needs for collective sensemaking. Due to the situationality of sensemaking there were a lot of different understandings created of the strategic goals. The different understandings, however, hampered the need to ‘get everyone on the same page’. In terms of sensemaking, the different understandings brought in more complexity and ambiguity that most middle managers and executives wanted to be reduced to enhance the process-based collaboration. In order to reduce the high complexity and enhance the process based collaboration, some middle managers stressed there should be collective sense made based on the priorities of the strategic goals in the processes and the indicators that constituted to a good strategy implementation process.

## **5.2 Theoretical Discussion**

The results of this research have certain implications for theory. First of all this research illustrates the sensemaking and sensegiving processes performed by both middle managers and executives at the micro and macro organizational level during the implementation of strategic change. This illustration of five sensemaking and sensegiving processes provides additional findings to the body of knowledge on strategic sensemaking and sensegiving,

because most research thus far focused solely on the properties of sensemaking (Weick, 1995), the nature of the relationship between sensemaking and sensegiving (Gioia & Chittipeddi, 1991) or the set of micro practices performed by middle managers as interpreters and sellers of change (Rouleau, 2005).

A second theoretical implication is derived from the role executives during the implementation of organization change. Earlier research revealed that middle managers have an ambivalent role as intermediate between top managers' top-down and employees' bottom-up change (Conway & Monks, 2011). This research, however, revealed that executives themselves also are ambivalent in their role, because they act as change recipients in relation to the corporate board, which was not addressed by Conway and Monks (2011). Moreover, the corporate board of Rijkswaterstaat, which operates at the highest organizational level, imposed the 'servant leadership' style on the middle managers, which can be seen as a sensegiving tool that affects both the way the middle managers understand the strategic change and should give sense of the 'preferred' understanding. The imposed 'servant leadership' style takes place in the second 'signaling' phase of strategic change initiation (Gioia & Chittipeddi, 1991) in which the corporate board deliberately tries to influence the understanding of the new created vision towards the most important stakeholders, such as the executives and middle managers.

Third, this research demonstrates that visual management in the context of sensegiving is more than just a tool to support effective communication using visual means (Parry & Turner, 2006). A non-participant observation revealed that the frequently used 'team boards' do not solely support effective communication between the manager as sensegiver and employees as sensemakers, but also facilitate employee sensemaking and sensegiving. The employees are able to collectively make and give sense of strategic goals by discussing, prioritizing and monitoring the risk at hand regarding a particular strategic goal or task. This process shows that the employees act in order to make sense of the strategic goals. Moreover, the employees use the team board as sensegiving tool by arguing that some risks should be sold by their middle manager to the executive management board, which demonstrates that the employees' activities also affect the sensemaking process of the sensegivers (Gioia and Chittipeddi, 1991).

Fourth, the results showed that the degree of understandability determined the need for middle managers as sensegivers to make their understanding of the strategic goals more concrete to the lower level employees' operations. This can be explained by Weick (1995) who argues that interpretation is solely about finding meaning in the existing, whereas

sensemaking is concerned with the way people create what they interpret. This implies that if the strategic goals are concretely related to the lower level employees' operations, the strategic goals are interpretable and the existing understanding is sufficient to make sense of the strategic goals. As a result the middle managers as sensegivers did not feel the need to give more concrete sense of the strategic goals. The other way around it implies that there is need for an adaptation of understanding if the existing formulation is not interpretable. Concluding it could be argued that the difference between sensemaking and interpretation as argued by Weick (1995) determines the need and thus action for middle managers as sensegivers to make their understanding more specific for their employees.

### **5.3 Managerial implications**

This research provides three implications for the middle managers and executives at Rijkswaterstaat who are concerned with the implementation of strategy. First, both the executives and middle managers should be aware of how their own understanding of the strategic goals could mismatch the goal of the reorganization. The results revealed that the functions of the strategic goals are conflicting. In the eyes of the corporate board the preferred way to understand the strategic goals, as reflected by the goal of the reorganization, is to make the employees more committed to the process based way of working and understand the strategic goals as being a basis to improve. It is likely that the employees do not understand, recognize or act towards this preferred meaning of the strategic goals, because many middle managers still make and give sense of the strategic goals as being a structure for the employees' work operations. Given the conflicting goal functions, there should be a balance between framing the two different goal functions. Too much emphasis on 'the structure function' alienates the employees from the process-based working. Too much emphasis on 'the improvement function' is, however, not concrete enough for the employees to see how their operations are linked to the strategic goals.

Second, the ambiguity created by the different understandings of the strategic goals should be reduced in order to collaborate as partners in the processes. Sensemaking is, however, a continuous process (Weick, 1995) that takes place at all organizational levels, which explains why the middle managers will always make sense and create their 'meaningful truth' within their local environments. Moreover, ambiguity cannot be reduced with more knowledge, because in periods of confusion it is not clear which knowledge is important (Weick, 1995). This means that in order to create collective sense of the strategic goals and

‘get everyone on the same page’ the number of possible interpretations of the strategic goals should be reduced. By means of discussing and explicating the common priorities of the departments the middle managers and executives can choose for one most plausible interpretation of the strategic goals. Moreover, this one most plausible interpretation can serve as starting point from which the executives and middle managers can derive and set indicators that function as a monitoring mechanism to measure if a good strategy implementation process is reached.

Third, the executives should be less focused on how their middle managers’ production focus hampers the focus on development. Given that the reactions of middle managers regarding their focus on production are frequently understood as defensive and labeled as ‘resistance’ by the executives, it is likely that it will create negative outcomes for the further implementation of the process-based working at Rijkswaterstaat, such as lower willingness to change from middle managers (Thomas, Sargent and Hardy, 2011). Given that the function of the strategic goals is partly to inspire employees, there should become more focus among the executives on how the different understandings of the middle managers inspire the employees to continuously improve their production.

#### ***5.4 Limitations***

The theoretical and managerial implications of this research notwithstanding, this research also has certain methodological limitations. First, one of the middle managers was repeatedly approached to participate in this research, but eventually was not able to participate due to a full agenda. Thus, although all the other thirteen executive management board members were able and willing to participate, this research does not fully represent the whole executive management board of Rijkswaterstaat East Netherlands. The results are however, due to the point of saturation that arose after seven interviews, representative for the context in which the research took place.

Second, prior to the actual data collection the assumption was made that the strategic goals were to be translated into operational goals. As a result, many of the interview questions were subjected to this assumption, as could be seen in Appendix 1. One of the middle managers, however, argued that the strategic goals were understandable and did not require any form of translation. This led to an awkward situation during the interview in which the middle manager was remarkably annoyed by the formulation of the questions and gave short answers. Moreover, this interview was conducted per telephone, which made it even harder to

response and reformulate the questions properly. Despite the difficult and somewhat awkward situation, the other interviews provided sufficient data to place the short answers of the middle manager in perspective.

Third, this research did not primarily include lower level employees. Some results regarding the sensegiving processes performed by middle managers, however, showed the importance of incorporating lower level employees' in the reciprocal relationship between sensemaking and sensegiving. This means that this research was not primarily focused on the way how the employees' understanding of the strategic goals affected the middle managers' sensemaking, although the research indicated that the lower level employees as change recipients affected their middle managers' sensemaking. Incorporation of the employees' sensemaking and sensegiving processes would therefore have enriched the results and implications of this research.

Fourth, there was merely one non-participant observation conducted to study the actual use and content of a team board, as form visual management, during a team board meeting. Although the observation provided insights in the value of visual management as 'tool' for sensegiving, it could have provided even more if there were additional team board meetings observed. This stronger triangulation would have improved the robustness and representativeness of the depicted results regarding the value of visual management in terms of sensemaking and sensegiving. Although it was intended to conduct a second non-participant observation during a teamboard meeting of the executive management board, the meeting was unfortunately delayed and due to time constraints not feasible for this research.

### ***5.5 Directions for further research***

The previously mentioned limitations provide directions for further research. First and foremost, further research on the sensemaking and sensegiving processes performed by lower level employees could contribute to the insights of this research. The results revealed that both the executives' and middle managers' sensegiving processeses were mostly performed top-down. Gioia and Chittipeddi (1991), however, argue that the relation between sensemaking and sensegiving is reciprocal. Following this line of reasoning, it is likely that employees via their own sensegiving processes affect the sensemaking processes of their managers and in turn executives. This research, however, did not provide many insights in how lower level employees contribute to the sensemaking processes of their superiors, because this research was not aimed on lower level employees as change agents. Therefore, further research from

the perspective of lower level employees is needed to reveal how they possibly act as change agents and sensegivers affecting the understanding of middle managers and executives.

Second, there is further quantitative research needed aimed on the effectiveness of the five sensegiving processes in relation to the alignment between the middle managers' sensegiving processes and the lower level employees' sensemaking processes. Although the aim of this research was not to provide such generalizable results, further quantitative research could reveal which sensegiving processes are more effective than others in the context of implementing organizational change. This enables middle managers to give sense more effectively and get a better fit between their sensegiving and the lower level employees' sensemaking, which is likely to generate positive outcomes, such as more lower level employee commitment to organizational change.

## ***5.6 My role as researcher***

During the orientating conversations with the senior advisor of Rijkswaterstaat I was already overwhelmed by the efforts undertaken to support the organization with the implementation of process-based thinking and working. To not 'reinvent the wheel' the senior advisor recommended me to look into the results of the quantitative research already conducted by the organization that was finished by the end of 2015 and identified the main problems behind the lacking implementation of the process-based thinking and working. Her suggestion steered me to further investigate the strategy translation process, because the quantitative research identified that strategic goals were insufficiently translated into operational goals at operational level. As a result I took this insight as starting point for my research and took somewhat for granted that the strategic goals were insufficiently translated into operational goals. When conducting the interviews, however, I came to know that there was no norm related to the term 'insufficiently', as reflected by the interviewees' need to make specific collective agreements about what constitutes a good strategy implementation process. Looking back at this lacking norm, I believe I should have been more critical towards the outcome of the quantitative research conducted by Rijkswaterstaat. Apparently the organization rated the strategy translation process as insufficient, solely based on the symptom of employees not always understanding the strategic goals and not always knowing how their operations are linked towards the strategic goals. If I would have known this in advance, I would have asked more questions regarding the lacking norm during the interview.

Concerning the research methodology I did not intend to conduct observations. During

the interviews, however, the differing perspectives on the value of visual management in the translation process interested me so much that I felt I should investigate it more in depth by means of non-participant observations. When I started to look around in the hallways at the big office of Rijkswaterstaat the content of the teamboards made me assume that the team boards were just artifacts and a secondary ‘tool’ in the strategy translation process. This assumption was reinforced by some critical voices I heard during the interviews. As a result I was to some extent biased before conducting the actual observation. The critical stance, however, enabled me to be more critical to the use of management tools. From that point, backed up by a good talk with my first supervisor who told me to create some distance between the content of what was said in interviews and what I used as ‘facts’, I was more aware of and more critical to Lean management and the related management jargon.

During the research I spend half of the time at the office of Rijkswaterstaat. Although it was formally agreed that I only had to work on my master thesis, I got emotionally engaged with the work of the senior advisor of Rijkswaterstaat who was a pleasant person. She engaged me with her projects, meetings and implementations of organizational development. I even attended a ‘KR8 meeting’, which was aimed on the implementation of ‘hoshin kanri’, which is a Lean management tool that clarifies how operations are linked to each other and which goals they serve. Moreover, I spoke to internal Lean consultants and employees. All the talks and impressions made me emotionally engaged with the subject and gave me the feeling that my research was highly relevant for the further implementation of continuous improvement at Rijkswaterstaat. A potential downside of this emotional engagement could be that I unconsciously lost a part of my objectivity as researcher and was maybe too much pro organizational development. Despite this potential risk, I felt I did my best to be as objective as possible throughout the whole research.

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## 7. Appendices

### Appendix 1: Interview guideline

#### A. Briefing:

Dear interviewee,

I will first introduce myself. My name is Christiaan Melchers and I am a master student who studies Organizational Design and Development at the Radboud University Nijmegen. Currently I am at the final phase of my study and I conduct a research at Rijkswaterstaat East Netherlands.

On behalf of the Radboud University Nijmegen I study how strategic goals are translated into operational goals as performed by middle managers and executives at Rijkswaterstaat East Netherlands. The study was triggered by the reorganization that was initiated by the corporate board of Rijkswaterstaat since 2011. As probably known, the Regi-ON-top program plays an important role in facilitating the management to further implement ‘servant leadership’ and make the employees receptive to continuous improvement. Nevertheless, there is little known about how strategic goals are translated into operational goals at the shop floor and which factors are affecting this strategy translation process. The results of the study will be used to improve the Regi-ON-top program and the strategy translation process.

The interview will take no longer than an hour of your time and the results will treated confidentially. This means that there will not be any anyone except me and my two supervisors of the university who will have full access to the data and transcripts. Moreover, your name will not be stated anywhere in the transcripts or the master thesis, which means that what u have said will not be traceable to your name.

I would like to record the interview on audio so that I am better able to transcribe the given answers. Do you agree with that? If you have questions in advance I would like to hear them now. If everything is clear and if you do not have any questions, I would like to start the interview.



## **B. Topics**

Strategic goals, sensemaking, sensegiving, factors affecting the strategy implementation, retro perspective vision.

## **C. Interview questions**

### **1. Strategic goals**

- What are the strategic goals of Rijkswaterstaat East Netherlands as formulated by the corporate board and embodied in the ‘ondernemingsplan 2015’
- To what extent are the strategic goals important for your department(s)/district?

### **2. Sensemaking**

- How were the strategic goals created as formulated in ‘the Stip’?
- To what extent are you experiencing freedom to translate the strategic goals to operational goals?
- Based on which information do you make sense of the strategic goals for yourself?

### **3. Sensegiving**

- How do you manage your team in order to make them receptive to the strategic goals?
- Which (technological) means do you use when managing your team?
- What means ‘servant leadership’ to you?
- To what extent is ‘servant leadership’ helpful in translating the strategic goals towards your team?
- To what extent does your team know how their daily operational tasks are contributing to the achievement of the strategic goals?

### **4. Salient factors affecting the strategy implementation**

- Which factors are most salient enabling you to translate the strategic goals into operational goals?
- Which factors are most salient hampering you to translate the strategic goals into operational goals?

### **5. Retro perspective vision**

- Do you think the strategy translation process succeeded? Why/why not?



#### **D. Debriefing**

This was the final question of this interview. I would like to thank you for your cooperation.

Do you have anything to ask or add at this moment?

As told, the results of this interview will be fully ammonized. If you, however, want to check the transcript for factual misinterpretations or things that were misheard during the typing of the transcript, I could send it you the transcript.



<b><u>Appendix 2: Codebook</u></b>	<b>Transcript</b>	<b>1<sup>st</sup> order codes</b>	<b>2<sup>nd</sup> order code</b>	<b>3<sup>rd</sup> order code</b>	<b>4<sup>th</sup> order code</b>
<i>''Availability of networks' plays a huge role, that is our 'raison d'être' as Rijkswaterstaat. My department directly serves the vision of Rijkswaterstaat. ''</i>	1. / MM_1	- Availability of networks 'raison d'être' Rijkswaterstaat.	- Availability of networks	- Varying interest	- Interests strategic goals
<i>''At this moment our focus is on collaboration with our middle managers. We just left a reorganization with a lot of top-down management that we pushed down to our middle managers. As long as it had the label 'reorganization' on it, it was: we just do this. ''</i>	11. / EXEC_1	- DT works together with MT  - Top-down steering on DT	- Sparring-partner middle management  - Facilitating the corporate board	Role executives	N/A
<i>''My added value is that I enable the corporate board to steer. I must deliver the relevant information if it goes good or bad and if we should change something. ''</i>	13. / EXEC_3	- Enabling the DT to steer	-Facilitating the corporate board	Role executives	N/A
<i>''It helps gigantically. If they do not know what is meant with the strategic goals you should help them [employees] by providing direction and space. Moreover, it helps to generate in-depth discussion about: what does it exactly mean for us as a department, and for you, you and you as an individual? That helps with the internalization. ''</i>	1. / MM_1	- Providing direction and space enhances understanding strategic goals  - Discussion on the meaning enhances internalization	- Value of servant leadership  - Internalization of meaning	- Servant leadership  - Creating local understanding	- Role of middle management  N/A

Quotes	Transcript	1 <sup>st</sup> order codes	2 <sup>nd</sup> order code	3 <sup>rd</sup> order code	4 <sup>th</sup> order code
<i>''I have nothing with this term. I also started working here after the introduction of the term 'servant leadership'. I think the name is absolutely wrong. What is meant with it is very good, but I think the term is very one-sided, because it suggests you have one servant and another person waiting to be served. That cannot be the goal.''</i>	13. / EXEC_3	- Nothing with the terms 'servant leadership'  - Good meaning, but one-sided term	- Difficulties servant leadership	- Servant leadership	- Role of middle management
<i>''I also get inspired by colleagues from all over the Netherlands. The fact that we have seven regions, makes my department comparable.''</i>	3./ MM_3	- Information source: peer colleagues other regions	- Human sources	Using key players and peers	N/A
<i>''There is always occasion to discuss the 'guiding statements' in which the vision, strategic course and strategic goals are translated. These 'guiding statements' must provide some handhold. If not, we go discuss them in the 'live-through sessions', to make the guiding statements more concrete and accessible.''</i>	11./ EXEC_1	- Translation of vision, course and goals into guiding statements  - Live-trough sessions	- Guiding statements	Attending live-trough sessions	N/A
<i>''Everyone picks up the meaning of the strategic goals individually in the way he or she can and on the moment he or she can.''</i>	1./ MM_1	- Individual sensemaking strategic goals	- Situational sensemaking	- Creating local understanding	N/A

Quotes	Transcript	1 <sup>st</sup> order codes	2 <sup>nd</sup> order code	3 <sup>rd</sup> order code	4 <sup>th</sup> order code
<p><i>''We make sense of the strategic goals by means of 'the golden circles' of Simon Sinek, which constitutes from the outside in of the three layers: 'what'; 'how'; and 'why'. The outer layer is the 'what', which are the products we make. But the inner layer is most important. That layer is the 'why', the purpose or belief and inspires us what to do in which we ask ourselves: where are we from, why do we exist?''</i></p>	1./ MM_1	<ul style="list-style-type: none"> <li>- Translation by means of golden circles Simon Sinek</li> <li>- Translation based on 'raison d'être'</li> </ul>	<ul style="list-style-type: none"> <li>- Asking questions of existence</li> <li>- Internalization of meaning</li> </ul>	<ul style="list-style-type: none"> <li>- Identity construction</li> </ul>	N/A
<p><i>''We have been looking forward. We collectively brainstormed and iteratively determined the 'connecting thread'. That process started with a small lead group from the board of business operations together with those interested. It really took concrete forms by means of 'work sessions' together with the whole executive management board. ''</i></p>	10./ MM_10	<ul style="list-style-type: none"> <li>- Brainstorming environmental threats</li> <li>- Lead group together with DMT formulates the strategic goals</li> </ul>	<ul style="list-style-type: none"> <li>- Environmental threats</li> <li>- Formation strategic goals</li> </ul>	<ul style="list-style-type: none"> <li>- Collective brainstorming</li> </ul>	N/A
<p><i>''We determined twenty development tasks for the coming year that have the highest priority. These development tasks are strongly related to our strategic goals. Currently we describe for each of these development tasks: why do we do this and how does it contribute to the strategic goals? ''</i></p>	3./ MM_3	<ul style="list-style-type: none"> <li>- Development tasks derived from strategic goals</li> <li>- Coupling development tasks to contribution strategic goals</li> </ul>	<ul style="list-style-type: none"> <li>- Differentiating tasks</li> </ul>	<ul style="list-style-type: none"> <li>- Priority setting</li> </ul>	N/A

Quotes	Transcript	1 <sup>st</sup> order codes	2 <sup>nd</sup> order code	3 <sup>rd</sup> order code	4 <sup>th</sup> order code
<i>''The management funnel works for me, because it facilitates a good conversation with people. What is the exact problem? What do we think is important and which goals do we extract from that? We are supposed to talk about the criteria which eventually will come to servant leadership very soon. ''</i>	11./ EXEC_1	- Management funnel stimulates conversation  - Discussing the criteria	- The management funnel  - Flexibility of criteria	- Criteria setting	N/A
<i>''My project managers always solve problems that had not been solved yet. Although I do my best to determine the criteria sometimes the criteria do not fit the employees' work. In those situations I try to get the criteria discussable. ''</i>	5./ MM_5	- Independency project managers.  - Criteria do not always fit	- Flexibility of criteria	- Criteria setting	N/A
<i>''It is all about the meaning of the strategic goal. What does a goal such as 'reliable partnership' say? It works for me if you bring such a goal very close to the employees' attitude and behavior and if you are rewarding and correcting the employees. ''</i>	1./ MM_1	- Translation is sensemaking  - Bringing goals close by means of attitude and behavior	- Internalization of meaning  - Rewarding and correcting	- Identity construction  - Operationalizing goals to attitude and behavior	N/A  N/A
<i>''It is about the way we work. We should work efficient and try to improve our work every day. That is also what we try to reach with our strategic goals. ''</i>	13./ EXEC_3	- Working efficiently and continuous improvement  the message of strategic goals	- Expressing the message of the reorganization	- Inspiring by means of metaphors	N/A

Quotes	Transcript	1 <sup>st</sup> order codes	2 <sup>nd</sup> order code	3 <sup>rd</sup> order code	4 <sup>th</sup> order code
<i>''The strategic goals, which are given on an abstract level for the corporate service or Rijkswaterstaat, should be translated to the employees enabling to work with them. The words: 'reliable partnership' or 'availability of networks' remain too abstract for an employee who works outside.''</i>	7./ MM_7	- Translation needed for recognition strategic goals  - strategic goals too abstractly formulated	- Recognizability of strategic goals  - Level of abstractness	- The degree of understandability	N/A
<i>''Well, you know. I think these goals are already very understandable. Moreover, the department I am responsible for also think the goals are very understandable. I do not have to translate these goals.''</i>	5./ MM_5	- strategic goals are understandable  - no need to make more concrete	- Level of abstractness	- The degree of understandability	N/A
<i>''The employees at my department have connections at the national ministry at The Hague who expect us to be a reliable partner in project management. My employees understand what is expected to be a reliable partner because it is their work''</i>	5./ MM_5	- 'reliable partnership' intertwined with 'raison d'être' and operations	- Fit between employees' operations and interests  strategic goals	- The degree of understandability	N/A
<i>''That is relatively harmful, because your goal becomes almost a performance indicator, which you do not want them to be. You want the goals to be a basis to improve, as a sort of real physically dot on the horizon which you are heading to. You do not want to be them to be a measurable indicator on which you could be judged. That is really another use. Measuring to improve differs from measuring to judge to</i>	10./ MM_10	- Operationalizing goals into performance indicators is harmful  - Measuring to improve differs from measuring to judge	- Performance indicators  - The 'Dot'	- Priority setting  - Inspiring function	N/A  - Conflicting goal functions

judge.''					
Quotes	Transcript	1 <sup>st</sup> order codes	2 <sup>nd</sup> order code	3 <sup>rd</sup> order code	4 <sup>th</sup> order code
<i>''I have to ensure that they deliver their maximum added value, because they run production in that way. That means I keep them away from a lot of organizational and system related things, because they do not like it. They want to be busy with content and their content is our production. ''</i>	1./ MM_1	- Preferring employees in production  - Creating production focus by employees	- Production focus	- Structuring function	- Conflicting goal functions
<i>''There has to be some balance in the work. Sometimes the middle managers make decisions in which they argue: - ''We have to little capacity for our production, so I focus on production. '' - For the short term that is fine, but in the end you are not moving forward. ''</i>	11./ EXEC_1	- tension between capacity and time  - production focus of middle managers	- Production focus middle managers perceived as resistance	- Structuring function	- Conflicting goals functions
<i>''They [middle managers] are all focused on: - ''Yes, but first the work, first the production '' - I think this organization is still too much a project organization to realize that the work has to be done in another way. That requires some investment, but it will pay off. ''</i>	12./ EXEC_3	- production focus middle managers frustrates development	- Production focus middle managers perceived as resistance	- Structuring function	- Conflicting goals functions
<i>''Probably everyone got his own understanding of what the strategic goals really mean, due to their different backgrounds and work areas. Sometimes those understandings do not fit each other, while we are all together in one process. We must establish a process organization and not a line</i>	6./ MM_6	- Own understanding of strategic goals  - Establishing a process organization	- Differing work areas  - High need for collective sensemaking	- Situational sensemaking  - Process-based collaboration	- Creating local understanding  - Process-based collaboration invoking needs for sensemaking

<i>organization.'</i>					
<b>Quotes</b>	<b>Transcript</b>	<b>1<sup>st</sup> order code</b>	<b>2<sup>nd</sup> order code</b>	<b>3<sup>rd</sup> order code</b>	<b>4<sup>th</sup> order code</b>
<i>'We do not have to translate the strategic goals all in the same way. A good translation process, however, requires agreement within the executive management board on what constitutes a good strategy translation. We should collectively set the indicators such as criteria, examples or tools to let our employees be committed, be informed, be worked on... et cetera. We should determine and collectively agree on the indicators such that we can actually measure if we reached a good translation.'</i>	3./ MM_3	- Agreements on criteria, examples and tools of translation  - Setting indicators for measuring the translation process	- Collective agreements on norms translation process	- Commitment DMT	- Process-based collaboration invoking needs for sensemaking
<i>'I think a good translation process requires commitment to the agreements we make in the executive management board. Where do we set the priorities in our processes given the importance of the three strategic goals? We should collectively agree and let it come back in all of our processes.'</i>	8./ MM_8	- Making collective agreement regarding priorities  - Integrating agreed priorities in all the processes	- Collective agreements on priorities	- Commitment DMT	- Process-based collaboration invoking needs for sensemaking

## **Appendix 3: Template analysis**

Note: The first order codes which resulted from the open coding process are not presented.

### **1. INTEREST AND ROLES**

#### **1.1 Interests strategic goals**

##### **1.1.1 Varying interests**

1.1.1.1 Availability of networks

1.1.1.2. Trustworthy partnership

1.1.1.3 Good employment

#### **1.2 Role of executives**

1.2.1 Facilitating corporate board

1.2.2 Screening the environment

1.2.3 Sparring partner middle management

#### **1.3 Role of middle management**

1.3.1 Servant leadership

1.3.1.1 Definition servant leadership

1.3.1.2 Value of servant leadership

1.3.1.3 Application servant leadership

1.3.1.4 KR8 management training

1.3.1.5 Difficulties servant leadership

1.3.1.6 Receptivity servant leadership for middle manager

1.3.1.7 Receptivity servant leadership for employee

### **2. SENSEMAKING**

#### **2.1 Using key players and peers**

2.1.1 Human sources

2.1.2 Practical knowledge

#### **2.2 Attending live-trough sessions**

2.2.1 Guiding statements

2.2.2 Experience meaning by means of cases

#### **2.3 Creating local understanding**

2.3.1 Situational sensemaking

2.3.1.1 Differing work areas

2.3.2 Differing interests

2.3.3 High degree of freedom to create understanding

#### **2.4 Identity construction**

2.4.1 Internalization of meaning

2.4.2 Asking questions of existence

## **2.5 Collective brainstorming**

- 2.5.1 Formation strategic goals
- 2.5.2 Environmental threats

# **3. SENSEGIVING**

## **3.1 Priority setting**

- 3.1.1 Performance indicators
- 3.1.2 Differentiating tasks

## **3.2 Criteria setting**

- 3.2.1 The management funnel
- 3.2.2 Flexibility of criteria

## **3.3 Operationalizing goals to attitude and behavior**

- 3.3.1 Sub goals
- 3.3.2 Rewarding and correcting

## **3.4 Inspiring by means of metaphors**

- 3.4.1 Expressing the message of the reorganization
- 3.4.2 The 'Dot'

## **3.5 Visual management**

- 3.5.1 Application of visual management
- 3.5.2 Forms of visual management
- 3.5.3 Value of visual management

# **4. MOST SALIENT FACTORS AFFECTING THE SENSEMAKING AND SENSEGIVING PROCESSES**

## **4.1 The degree of understandability**

- 4.1.1 Recognizability strategic goals
- 4.1.2 Level of abstractness
- 4.1.3 Fit between employees' operations and interests strategic goals

## **4.2 Conflicting goal function**

- 4.2.1 Inspiring function
  - 4.2.1.1 The Dot
- 4.2.2 Structuring function
  - 4.2.2.1. Production focus
  - 4.2.2.2 Production focus middle managers perceived as resistance

## **4.3 Process-based collaboration invoking needs for sensemaking**

- 4.3.1 Process-based collaboration
  - 4.3.1.1 High need for collective sensemaking
- 4.3.2 Commitment DMT
  - 4.3.2.1 Collective agreements on priorities
  - 4.3.2.1 Collective agreements on norms translation process

